

**INVESTMENT ADVISER BROCHURE**

**NORWEST CAPITAL ADVISORS, LLC**

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**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Norwest Capital Advisors, LLC, a Delaware limited liability company (“Norwest”). If you have any questions about the contents of this brochure, please contact us at (612) 215-1600. 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. Registration with the SEC does not imply a certain level of skill or training.**

Norwest is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Norwest, which may include references to its related persons, including one or more of its relying advisers, as the context requires, is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2. Material Changes**

This filing serves as an amendment to the initial filing of Norwest's Form ADV Part 2A dated July 20, 2023. This amendment supplements disclosures made in the previous filing.

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## **Item 4. Advisory Business**

Norwest was organized in 2022 to manage the assets of privately offered pooled investment vehicles and/or separately managed accounts (each, a “Client” and collectively, “Clients”). Timothy C. DeVries, Sundip Murthy, Brian Allingham and Anthony Armand are the founders and direct and indirect owners of Norwest.

Norwest focuses on generating returns for its Clients across two strategies, Norwest Equity Partners (“NEP”) and Norwest Mezzanine Partners (“NMP”). The NEP strategy seeks to invest on behalf of Clients in the middle-market primarily as a control investor in later-stage companies with proven business models, aiming to develop the companies for long-term success. The NMP strategy primarily supports control transactions in later-stage companies with proven business models through subordinated debt securities and equity investments in partnership with private equity sponsors, including NEP.

### **Privately Offered Pooled Investment Vehicles**

Norwest serves as investment adviser to privately offered pooled investment vehicles (collectively, the “Funds”) formed as limited partnerships or limited liability companies (where Norwest or a controlled affiliate is the general partner or managing member (collectively, the “General Partners”)). The Funds are available only to investors who are “accredited investors” under the Securities Act of 1933, as amended (the “1933 Act”), and “qualified clients” under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). In most cases, investors must also be “qualified purchasers” under the Investment Company Act of 1940, as amended (the “1940 Act”). The Funds’ interests are not available to the general public and the Funds are not registered investment companies.

The Funds are closed-end funds, where each investor makes an up-front commitment to contribute a stated amount of capital as it is called by Norwest (or a controlled affiliate) for investment and/or expenses, and generally may not withdraw capital prior to the end of the stated multi-year term of the relevant Fund.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” Norwest’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Norwest or its affiliates generally serve on such portfolio companies’ respective boards of directors and provide advisory services to the portfolio companies in which the Funds have invested.

Norwest’s advisory services to the Funds are detailed in the relevant private placement memoranda or other offering documents (each, a “Memorandum”), limited partnership or other operating agreements of the Funds (each, a “Partnership Agreement” and, together with any relevant Memorandum, the “Governing Documents”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Funds (generally referred to

herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between Norwest and any investor. The Funds or the General Partners generally enter into side letters or other similar agreements (collectively, the “Side Letters”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

Additionally, from time to time and as permitted by the Governing Documents, Norwest expects to provide (or agrees to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Norwest’s personnel and/or certain other persons associated with Norwest and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment even though there can be no assurance that this will always be the case. For example, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund’s initial purchase. Where appropriate, and in Norwest’s sole discretion, Norwest reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

### **Separately Managed Accounts**

In addition to managing the Funds described above, Norwest serves as investment adviser to separately managed accounts for institutional Clients. Norwest may act in such a capacity under an investment advisory agreement or as the manager of a single investor limited liability company or limited partnership. These accounts will invest in the same strategies generally employed by one or more Funds, but may have modified investment guidelines that are tailored to the individual objectives of the Client.

As of the date of this filing, Norwest managed \$4,539,982,697 in client assets on a discretionary basis.<sup>1</sup>

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<sup>1</sup> Please note that (i) this figure represents regulatory assets under management and is calculated based on available estimated balances of the relevant funds as of 9/30/2023, (ii) for certain of the funds, such balances also include the estimated impact of activities that occurred in October 2023, and (iii) the final balances of the relevant funds may be different from the estimates used for calculating regulatory assets under management for this filing.

## Item 5. Fees and Compensation

Generally, investors in the Funds are charged annual management fees (“Management Fees”) based on (i) during the investment period or a fixed period of time, a specified percentage of capital commitments and, thereafter, net asset value or a specified percentage of invested capital, or (ii) a specified percentage of invested capital. Management Fees are calculated and payable quarterly in advance. Installments of the Management Fee payable for any period other than a full quarterly period are adjusted on a pro rata basis according to the actual number of days in such period. The Management Fee is generally payable until all portfolio investments are distributed or until Norwest’s relationship with the relevant Fund is terminated as provided in the Fund’s Governing Documents. Certain investors in the Funds, including employees, officers, directors and operating advisors of Norwest and their related estate planning vehicles and certain strategic investors, may pay reduced or no Management Fees at Norwest’s discretion (however these investors generally pay their *pro rata* share of the investment vehicles organizational and operating expenses).

While the Governing Documents of some Funds provide that such Funds’ Management Fees will be calculated and charged on a basis that is tied to the Fund’s then-current net asset value after a fixed period of time, the Governing Documents of some other Funds provide that such Funds’ Management Fees will be calculated and charged on a basis that is not tied to the Fund’s then-current net asset value, in which event, unless otherwise provided in the relevant Governing Documents, Management Fees generally will be charged based on a formula tied to the amount of the aggregate cost of investments made by the relevant Fund which is reduced by net write-downs due to a permanent impairment in value (as determined by the relevant General Partner for U.S. federal income tax purposes) of such investments (calculated on an aggregate basis taking into account any write-ups (not in excess of cost)) or (i) from the effective date of the relevant Fund until a date specified in such Governing Documents (generally representing the earlier of the end of the Fund’s defined investment period and the date the relevant General Partner (or an affiliate thereof) first begins receiving or accruing management fees from another Fund meeting certain criteria) (the “Stepdown Date”), Management Fees generally will be charged based on a formula tied to the amount of the relevant Fund’s aggregate Commitments and (ii) after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions made by the relevant Fund that have not been disposed of or completely written-off to the extent that, as of the date of any such disposition or write-off, the aggregate fair market value of all remaining investments (excluding bridge financing) in the relevant portfolio company is less than the relevant Fund’s aggregate investment contributions made with respect to such portfolio company.

As a result, except where the Governing Documents expressly provide to the contrary, the amount of Management Fees generally will not correspond with fluctuations in the Fund’s net asset value, including following the investment period, and will not be reduced in connection with any write downs (whether temporary or permanent) or in the case of partial distributions or partial sales of investments. Further, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs that occur partway through the relevant calculation period.

The Governing Documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

For Funds, Norwest or an affiliated company is generally also entitled to receive “carried interest” equal to a specified percentage of realized profits. This carried interest is based on realized gains and income received, and is payable as proceeds are distributed, subject, in some cases, to a claw-back arrangement to account for possible or actual losses subsequently incurred. Certain investors in the Funds, including employees, officers, directors and operating advisors of Norwest and their related estate planning vehicles and certain strategic investors, may be subject to pay reduced or no “carried interest” at Norwest’s discretion (however these investors will generally pay their pro rata share of the investment vehicles organizational and operating expenses).

Separately managed accounts managed by Norwest will generally be charged management fees and in some cases performance fees or “carried interest” similar to (but not necessarily the same as) those applicable to the Funds. The fees for these accounts will be negotiated directly with such Client and vary depending on the structure of the vehicle, the size of the investment, and other relevant factors.

Norwest and its affiliated companies are permitted to receive, in addition to Management Fees, performance fees and carried interest, certain additional fees (collectively, the “Supplemental Fees”) in connection with providing services to portfolio companies or potential portfolio companies, including for example fees for mergers, acquisitions, financings or other investment banking related activities, monitoring fees or fees for acting as a director, trustee, partner or adviser of any such portfolio company or potential portfolio company. Other than Supplemental Fees which will remain with Norwest or its affiliates as further described in the relevant Governing Documents, the allocable shares of the Supplemental Fees, net of reimbursement of expenses incurred by Norwest and its affiliates, will generally be paid to the applicable Clients, or offset against Management Fees, subject to limitations contained in such Clients’ Governing Documents or account agreement.

In addition to those fees described above, each Fund bears certain expenses, which, subject to the Governing Documents of the Fund, is expected to include the following: all other fees, costs, expenses, liabilities and obligations relating to the Fund and/or its activities, business, portfolio companies or actual or potential investments, including with respect to any person formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or a potential portfolio company), including all fees, costs, expenses, liabilities and obligations relating or attributable to (i) activities with respect to the origination, identification, sourcing of investment opportunities (including meeting with consultants, finders, broker-dealers, investment banks and other sources of investments and developing and maintaining an investment pipeline), pursuing, developing, structuring, organizing, negotiating, consummating, originating, financing, refinancing, diligencing (including any subscriptions to any periodicals, databases and/or research services or software) acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, settling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, the Fund’s portfolio companies, and its actual and potential investments, including follow-on investments and refinancings, or

seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Fund, the relevant General Partner, the Management Company or any “affiliated partner” on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest expenses, fees, and repayment of principal with respect to obtaining such credit facility, letter of credit or similar credit support and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) costs and expenses of research related and market data expenses including, without limitation, news and quotation equipment, software and services; (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, sales commissions, investment banker and similar services; (vi) brokerage, sale, custodial, depository, local paying agent, trustee, record keeping, account registered office and similar services (including any depository appointed pursuant to the Alternative Investment Fund Managers Directive or any similar law, rule or regulation and any Swiss representative or ombudsman or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended) and the Swiss Financial Services Act (as amended), including any law, rule, or regulation relating to the implementation of either the foregoing (“CISA” and “FinSA,” respectively)); (vii) legal, research, accounting, auditing, technology, administration, tracking (including fees and expenses associated with the Fund’s third-party administrator and administration, tracking or reporting software, if any), 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, the General Partner related persons or any of its members, consultants performing investment initiatives and providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services; (viii) the costs of unconsummated investments or disposition opportunities (including, without limitation, all costs and expenses incurred in developing, investigating, negotiating, structuring or terminating any proposed portfolio investment in which the Fund does not actually invest and/or that may have been offered to co-investors (including co-investors’ proportionate share of any expenses related to an investment or other opportunity not consummated) and any restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful, and in each case, any broken deal fees, and break-up, reverse break-up, termination and other similar fees (collectively, the “Broken Deal Expenses”); (ix) insurance, including directors and officers liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses (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 for the Fund, the relevant General Partner, Norwest Capital Management, LLC (the “Management Company”) or any of their respective employees, members or affiliates; (x) filing, title, transfer, survey, registration and other similar fees and expenses; (xi) printing, communications, mailing, courier,



marketing and publicity; (xii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedules K-1 or similar forms or other communications with investors, or any other administrative, compliance or regulatory filings or reports (including Form PF, Bureau of Economic Analysis Reports and any filings or reports or other ongoing compliance requirements contemplated by the Alternative Investment Fund Managers Directive, the CISA, the FinSA, the EI Sustainable Finance Disclosure Regulation, and/or the EI Taxonomy Regulation (as required), any Foreign Account Reporting Requirements and/or any similar law, rule or regulation to any of the foregoing), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xiii) compliance with any tax or financial account reporting regime, including the Foreign Account Tax Compliance Act, 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; (xiv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management, portfolio monitoring, valuation and cybersecurity) or other administrative or reporting tools (including subscription based services) for the benefit of the Fund or the limited partners; (xv) any activities with respect to protecting the confidential or non-public nature of any information or data (including any costs incurred in connection with any data protection, privacy or other similar laws, the Freedom of Information Act or “sunshine” or similar laws); (xvi) to the extent provided in the Governing Documents or as otherwise approved by the General Partner in its sole discretion, activities or proceedings of the advisory board (including any reasonable out-of-pocket costs and expenses incurred by representatives of the General Partner, the advisory board members, permitted observers and other Persons in attending or otherwise participating in meetings of the advisory board); (xvii) indemnification (including any legal fees and any other fees, costs and expenses incurred in connection with indemnifying any investor or other person pursuant to the Governing Documents and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Governing Documents), except as otherwise set forth in the Governing Documents; (xviii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xix) any annual limited partner meeting or webcasts or other video conferences or other periodic or special, if any, meetings of the limited partners and any other conference, meeting or webcast or other video conference with any limited partner(s) (in each case, including any costs associated with venue, set-up, room and board, dining, entertainment, gifts and mementos, honorarium, events or speakers and other meeting or conference-related costs); (xx) costs charged or specifically attributed to or allocated by the General Partner, the Management Company or their respective affiliates to provide in-house legal, administrative, accounting, finance, tax, capital markets, compliance, ESG or other similar services to the Fund and/or portfolio companies, and costs and expenses incurred by the Fund, the General Partner, the Management Company or their respective affiliates in connection with the provision of such in-house services, including, without limitation, compensation (including salaries, bonuses and other benefits) and other overhead allocable or attributable to such in-house services (in each case, based on such metric as the General Partner or its affiliates determine in good faith (which metric may change over time, as determined by the General Partner in its sole and absolute discretion)); (xxi) except as otherwise determined by the General Partner in its sole discretion, any

fee, cost, expense, liability or obligation 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 the Fund expense or if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding-up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such feeder vehicles, and any other fees, costs and expenses related to any structuring or restricting of any alternative investment vehicle or portfolio company; (xxii) the termination, liquidation, winding-up or dissolution of the Fund and any Person owned directly or indirectly by the Fund (including portfolio companies) and related entities; (xxiii) defaults by investors in the payment of capital contributions; (xxiv) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the General Partner and related entities and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxv) complying 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 the validation or other confirmation of any payments made to the Fund, the General Partner or the portfolio companies, including as a result of any anti-money laundering laws, rules or regulations), including any legal, administrator, consulting or other third-party service provider costs related thereto, in each case related to the activities of the Fund (including regulatory expenses of the General Partner incurred in connection with the operation of the Fund and legal fees and expenses) and any person owned directly or indirectly by the Fund (including portfolio companies) and related entities and any costs related to compliance with any environmental, social or governance or other investment considerations and policies applicable to the Fund, the General Partner and/or any of their respective affiliates; (xxvi) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any costs of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Governing Documents; (xxvii) any consultants, experts or advisors engaged by the General Partner or its related person, including independent appraisers, engaged in connection with the Fund considering, making or holding or disposing of, directly or indirectly, an investment in the same person as one or more other investment funds or other investment vehicles sponsored or managed by the Management Company or any of its affiliates; (xxviii) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner or any limited partner's name change, internal restructuring or change in trust, registered agent or custodian; (xxix) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, inquiry, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by an investor or such tax, fee or charge is treated as having been distributed to the investors pursuant to the Governing Documents), and any costs of or related to a "partnership representative", and any changes to the operation of the Fund and the terms of the Governing Documents, and any agreement with any other provider of services to or in respect of the Fund (and any disclosures relating to the foregoing), which the General Partner considers to be necessary or desirable and arise from any material change in the legal, tax or regulatory system in which the Fund operates; (xxx) distributions to the investors and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; (xxxi) unreimbursed expenses and unpaid fees of the the General Partner related person or its members, employees or other persons engaged by the General Partner or its related person; (xxxii) compliance or regulatory matters except as may

otherwise set forth in the Governing Documents, including compliance with the Governing Documents and/or any side letter or similar agreement and compliance with, and the effectuation of, any “most favored nations” clauses thereunder; (xxxiii) any travel (including first-class travel or chartered travel, with costs at rates comparable to first-class airfare; *provided*, that the cost of such chartered travel shall be limited to the cost of first-class travel unless such chartered travel is used solely in connection with the activities of the Fund in instances where (A) the destination is a remote location, (B) there are no regularly scheduled flights, (C) there are exigent circumstances, or (D) there are valid safety concerns in respect of the point of departure, the route or the point of destination), care or ride sharing services, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxiv) all costs and expenses associated with operating any feeder vehicle which invests all or substantially all of its assets in the Fund, including all expenses associated with its management, operation, winding-up, liquidating and dissolution and with preparing and distributing such feeder vehicle’s financial statements, tax returns and feeder vehicle investor reports, but not including any income-based or similar taxes, fees or other governmental charges levied against such feeder vehicle; (xxxv) any organizational expenses; (xxxvi) any placement fees; (xxxvii) any other fees, costs, expenses, liabilities or obligations approved by the advisory board. As a general matter, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

Subject to the Governing Documents of each Fund, excluded from Fund expenses are expected to include ordinary administrative and overhead expenses (other than Fund expenses) of managing the Fund incurred by the General Partner or the Management Company in connection with maintaining and operating their respective offices (including salaries, rent and equipment expenses) to the extent not borne or reimbursed by a portfolio company. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for use of the facility. While Norwest believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Norwest, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Norwest’s related policies and practices and the Governing Documents and/or Side Letter(s). Where

a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, however, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. To the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such Broken Deal Expenses where permitted by such vehicle's Governing Documents. The Adviser's practice of allocating Broken Deal Expenses among investing Funds is discussed under "Conflicts of Interest," below. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

Additionally, as further described herein and in the Governing Documents, it is Norwest's practice to use or retain certain operating advisors (including entities formed for the benefit of such persons and/or to facilitate the provision of their services) to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Such operating advisors generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. Operating advisors receive compensation, including, but not limited to, cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from Norwest and/or its Funds or affiliates, or other compensation, the amount of which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such operating advisors, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the relevant Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all operating advisor compensation as well as fees, costs and expenses of structuring operating advisor arrangements, to the extent such fees, costs or expenses are not paid by such portfolio company. Operating advisors also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset or reduce the Management Fee. The use of operating advisors subjects the General Partners to potential conflicts of interest, as discussed under "Conflicts of Interest," below.

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

As described under “Fees and Compensation,” Norwest receives carried interest or performance fees from certain Clients. Norwest also manages accounts that are not charged carried interest or performance-based compensation, or are charged performance-based compensation in lower percentages or with higher preferred return amounts that must be met before Norwest is compensated. This practice could present a conflict of interest because Norwest has an incentive to favor accounts for which it receives the highest carried interest or performance-based compensation. In addition, Norwest may, on a case-by-case basis, waive or reduce these performance-based fees with respect to certain affiliates and other persons.

The existence of performance-based compensation has the potential to create an incentive for a General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Norwest generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund’s life or at certain interim intervals.

The policies and procedures of Norwest are designed to ensure that investment opportunities will be allocated to the Clients in accordance with each Client’s investment guidelines and Governing Documents, as well as other factors that do not include the amount of carried interest or performance-based compensation received by Norwest or any personnel.

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

Norwest provides its investment advisory services to Funds and to separately managed accounts. Interests in the Funds and separately managed accounts are available only to a limited number of institutional investors and high-net-worth individual investors who are “accredited investors” under the 1933 Act, and “qualified clients” under the Advisers Act. In most cases, investors must also be “qualified purchasers” under the 1940 Act. The Funds are not made available to the general public and will not be registered investment companies.

Each Fund advised by Norwest has a minimum investment requirement as disclosed in the Governing Documents for such Fund. Norwest, in its discretion and on a case-by-case basis, may accept initial investments into its investment vehicles below the stated minimums. Separate accounts managed by Norwest will not have stated minimums but it is expected that all such accounts will equal or exceed the minimum requirements of comparable Funds.

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

### General

Norwest is a private investment firm focused on equity, debt and other investments in market-leading companies believed to benefit from Norwest's in-house operating professionals and experience. Norwest's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly in non-public companies, although investments in public companies are permitted.

Once an investment opportunity has been identified, Norwest seeks to implement an effective operating strategy to improve the performance of the acquired company by (i) developing strategic and operating plans, (ii) building the management team and (iii) providing significant resources to portfolio companies.

There can be no assurance that Norwest will achieve the investment objectives of any Client and a loss of investment is possible.

### Investment Strategies

#### *The NEP Strategy*

For the NEP strategy, Norwest seeks to achieve its target investment performance by investing (through control buy-outs, recapitalizations and minority investments, with control-like rights) in middle-market companies primarily in, but not limited to, the business services, consumer services, consumer products, and industrials sectors. Norwest seeks to create for each Client following the NEP strategy a diverse portfolio by industry within these sectors. When employing the control buyout strategy, Norwest strives to, in conjunction with existing management, acquire equity positions in established, profitable, companies with a perceived sustainable competitive advantage, by obtaining voting control with management (except recapitalizations) and ongoing board involvement. In the case of its minority investments, Norwest seeks to expand industry segment exposure for a Client by investing in companies with developed products or services, growing revenues, a strong management team and positive cash flows, whereby Norwest retains control-like governance rights. Norwest intends to focus on domestic companies, with an emphasis on mid-west and south-east markets, but also makes targeted international investments, primarily as add-on investments.

#### *The NMP Strategy*

For the NMP strategy, Norwest seeks to achieve its target investment performance by investing in subordinated debt securities, preferred equity, and common equity (including warrants) of well-managed profitable middle-market businesses undergoing traditional ownership changes with strong equity partners. For Clients following the NMP strategy, Norwest may invest up to 25% of the Client's commitment in investments led by NEP as its equity partner. The NMP strategy supports control transactions in later-stage companies with proven business models that are already

profitable through subordinated debt securities and equity investments, primarily in business and consumer services, consumer products, industrials, and healthcare. Norwest seeks to create for each Client following the NMP strategy a diverse portfolio by industry within these sectors. The NMP strategy intends to focus on domestic companies.

### Investment Process

Norwest receives information about prospective investments from a number of sources and such potential opportunities are generally reviewed on a weekly basis. When Norwest identifies an opportunity of interest, Norwest begins the process of conducting what it views as commercially reasonable due diligence on the opportunity drawing upon both in-house and third-party resources. The overall objective of the due diligence is to identify attractive investment opportunities and the related associated risks.

Norwest also intends to review each potential investment opportunity in relation to a Client's overall portfolio in an effort to ensure that the proposed investment size and industry concentration is consistent with the Client's overall investment strategy and targeted allocations. Further, Norwest will seek to negotiate the terms of the liquidity of any proposed investment in a manner they believe is consistent with the Client's overall investment horizon and term.

### Investment Risks

All investments involve the risk of loss of capital. The nature and characteristics of the investments Norwest may invest into on behalf of certain Clients and the strategies Norwest may employ on behalf of certain Clients may further amplify this risk of loss of capital. The identification of attractive investment opportunities is difficult and involves a significant degree of uncertainty and risk.

The risks, where applicable, involved with Norwest's investment strategy and an investment in a Fund include, but are not limited to:

*Business Risks.* A Fund's 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.* The performance of the prior investments of Norwest or any of its partners, members or employees is not necessarily indicative of any Fund's future results. With respect to unrealized or partially unrealized investments, forward-looking operating results will often be based on management judgments, with adjustments to such forward-looking results made by the General Partners in their discretion. General economic conditions, which are not predictable, can have a material adverse effect on the reliability of such financial projections and the ultimate realized results could be materially different. There can be no assurance that the Funds will generate investment returns commensurate with the past performance of Norwest and its affiliates. Among other factors, the past performance of individual portfolio investments does not reflect the management fees, carried interest, taxes, transaction costs and other expenses to be borne by the



limited partners, which in the aggregate are expected to be significant. Descriptions of specific investments included in the Governing Documents and in any other offering or marketing materials are for illustration of Norwest's investment process only, and are not a guarantee that specific investments made by any Fund will be successful. While the General Partner intends for a Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return or other targeted return metrics will be achieved. On any given investment, loss of principal is possible.

Any fund-level past performance information may include the effects of recycling capital, but also expressly does include the effects of incurring indebtedness to finance investments pursuant to a subscription or other credit facility in advance of or in lieu of calling capital, any or all of which will have caused such past performance information to be greater than it would have been in the absence of such recycling or incurrence of indebtedness, which may not occur or be expected to occur with respect to the relevant Fund on a similar level as may have been reflected in any such past performance information. Any gross or net internal rate of return ("IRR") calculations included in any such past performance information would have been based on the timing of any payment of capital contributions received, and therefore such IRR calculations reflect the materially beneficial or materially enhanced impact thereon of such borrowings. There can also be no assurance that a Fund will be able to use a subscription or other credit facility in the same manner, to the same extent or with the same (or any) effect as may have been used and reflected in any such past performance information. Prospective investors are encouraged to contact the representatives of the Management Company to discuss any such past performance information and the procedures and methodologies (including assumptions) used to calculate the same.

Furthermore, a significant deterioration in economic and market conditions commenced shortly after the onset of the COVID-19 pandemic in March 2020. While such conditions have in certain areas recovered to (and in some cases improved beyond) pre-COVID-19 levels, there can be no assurance that any lingering effects would not materially and adversely impact any past performance information as of or prior to that date, as well as (if economic and market conditions worsen as a result of any new developments in the evolution of the COVID-19 pandemic, any future performance that was projected for any period after that date). In particular, any performance information regarding any predecessor or other fund or its investments as of or prior to December 31, 2019 would have been based on assumptions made as of such date, prior to the onset of the COVID-19 pandemic, and therefore may not be accurate under current or future market conditions. (see "*—Public Health Emergencies*").

*Investment in Junior Securities.* The securities in which a Fund is expected to invest will 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 such Fund's investment once made.

*Concentration of Investments.* A Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment/sector or within a short period of time. As a result, such Fund's investment portfolio could become highly concentrated, and as a result 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, such Fund may invest in fewer portfolio companies and thus be less diversified.

A Fund 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 Governing Document, in which case the investment would be treated as a permanent investment of such Fund. As a result, such Fund's portfolio could become more concentrated with respect to such investment than initially expected.

*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 a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, the limited partners will be required to bear Management Fees through such Fund during the investment period based on the entire amount of the limited partners' commitments to such Fund and other expenses as set forth in the Governing Documents.

*Dynamic Investment Strategy.* While each General Partner generally intends to seek attractive returns for a Fund through pursuing the investment strategy described herein, the relevant General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Governing Documents. A General Partner is permitted to pursue investments outside of the industries and sectors in which Norwest's investment professionals have previously made investments or has internal operational experience.

*Illiquidity; Lack of Current Distributions.* An investment in a Fund 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 a portfolio company may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment by a Fund in such portfolio company. Before such time, there may be no current return on such Fund's equity investments, and as such, there may be no return to the limited partners in respect of their investment in the Fund for a long period of time. Furthermore, the expenses of operating a Fund (including any Management Fee payable to the applicable General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments. Accordingly, an investment in a limited partnership involves complex tax considerations and investors in a Fund may in certain circumstances be treated as receiving income or gains from such Fund which exceed their share of distributions in any given period. In addition, a Fund may reinvest net cash generated from its operations, sales or other dispositions in additional investments. This may leave investors with a tax liability which cannot be funded entirely from the investor's returns from a Fund. Investors may have additional tax liabilities in their country of citizenship or residence or may be entitled to additional tax relief in that country. This could have the effect of increasing or decreasing the post-tax return on their investment in a Fund. In addition, there can be no assurance that a Fund will have sufficient cash flow to permit it to make annual distributions in the amounts necessary for the limited partners to pay all tax liabilities resulting from the limited partners' ownership of limited partner interests.

*Lack of Unilateral Control.* Some of the Funds are not in a position to control any entity in which it invests by virtue of making the related investment and, therefore is not expected to have a right to appoint a director and is expected to have a limited ability to protect its interests in such entities and to influence such entities' management. This could result in the relevant Fund's investments being frozen in minority positions that incur substantial losses. In such cases, such Fund will be significantly reliant on the existing management and board of directors of such entities, which may include representation of other financial investors with whom the relevant Fund is not affiliated and whose interests may conflict with the interests of the Fund. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent a Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, is subject to terms and conditions imposed by portfolio company lenders, or makes a minority investment, the relevant portfolio company may 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 relevant Fund or its limited partners. Such third parties may be in a position to take action contrary to a Fund's business, tax or other interests, and a Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a Fund 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.

*Leveraged Investments.* A Fund expects to use leverage by incurring or having a portfolio company or affiliate entity 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 such Fund's 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 by a Fund will result in interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will constrain 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 a Fund's 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 such Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, 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 may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund invests generally will not be rated by a credit rating agency. Except where otherwise

required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where such Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

A Fund is permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of commitment to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally is not expected to be subject to any similar timing limitations, including with respect to the amount of time such leverage may remain outstanding. A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by Norwest or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management personnel of or affiliated with the relevant General Partner, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that such Fund will disproportionately bear the risk and/or costs of leverage arrangements.

A Fund may use credit facilities for the purchase or implementation of certain investments or for other portfolio management purposes, including on a joint and several basis with one or more other Funds and entities managed by Norwest or any of its affiliates. Should such credit facilities be utilized, a Fund would incur additional interest and other expenses with respect to such facilities. Any such credit facility provider that permits a Fund to borrow may accept Fund assets as collateral for such credit facility and may be permitted to require the sale or liquidation of Fund assets held by it as collateral, after default by such Fund, or a cross-default by another borrower under such credit facility, pursuant to the agreement with such credit facility provider. Events of default under any such credit facility may include, among other things, failure to pay amounts due under such credit facility, failure to inform the credit facility provider of certain events with respect to such Fund or other borrower, failure to provide the credit facility provider with certain periodic reports and financial statements, breach by such Fund or other borrower of other representations and covenants contained in credit facility documentation and other similar terms. In such instances, the credit facility provider may take any such action without notice to such Fund or the relevant General Partner. If any such credit facility provider were to require such Fund to sell or liquidate assets or otherwise act to realize on such collateral, these actions will constrain the operational capabilities of such Fund and have adverse tax and economic effects on such Fund.

In connection with any financing, guarantee or other borrowing transaction, the relevant General Partner shall have the right, at its option, to pledge any or all of the assets of a Fund, including the investors' unfunded commitments, as security for any financing incurred directly or indirectly by such Fund. Limited partners may be required to honor capital calls made by the lender. The incurrence of leverage by a Fund or a flow-through entity owned by such Fund may cause tax-exempt investors to recognize UBTI under Code §514.

*Distressed Investments.* A Fund 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 relevant General Partner 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 in a restructuring, recapitalization or liquidation, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially and adversely different than the original securities in which such Fund invested.

*Growth Equity Transactions.* A Fund may make growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments generally involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion to achieve or maintain a competitive position and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

*Interest Rate Risk.* Interest rate risk refers to the risks associated with market changes in interest rates. In general, the price of most fixed income investments moves in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income investments falls. Consequently, the longer the maturity of a fixed income security, the greater the risk that interest rates may rise and thus the fall in price of the security may be larger than the fall in price would have been for a security with a shorter maturity. If a Fund holds a fixed income security to maturity, the change in its price before maturity may have little impact on the relevant Fund's performance; however, if a Fund has to sell the fixed income security before the maturity date, an increase in interest rates (from the time the investment had been made) may result in a loss to the Fund.

Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). A Fund's other portfolio investments may also be affected by changes in interest rates. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. Declines in market value, if not offset by any corresponding gains on hedging instruments, may ultimately reduce earnings or result in losses to the Fund.

As interest rates change, the prices of long-term debt obligations generally fluctuate more than prices of short-term debt obligations. To the extent the Fund invests in longer-term portfolio investments, it will be impacted to a greater degree by changes in market interest rates than if the Fund invested primarily in short-term debt securities and instruments.

In addition, a Fund's available leverage under its credit facilities are generally expected to incur interest at floating rates, which presents additional interest rate risks for the Fund generally to the extent of any fixed-rate investments held by the relevant Fund. A Fund may, but will not be required to, hedge interest rates. Any hedging strategies may not be successful and even if they are, they will impose costs that may decrease the returns of such Fund.

*Market and Credit Risks of Debt Investments.* Certain Fund's investments will expose a Fund (directly or indirectly) to "credit risk," because debt investments are subject to credit risk. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument and how this risk changes over time. Financial strength and solvency of an issuer and the priority of any lien are the primary factors influencing credit risk. In addition, lack or inadequacy of any collateral or credit enhancement for a debt instrument may affect its credit risk. There can be no assurance that the liquidation of any collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to a debt investment, or that any such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the relevant Fund could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing an investment. Under certain circumstances, any collateral securing an investment may be released without the consent of the relevant Fund. Moreover, a Fund's investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings and, as a result, the relevant Fund may not have priority over other creditors as anticipated. Certain of the investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In addition, certain instruments may provide for payment-in-kind interest, which has a similar effect of deferring current cash payments. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments.

A Fund will be dependent upon the judgment of the relevant Management Company as to the credit quality of such Fund's direct investments. There can be no assurance that a Management Company will be successful in assessing the credit risk of the relevant Fund's different investments or mitigating the impact of credit risk changes relating thereto.

A borrower's ability to repay its loans may be adversely affected by numerous factors, including, without limitation, the failure to meet its business plan, a downturn in its industry or negative economic conditions. Loans that become non-performing may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate, capitalization of interest payments and/or a substantial write-down of the principal of the loan. However, even if such restructuring were successfully accomplished, a risk exists that upon maturity of such loan, replacement "take-out" financing will not be available. There is no assurance that the value of any collateral will be sufficient to protect all or a portion of the related investment. Deterioration in a borrower's financial condition and prospects may be

accompanied by deterioration in the value of any collateral and a reduction in the likelihood of capitalizing on any guarantees that may have been obtained from the borrower or other parties. A borrower's failure to satisfy financial or operating covenants imposed under the related investment could lead to defaults and, potentially, acceleration of the time when the investment is due. Foreclosure on such borrower's assets securing an investment could trigger cross defaults under other loans of the borrower (or vice versa) and could result in prepayment of the investment (or such other loans) or jeopardize the borrower's ability to meet its obligations under the investment. This could have a material adverse effect on the value of any related equity interests of such borrower that the Fund may hold.

Furthermore, a General Partner cannot assure that other claims may not be asserted that might interfere with enforcement of the relevant Fund's rights. A General Partner cannot guarantee the adequacy of the protection of the relevant Fund's interests, including the validity or enforceability of the applicable investment contract and the maintenance of the anticipated priority and perfection of any applicable security interests. A default by a borrower may result in a Fund being unable to liquidate the related investment prior to the termination of such Fund; and such investment may end up being restructured on terms that might result in the relevant Fund being unable to liquidate it prior to the termination of the Fund. This could cause the limited partners to receive in-kind distributions in respect of such investments upon the termination of the relevant Fund.

*Inflation and Deflation.* Inflation risk is the risk that the value of assets or income from a Fund's investments will be worth less in the future, as inflation decreases the value of payments at future dates. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if a Fund purchases a five (5) year bond in which it can realize a coupon rate of five percent (5%), but the rate of inflation is six percent (6%), then the purchasing power of the cash flow has declined. As inflation increases, the real value of the relevant Fund's investments could decline and the interest payments on Fund borrowings, if any, may increase. During periods of high inflation, the real value of interests in a Fund and distributions therefrom decline, accordingly, there can be no assurance that a higher rate of inflation will not have a material adverse effect on the relevant Fund's performance. Deflation risk is the risk that prices throughout the economy decline over time. Deflation may have an adverse effect on the creditworthiness of portfolio companies in which a Fund invests (directly or indirectly) and may make defaults more likely or materially impair the ability of distressed borrowers to restructure, which may result in a decline in the value of the Fund's investments.

Many world governments, as well as inter-governmental institutions, have in recent years undertaken unprecedented forms of fiscal stimulus, including setting interest rates that have been or were for extended periods at historic lows. The precise effects of such unprecedented stimulus cannot be predicted (whether over the short, medium or long term), but in particular, as of the date hereof, the U.S. national economy has recently experienced significant levels of inflation that have not been seen in several decades, and the inflation trend is expected to continue at least in the near- and medium-term and possibly the long-term. Recent actions in response thereto or as a result thereof by the U.S. Federal Reserve and other central bankers have included increases in interest rates with public announcements that additional increases are expected, which have begun to and are expected to continue to have a significant effect on interest rates and on the U.S. and world economies generally to an unpredictable extent, which in turn may affect the performance of the

Fund's investments. In particular, as of the date hereof, interest rates have recently increased significantly in the United States and are expected to experience continued increases in at least the near- and medium-term. Such stimuli, unless successfully managed and scaled back and wound down at the appropriate time and in the appropriate amounts, together with the passing of U.S. legislation calling for historically significant amounts of government spending, run a severe risk of being inflationary. In addition, there is significant concern in macroeconomic terms about the general levels of indebtedness carried by certain governments. While bringing with it a range of issues, one of the consequences of an extended period of a higher-than-desired level of inflation is often to erode in real terms the value of government debt in a manner that reduces the economic cost in real terms of their payment obligations on such debt. This element of debt erosion may create an incentive for governments to be less robust in seeking to deal with inflation than might otherwise have been the case had the government concerned not suffered from a high level of indebtedness. If such inflation occurs it would have the negative consequences for the Fund set out above.

Further financial crises may result in additional governmental intervention in the markets. In addition, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the legislation and increased regulation arising out of the 2008 global financial crisis are difficult to predict or measure with certainty.

*Financing Risks.* Market conditions may unfavorably impact a Fund's ability to secure leverage on terms as favorable as more established borrowers in the market, or to obtain any leverage on commercially feasible terms. To the extent a Fund is able to secure financing for investments, increases in interest rates or in the risk spread demanded by financing sources would make the partial financing of investments with indebtedness more expensive and could limit a Fund's ability to structure and consummate its investments. In addition, market conditions could deteriorate, and a Fund may be limited in its ability to realize investments already made by the relevant Fund due to difficulties in buyers' ability to obtain financing on favorable terms or to secure financing at all.

*Limited Information Concerning Potential Investments.* Before making investments, a General Partner will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal and other issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement may present a number of risks primarily relating to the relevant General Partner's reduced control of the functions that are outsourced. When conducting due diligence and making an assessment regarding an investment, the relevant General Partner will rely on the resources available to it, including information provided by the portfolio company related to an investment and, in some circumstances, third-party investigations. A Fund may not receive access to all available information (and there may be little public information) relating to an investment. A General Partner's due diligence investigation with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. In addition, investment analyses and decisions by a General Partner may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the relevant General Partner



at the time of making an investment decision may be limited, and they may not have access to detailed information regarding the investment. Therefore, no assurance can be made that the relevant General Partner will have knowledge of all circumstances that may adversely affect such investment. Moreover, a due diligence investigation will not necessarily result in any particular investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in the relevant Fund as being speculative and having a high degree of risk.

*Fraud.* Fixed income investments generally are subject to the possibility of material misrepresentation or omission on the part of the issuer or other relevant parties, or other instances of fraud that occur during the life of the investment. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying a Fund's portfolio investments or may adversely affect the ability of the relevant Fund to perfect or effectuate a lien on the collateral securing a Fund's portfolio investments. The relevant Fund will rely upon the accuracy and completeness of representations made by issuers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the relevant Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

*Possible Licensing Requirements.* Certain federal and local banking and other regulatory bodies or agencies may require a Fund, the relevant General Partner and/or the relevant Management Company to obtain licenses or similar authorizations to engage in various types of activities, including the origination of debt. It may take a significant amount of time to obtain such licenses or authorizations. Such licenses may require the disclosure of confidential information regarding a Fund, the limited partners or their respective affiliates, including financial information and/or information regarding officers and directors of certain significant limited partners, and a Fund may or may not be willing or able to comply with these requirements. In addition, there can be no assurance that any such licenses or authorizations would be granted or, if so, whether any such licenses or authorizations would impose restrictions on the relevant Fund. Alternatively, the relevant Management Company may be able to structure potential portfolio investments in a manner which would not require such licenses and authorizations, although such transactions may be structured in an inefficient or otherwise disadvantageous manner for a Fund and/or the borrower. The inability of the appropriate parties to obtain such licenses or authorizations, or the structuring of an investment in an inefficient or otherwise disadvantageous manner, could adversely affect the relevant Management Company's ability to implement a Fund's strategy and the relevant Fund's results.

*Compliance with Local Regulatory Requirements.* In many jurisdictions, engaging in lending activities "in" certain jurisdictions whether conducted via the granting of loans or otherwise (collectively, "Lending Activities") is generally considered a regulated financial activity and, accordingly, must be conducted in compliance with applicable local banking laws. In many such jurisdictions, there is comparatively little statutory, regulatory or interpretive guidance issued by the competent authorities or other authoritative guidance as to what constitutes the conduct of Lending Activities in such jurisdictions. As such, some of a Fund's investments may be subject to these local law requirements. Typically in those jurisdictions where such regulations do apply, the General Partner or the Management Company may be required to obtain regulatory approval

(potentially with an accompanying capital requirement) as a pre-condition of being able to carry on such activities, which has a number of practical consequences for investors in the relevant Fund to consider. Inability to originate loans in such a jurisdiction, due to lack of appropriate authorization, may limit the range of investments available. Such inability may require arrangements with intermediaries who do have such authorizations, most typically banking institutions, to assist with intermediation. To the extent a Management Company determines to pursue such a strategy, it is likely to increase expense and reduce return (primarily due to the cost of capital charged by such persons) and may expose the relevant Fund to the credit risk of such intermediary. Further, the application of such laws and regulations is often complex to determine and highly specific to the individual circumstances of the relevant Management Company and/or the proposed borrower. This could result in significant legal, tax and other advisory fees being incurred in connection with efforts to ensure compliance with such laws and regulations. Such determinations will often ultimately depend upon the professional judgment of a Fund's legal, tax and other advisers, and it is therefore possible that a regulatory authority may dispute such determinations with potentially adverse consequences for the relevant Fund.

Moreover, these regulatory considerations may differ depending on the country in which each borrower is located or domiciled, on the entity type of the borrower as well as other considerations. Therefore, at the time when an investment is made, there can be no assurance that, as a result of the application of law, rule or regulation or interpretation thereof by the relevant governmental body or agency, or change in such application or interpretation thereof by such governmental body or agency, payments on the relevant investments might not in the future be adversely affected as a result of such application or that the lender might become subject to proceedings or action by the relevant governmental body or agency, which if determined adversely, could have a material adverse on the relevant Fund.

*Credit Market Risks.* Conditions in the credit markets may have a significant impact on the business of certain Funds. The credit markets in the U.S. and globally have, from time to time, gone through periods of difficulties and changed economic conditions that have adversely affected the performance and market value of many securities and financial instruments. There can be no assurance that a Fund will not suffer material adverse effects from broad and rapid changes in market conditions in the future. An economic downturn or period of rising interest rates could adversely affect the market value of many financial instruments and therefore reduce the relevant Fund's returns. In general, rising interest rates will negatively impact the price of fixed rate debt instruments (see "*Interest Rate Risk*" above). Rising interest rates could also negatively impact the ability of companies to secure their debts to the relevant Fund. In addition, changes in market conditions could cause the level of investment opportunities to decline from a General Partner's current expectations. Additionally, changes in tax law, including with respect to the deductibility of interest, may make it harder to source loans. As a result, fewer investment opportunities may be available to a Fund, although if credit markets are constrained, such Fund may have the opportunity to take larger positions in potential transactions. One possible consequence is that a Fund may take a larger than anticipated period to invest capital, as a result of which, at least for some period of time, such Fund may be relatively concentrated in a limited number of investments. Consequently, during this period, the returns realized by the partners may be substantially adversely affected by the unfavorable performance of a small number of these investments.

*General Credit Risk.* Certain Funds are subject to significant credit risk (i.e., the risk that an issuer or borrower will default in the payment of principal and/or interest on an instrument) in light of its investment strategy. Credit risk also includes the risk that a counterparty to a loan assignment or participation will be unwilling or unable to meet its obligations. Financial strength and solvency of an issuer or borrower are the primary factors influencing credit risk. In addition, degree of subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. The degree of credit risk associated with any particular portfolio investment or any collateral relating thereto may be difficult or impossible for the relevant Management Company to determine within reasonable standards of predictability.

*Impact of Global Market Conditions.* Various measures have been taken by the U.S. and U.K. governments and the European Central Bank and other central banks and inter-governmental institutions to stabilize the financial markets after the COVID-19 pandemic (see “—*Public Health Emergencies*”), some of which have included various and in some case unprecedented forms of fiscal stimulus. There can be no assurance that the elimination of such measures will not have a material adverse impact on U.S. or global financial markets or economic or financial conditions during the term of a Fund. A worsening of economic and business conditions may also cause future recovery rates on assets and the historical assumptions underlying asset recovery rates to no longer be accurate, which could adversely affect the relevant Fund’s performance.

In addition, a number of concerns and uncertainties have been raised in recent years regarding the stability and overall standing of the European Economic and Monetary Union, including the deterioration of the sovereign debt of several member countries, together with the risk of contagion to other, more-stable, countries, which may result in changes to the composition of the monetary union of Member States of the European Union (the “EU”) that have adopted the Euro (€) as their common currency (the “Eurozone”). Despite certain measures already taken, concerns persist regarding the levels of indebtedness of certain Eurozone countries and their ability to meet their financial obligations, the overall stability of the Eurozone and its members and the suitability of certain states to be members of the Eurozone. If a Member State of the European Union was to default on its obligations, this may also lead to significant disruption, including but not limited to severe disruptions to the domestic banking system of the relevant country, with a strong possibility of bank failures, potentially resulting in a national or global recession; the inability of the defaulting country’s government to borrow new funds, exacerbating its inability to honor its obligations; an extended systemic impact or contagion outside the relevant country; and civil unrest.

In addition, geopolitical events and military and paramilitary conflicts, tensions, incursions or actions in certain regions may escalate into war or armed conflict or otherwise escalate to levels that result in economic and other sanctions and/or other punitive and retaliatory measures taken by certain countries or international bodies (together or individually) in response thereto. Such conflicts, tensions, incursions and/or actions in any region may have follow-on and other ramifications and consequences (whether on a local, national, regional or international level) that are impossible to predict, such as creating the specter or increasing the possibility of additional military and paramilitary conflicts, tensions, incursions or actions in neighboring or unrelated geographic areas, the possible weakening or disintegration of long-standing security alliances (or market perceptions to that effect) that underpin the political and economic stability and national security of many countries in the related region as well as other countries that are part of those

alliances. Without limiting the generality of the foregoing, in particular there is significant concern worldwide about the ongoing war in Ukraine. It is impossible to predict the scope or duration of such war or other military activity, as well as the economic, financial, political, geopolitical and other ramifications and consequences (whether on a short-, medium- or long-term basis) it could have on the U.S. and global economy and financial markets (see “—*Russia-Ukraine Conflict*”). One or more of the foregoing could have a material and adverse effect on global and/or regional economic and financial conditions and markets. This in turn could have a material adverse effect on the relevant Fund’s ability to achieve its investment objectives.

The precise nature of all the risks and uncertainties a Fund faces as a result of current economic conditions or potential global or regional economic, fiscal or political developments cannot be predicted and many of these risks are outside the control of such Fund. Such conditions or developments could prevent the Fund from successfully executing its investment strategy and/or could otherwise negatively impact it in a number of unpredictable ways.

*Risks Associated with Bankruptcy Cases.* There are a number of significant risks inherent in the bankruptcy process. If any issuer of instruments held by a Fund, any counterparties to the instruments entered into by such Fund, any custodians of the Fund’s assets, or any obligors in connection with such Fund’s portfolio investments are involved in U.S. bankruptcy proceedings, either voluntary or involuntary, the relevant Fund will be subject to certain of those risks, including potential for reduced recovery on a Fund’s portfolio investments, uncertain duration of bankruptcy proceedings, administrative costs and impact of a bankruptcy case on the value of assets administered in bankruptcy or on a company’s value (including that a bankruptcy case may damage or diminish a company’s relationship with its customers and/or suppliers). Many of the events within a bankruptcy case may be adversarial and are often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions in a bankruptcy case, a court may still approve actions which may be contrary to the interests of creditors, potentially including a Fund.

Generally, the duration of a bankruptcy or insolvency case is difficult to predict. The reorganization of a company in bankruptcy usually involves the development and negotiation of a plan of reorganization, court approval to solicit creditor votes on that plan, plan approval by creditors and confirmation by the court. This process can involve substantial legal, professional and administrative costs to the company and a Fund; it is subject to unpredictable and lengthy delays; and during the process the company’s competitive position may erode, key management may depart, relationships with important suppliers may be lost, and the company may not be able to invest adequately. Typically, the liquidation value of a company is substantially lower than when it operates as a going concern. In some cases, the company may not be able to reorganize and may be required to liquidate assets. In addition, the debt of companies in financial reorganization may, in some cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer’s fundamental value. Further, a debtor seeking to reorganize under U.S. federal bankruptcy law will frequently obtain a “first day” order from the bankruptcy court limiting trading in claims against, and shares of, the debtor in order to maximize the debtor’s ability to utilize net operating losses following a successful reorganization.

During a bankruptcy case, an automatic stay will generally prevent all creditors from taking action against the debtor to collect on amounts owed to such creditors, unless the court lifts that automatic stay for a specified action or purpose. Unless a creditor's claim in such case is secured by assets having a value in excess of such claim, it is likely interest will not be permitted to accrue and, therefore, a creditor's return on investment can be adversely affected by the passage of time during which the plan of reorganization of the debtor is being negotiated, approved by the creditors and confirmed by the bankruptcy court.

A debtor's administrative costs in connection with a bankruptcy proceeding are frequently high and will generally be paid out of the debtor's estate prior to any return to creditors (other than out of assets or proceeds thereof which are subject to valid and enforceable liens and other security interests) and equity holders. In addition, certain claims that have priority by law over the claims of other creditors (for example, claims for certain taxes) may be quite high.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Fund's influence with respect to a class of instruments can be diminished by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. Even valid claims in bankruptcy cases often recover less than the amount of the claim and, depending on the debtor's assets and liabilities, there may be no recovery at all for some classes of creditors. At the outset of a bankruptcy case, only the debtor may file a proposed plan of reorganization. While the U.S. Bankruptcy Code permits other parties-in-interest to file proposed plans of reorganization and solicit creditor votes on such plans after a debtor's "exclusivity periods" to do so end, bankruptcy courts often extend the debtor's exclusivity periods, which effectively permits only the debtor to file a proposed reorganization plan. While creditors can vote on approved plan(s) of reorganization, the unanimous consent of all creditor classes is not necessarily required for the bankruptcy court to confirm a plan. Therefore, in certain circumstances a plan can, subject to the provisions of the U.S. Bankruptcy Code, be "crammed down" on dissenting classes of creditors.

Even if a class of claims is entitled to a recovery in a bankruptcy proceeding, such recovery could be in the form of instruments or interests different from the form of instrument or interest which formed the basis for the creditor's initial claim, including debt securities, equity securities, warrants, options, cash, interests in litigation claims or trusts formed to pursue such litigation claims, interests in liquidation trusts, or other property or interests, any of which could be illiquid and/or difficult to value. Even if the recovery is in the same form as the instrument or interest which formed the basis for the creditor's initial claim, that instrument or interest may have substantially different material terms. For example, debt securities issued in a reorganization may have a significantly reduced interest rate as compared to the security that formed the basis for the creditor's initial claim.

Notwithstanding the corporate structure of various debtor entities, such as special purpose entities created to hold assets and to structure for bankruptcy remoteness, such entities may, in certain cases, be consolidated in bankruptcy proceedings, which can affect the outcome of such proceedings and the amounts ultimately received by creditors.

Investments may include securities or obligations collateralized by assets located outside of the United States, or of issuers organized under the laws of jurisdictions other than the United States. Similarly, issuers of securities constituting portfolio investments may have a principal place of business or substantial assets located outside of the United States. As a result, such securities or obligations may be subject to bankruptcy or insolvency laws of non-U.S. jurisdictions. These laws may be substantially less favorable to creditors than the U.S. Bankruptcy Code.

A General Partner, a Management Company or a Fund may elect to serve on creditors' committees, equity holders' committees or other groups to attempt to preserve or enhance a Fund's position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If a General Partner concludes that its obligations owed to the other parties as committee or group member conflict with its duties owed to relevant Fund, it may resign from the committee or group, and a Fund may not realize the benefits, if any, of participation on the committee or group. In addition, if a Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of its investments in such company while it continues to be represented on such committee or group, and such representation may subject a Fund to additional liability or result in re-characterization of the Fund's debt investments as equity. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

The U.S. Bankruptcy Code and other laws and regulations affecting debtors' and creditors' rights are subject to change, including by way of legislative action or judicial interpretation. Any such actions could alter the expected outcome or introduce greater uncertainty regarding the expected outcome of an investment situation of the Fund, which may adversely affect such investment or the Fund's investment program.

*Investments Could be Alleged to be Fraudulent Conveyances.* Loans and other extension of credit transactions (each obligation arising therefrom, a "Secured Obligation") may be subject to various federal and state laws enacted for the protection of creditors in the countries of the jurisdictions of incorporation of obligors and, if different, in which the obligors conduct business and in which they hold the assets, which may adversely affect such obligors' abilities to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which each obligor is located or domiciled. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an obligor of a Secured Obligation, such as a trustee in bankruptcy, were to find that the obligor did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting the Secured Obligation (such as an investment made by a Fund) and, after giving effect to such indebtedness, the obligor (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such obligor constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, then such court could determine to invalidate, in whole or in part, such indebtedness and any related security interests or other liens as fraudulent conveyances, could subordinate such indebtedness to existing or future creditors of such obligor or could recover amounts previously paid by such obligor to the creditor (including to a Fund) in satisfaction of such indebtedness or amounts representing proceeds of such security interest or other liens previously applied in

satisfaction of such indebtedness. Under certain circumstances, claims against bankrupt entities may be subject to re-characterization as equity, thus substantially reducing or eliminating recoveries. In addition, in the event of the insolvency of such obligor, payments made by such obligor under such indebtedness could be subject to avoidance as a “preference” if made after insolvency as well as within a certain period of time (which may be as long as one year) before insolvency, depending on a number of factors, including the amount of equity of the obligor owned by a Fund and its affiliates and any contractual arrangements between the obligor, on the one hand, and such Fund and its affiliates, on the other hand.

The measure of insolvency for purposes of the foregoing will vary depending on the law of the jurisdiction which is being applied. Generally, an obligor would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation or if the present fair saleable value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply to determine whether the obligor was “insolvent” after giving effect to the incurrence of the indebtedness constituting the Secured Obligation or that, regardless of the method of valuation, a court would not determine that the obligor was “insolvent” upon giving effect to such incurrence.

In general, if payments on a Secured Obligation are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured, the resulting loss will ultimately be borne by a reduction in return to, among others, the payee’s equity owners. However, a court in a bankruptcy or insolvency proceeding would generally be able to direct the recapture of any such payment only if such court has jurisdiction over such person or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from a payee if it has given value in exchange for its interest in good faith and without knowledge that the payments were avoidable. Nevertheless, since there is no judicial precedent relating to such circumstance, there can be no assurance that such recapture can be avoided on this or any other basis, in particular because this will likely depend on the insolvency laws of the applicable obligor’s jurisdiction. In that regard, in some European jurisdictions, obligors or lenders may seek a “scheme of arrangement,” pursuant to which a lender may be forced by a court to accept restructuring terms.

The preceding discussion is generally applicable with respect to U.S. obligors. Insolvency considerations may differ with respect to non-U.S. obligors. In particular, it should be noted that a number of continental European jurisdictions operate “debtor-friendly” insolvency regimes which could result in delays in payments under Secured Obligations where obligors thereunder are subject to such regimes, in the event of their insolvency. The different insolvency regimes applicable in the different European jurisdictions may result in a corresponding variability of recovery rates for obligations such as Secured Obligations entered into with obligors in such jurisdictions. No reliable historical data is available in respect of such recovery rates.

*Lender Liability Considerations and Equitable Subordination.* A number of judicial decisions in the United States and some non-U.S. jurisdictions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed “lender liability”). Generally, lender liability is founded upon the premise that an institutional lender has violated a

duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of a Fund's portfolio investments, such Fund could be subject to allegations of lender liability. Any such claim, if determined adversely to the relevant Fund, could have a material adverse effect on such Fund's returns to investors and its ability to achieve its investment objective.

In addition, under the U.S. Bankruptcy Code and common law principles that in some cases form the basis for lender liability claims, if a lending institution (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination." Because of the nature of certain of a Fund's portfolio investments, such Fund could be subject to claims from creditors of an obligor that Fund's investments issued by such obligor that are held by the relevant Fund should be equitably subordinated. There may be certain Fund investments where the relevant Fund may not be the largest creditor. It is, accordingly, possible that lender liability or equitable subordination claims affecting the Fund's portfolio investments could arise without the direct involvement of such Fund.

The preceding discussion is based upon principles of United States federal and state laws. With respect to obligations of non-U.S. obligors held by a Fund, the laws of certain foreign jurisdictions may impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under United States federal and state laws.

In addition, if a court determined that a purported debt investment lacked sufficient indicia of indebtedness, such court could recharacterize such loan as equity for the purposes of priority of distributions in an insolvency proceeding of the borrower. Because of the nature of certain of the investments contemplated, a Fund could be subject to claims from creditors of an obligor that the related investment should be recharacterized.

*Risks Arising from Provision of Managerial Assistance.* A Fund's investment program may from time to time enable such Fund to place its representatives on creditors' committees and/or boards of certain companies in which such Fund has invested. While such representation may enable the relevant Fund to enhance the sale value of its investments, if representation of a creditors' committee of a company causes a Fund to be deemed an affiliate of the company, the securities of such company held by the relevant Fund may become restricted securities, and as a result the relevant Fund may be prevented from freely disposing of its investments and may be subject to additional liability it might not otherwise be subject to as an investor (including claims of breach of duty of loyalty, securities claims and other director-related claims). A Fund will indemnify its General Partner, any affiliate thereof and any other person serving on such committee or board on its behalf for claims arising from such representation. If a Fund owns a controlling stake in, or it or its affiliates are deemed affiliates of, a particular company, they may be subject to certain additional



securities laws restrictions which could affect both the liquidity of such Fund's interest and the Fund's ability to liquidate its interest without adversely impacting the stock price, including insider trading restrictions, the affiliate sale restrictions of Rule 144 of the Securities Act, and the disclosure requirements of Sections 13 and 16 of the Exchange Act. In addition, if affiliates of a Fund or a General Partner are subject to such restrictions, the relevant Fund, by virtue of its affiliation with such entities, may be similarly restricted, regardless of whether such Fund stands to benefit from such affiliate's stock ownership.

A General Partner will attempt to balance the advantages and disadvantages of such representation when deciding whether and how to exercise its rights with respect to such companies, but the exercise of such rights could produce adverse consequences in particular situations.

If a Fund, alone or as part of a group acting together for certain purposes, becomes the beneficial owner of more than 10% in the aggregate of certain classes of securities of a U.S. public company or places a director on the board of directors of such a company, the relevant Fund may be subject to certain additional reporting requirements and to liability for short-swing profits under Section 16 of the Exchange Act. Furthermore, a Fund may also be subject to similar reporting requirements in non-U.S. jurisdictions where it holds significant positions in the securities of public companies in such jurisdictions.

*Secured Loans.* Though not a core part of a Fund's primary investment strategy since its loan investments are generally expected to be unsecured, if a Fund makes a secured loan to a portfolio company, it generally would take a security interest in the available assets of the portfolio company, including the equity interests of its subsidiaries, which should help mitigate the risk that the relevant Fund will not be repaid. However, there is a risk that the collateral securing a Fund's loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise, and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. In some circumstances, the Fund's lien could be subordinated to claims of other creditors. In addition, deterioration in a portfolio company's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that a Fund will receive principal and interest payments according to the loan's terms, or at all, or that such Fund will be able to collect on the loan should it be forced to enforce its remedies.

Loans may also provide for restrictive covenants designed to limit the activities of the obligors thereunder in an effort to protect the rights of lenders to receive timely payments of interest on, and repayment of, principal of the loans. Such covenants may include restrictions on dividend payments, specific mandatory minimum financial ratios, limits on total debt and other financial tests. Although any particular loan may share many similar features with other loans and obligations of its type, the actual terms of any loan made by a Fund will have been a matter of negotiation and will be unique. Any such particular loan may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees.

*Second Lien, or Other Subordinated Loans or Debt.* Certain Funds' investments are expected to include second lien and/or other subordinated loans. In the event of a loss of value of the underlying assets that might collateralize a loan, the subordinate portions of the loans may suffer a loss prior to the more senior portions suffering a loss. If a borrower defaults and lacks sufficient assets to satisfy a Fund's loan, such Fund may suffer a loss of principal or interest. If a borrower declares bankruptcy, the relevant Fund may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the loan. In addition, certain Funds' loans are expected to be subordinate to other debt of the borrower. As a result, if a borrower defaults on the relevant Fund's loan or on debt senior to the relevant Fund's loan, or in the event of the bankruptcy of a borrower, such Fund's loan will be satisfied only after all senior debt is paid in full. A Management Company's ability to amend the terms of a Fund's loans, assign a Fund's loans, accept prepayments, exercise a Fund's remedies (through "standstill periods") and control decisions made in bankruptcy proceedings relating to borrowers is expected to be limited, including due to intercreditor arrangements with debt senior to the relevant Fund's loans.

*Unsecured Loans or Debt.* Certain Funds' investments are expected to include unsecured loans which are not secured by collateral. In the event of default on an unsecured loan, the first priority lien holder has first claim to the underlying collateral of the loan. It is possible that no collateral value would remain for an unsecured holder and therefore result in a loss of investment to such Fund. Because unsecured loans are lower in priority of payment to secured loans, they are subject to the additional risk that the cash flow of the borrower may be insufficient to meet scheduled payments after giving effect to the secured obligations of the borrower. Unsecured loans generally have greater price volatility than secured loans and may be less liquid.

*Cov-lite Loans.* Certain Funds' investments may be comprised of "cov-lite" loans. "Cov-lite" loans typically do not obligate the obligor to comply with financial covenants that would be applicable during reporting periods. Investments comprised of "cov-lite" loans may expose the relevant Fund to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with other loans. In addition, the lack of such financial covenants may make it more difficult to trigger a default in respect of such loans.

*Special Situations.* A Fund may have investments in entities involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the investment may need to be sold at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving entities in which a Fund may invest, there is a potential risk of loss of the entire investment in such entities.

*Smaller and Middle Market Companies.* Certain Funds expect to invest a significant amount of the Commitments in the debt obligations or securities of small, middle market and/or less well-established companies. While small and middle market companies may have potential for rapid growth, they often involve higher risks. Small and middle market companies have more limited

financial resources than larger companies and may be unable to meet their obligations under their debt instruments that the relevant Fund holds, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the relevant Fund realizing any guarantees it may have obtained in connection with its investment. Small and middle market companies also typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Less publicly available information may be available about these companies, and they may not be subject to the financial and other reporting requirements applicable to public companies. They are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the company and, in turn, on a Fund. Small and middle market companies may also have less predictable operating results and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. They may also have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.

*Warrants and Rights.* A Fund may purchase or otherwise receive warrants or rights, usually in connection with a loan or other debt investment. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Purchasing warrants and rights are highly specialized activities and entail greater than ordinary investment risks. An investment in warrants or rights may be subject to greater fluctuation than an investment in the underlying securities. Warrants and rights are generally illiquid. In addition, the terms of warrants or rights may limit a Fund's ability to exercise the warrants or rights at such time, or in such quantities, as such Fund would otherwise wish.

*Prepayment Risk.* The terms of loans and other debt instruments in which a Fund invests may permit the borrowers to voluntarily prepay or call debt instruments at any time, either with no or a nominal prepayment premium. This prepayment right could result in the borrower repaying the principal on an obligation held by the Fund earlier than expected. This may happen when there is a decline in interest rates or when the borrower's improved credit or operating or financial performance allows the refinancing of certain classes of debt with lower cost debt. The yield of a Fund's investment assets may be affected by the rate of prepayments differing from a Management Company's expectations. Assuming an improvement in credit market conditions, early repayments of the debt held by the relevant Fund could increase. To the extent early prepayments increase, they may have a material adverse effect on a Fund's investment objective and profits. In addition, if a Fund is unable to reinvest the proceeds of such prepayments received in investments expected to be as profitable, the overall profit generated by such Fund will decline as compared to its Management Company's expectations.

*Convertible Securities.* Certain Funds may invest in convertible securities or notes, which are bonds, debentures, notes, preferred stocks or other securities or instruments that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged.

Convertible securities generally offer lower interest or dividend yields than non-convertible debt securities of similar quality. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, a convertible security's market value tends to reflect the market price of the common stock of the issuing company when that stock price approaches or is greater than the convertible security's "conversion price." The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the underlying common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock. In the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company's common stockholders but after holders of any senior debt obligations of the company. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its debt obligations.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing document. If a convertible security held by a Fund is called for redemption, such Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on a Fund's ability to achieve its investment objective.

*Securities Law Considerations – Loans and Loan Participations.* In many cases, loans and loan participations would not be deemed to be securities for purposes of U.S. federal and/or state securities laws. As a result, an investment in a loan would not be afforded the same protections as an investment in securities, such as the extensive disclosure requirements under U.S. federal and/or state securities laws, which may adversely impact a Fund's ability to seek recourse in respect of such investments.

*Equity Securities.* Certain Funds are expected to invest in and/or hold or come into the possession of, equity securities. Equity securities may include common stock, preferred stock, warrants, limited liability company units, rights and equivalents, and other types of financial instruments. As with other investments that a Fund may make, the value of equity securities held by a Fund may be adversely affected by actual or perceived negative events relating to the issuer of such securities, the industry or geographic areas in which such issuer operates or the financial markets generally. However, equity securities may be even more susceptible to such events given their subordinate position in the issuer's capital structure. As such, equity securities generally have greater price volatility than fixed income securities or debt instruments. Preferred securities are subordinated to bonds and other debt securities in an issuer's capital structure in terms of priority for corporate income and liquidation payments and, therefore, will be subject to greater credit risk than those debt securities. Depending on the features of the particular security, holders of preferred stock may bear the risks disclosed herein regarding equity or fixed income securities.

*Equity Kickers.* In connection with some of a Fund's originated or acquired loan investments, the relevant Fund may be issued or otherwise receive a range of equity incentives, which would usually be in the form of a warrant to acquire a portion of a borrower's fully diluted equity, but could also be in the form of options, outright shares, an exit fee or some direct participation in proceeds of a sale or listing (and may also be received in connection any workouts or restructurings of those

investments) (collectively, “Equity Kickers”). These Equity Kickers would be intended to enable a Fund to participate in a borrower’s long-term value which may be created by growth facilitated by a loan, and accordingly will have little or no value at issuance and will typically generate income (if at all) only upon a sale, listing or recapitalization of the borrower. Such Equity Kickers will generally involve a high degree of risk and will be subordinate to (and thus are inherently riskier than) the debt securities and other liabilities of the issuers of such Equity Kickers. Prices of Equity Kickers generally fluctuate more than prices of debt securities and are likely to be affected more rapidly, and to a greater extent, by company-specific developments and poor economic or market conditions. In addition, these Equity Kickers may be illiquid or trade at significant discounts to otherwise comparable investments. Equity Kickers may not produce any income for a Fund and may ultimately have no recognizable value. A Fund may experience a substantial or complete loss on such Equity Kickers to the extent of any value given in connection with the acquisition thereof.

*Common Stock Risk.* Certain Funds’ portfolio investments may be comprised of equity and equity-related securities including direct portfolio investments made by a Fund in the relevant issuer (which may be independently made in an issuer with no concurrent or related loan investment made in or with such issuer), which may have limited rights and protections (including as a result of not being made alongside or in connection with (or otherwise related to) a loan investment). Although common stocks have historically generated higher average total returns than fixed income investments over the long term, common stocks also have experienced significantly more volatility in those returns and in some periods have significantly underperformed relative to fixed income investments. The equity securities acquired or otherwise held by a Fund may fail to appreciate and may decline in value or become worthless.

*Investments in Highly Leveraged Companies.* Certain Funds’ investments are expected to include investments in entities whose capital structures have significant leverage (including substantial leverage senior to the Fund’s investment, a considerable portion of which may be secured by first liens and/or may be at floating interest rates). Such investments are inherently more sensitive to declines in revenues, competitive pressures and increases in expenses and interest rates. The leveraged capital structure of such entities will increase their exposure to adverse economic factors such as downturns in the economy or deterioration in the condition of a company or its industry, and such entities may be subject to restrictive financial and operating covenants. This leverage may result in more serious adverse consequences to such entities (including their overall profitability or solvency) in the event these factors or events occur than would be the case for less leveraged companies. If an entity cannot generate adequate cash flow to meet debt obligations, it may default on its loan agreements or be forced into bankruptcy resulting in a restructuring of its capital structure or liquidation of the entity. Furthermore, to the extent companies in which a Fund has invested become insolvent, the relevant Fund may determine, in cooperation with other debt holders or on its own, to engage, at such Fund’s expense in whole or in part, counsel and other advisors in connection therewith.

*Term Loans, Revolvers or Delayed Draw Loans.* Certain Funds are permitted to invest in a variety of different types of debt, including but not limited to term loans, delayed draw term loans, bridge loans, and revolving loans. A term loan is a loan that has a specified repayment schedule. A delayed draw loan is a loan that typically permits the borrower to withdraw predetermined portions of the total amount borrowed at certain times and/or upon certain pre-agreed conditions being met. A revolving credit facility differs from a delayed draw loan in that as the borrower repays the loan, an

amount equal to the repayment may be borrowed again during the term of the revolving credit facility. Delayed draw loans and revolving credit facilities usually provide for floating or variable rates of interest. If a Fund enters into or acquires a commitment with a borrower regarding a delayed draw loan or a revolver, the relevant Fund will be obligated on one or more dates in the future to lend the borrower monies (up to an aggregate stated amount) if called upon to do so by the borrower. These commitments may have the effect of requiring a Fund to increase its investment in a borrower at a time when it might not otherwise wish to do so (including at a time when the company's financial condition makes it unlikely that such amounts will be repaid). If a Management Company does not correctly forecast the amount of cash necessary to meet its obligation to fund these portfolio investments, it may be subject to legal claims or may be forced to reserve cash or sell assets at inappropriate times or prices. Delayed draw loans and revolvers may be subject to restrictions on transfer, and only limited opportunities may exist to resell such instruments. As a result, a Fund may be unable to sell such portfolio investments at an opportune time or may have to resell them at less than fair market value. A Fund's obligation to meet such contractual requirements, which may be met through drawdowns of commitments, may extend beyond such Fund's investment period. In the event that a contractual obligation extends beyond the relevant Fund's investment period, such Fund would be required to meet such contractual requirements and, if it were unable to do so, would be subject to contractual penalties and other remedies under such loans.

*Broken Deal Expenses.* It is possible that a General Partner and/or a Management Company may incur significant legal, tax, structuring and/or other out-of-pocket expenses (including termination fees) in connection with an investment that is not consummated. Unless a General Partner or a Management Company is entitled to reimbursement of these expenses under an agreement with a third party, these expenses would generally be expenses shared by the relevant Fund entities and any other investors that were expected to participate in such prospective investment. Such determination will be made in the discretion of the relevant General Partner and/or the Management Company. Certain Norwest investors may not have intended to participate in an initial investment, such as in the case of a loan origination, and therefore would not bear any expenses associated with such unconsummated investment. Additionally, prospective co-investors generally would not be required to bear a portion of such expenses. As a result, a Fund may be required to bear more than its pro rata share of such amounts, which would adversely impact the net returns to limited partners.

*Effect of Management Fee and Carried Interest.* The Management Fee payable by a Fund to its Management Company has not been established on the basis of an arm's-length negotiation among the relevant Fund, the General Partner and the Management Company. The Management Fee is payable regardless of the performance of the Fund's investments. The existence of the carried interest may create an incentive for a General Partner to make riskier or more speculative investments on behalf of a Fund than would be the case in the absence of this arrangement. Moreover, the terms of the carried interest could give the relevant General Partner and the Management Company an incentive to make determinations regarding the timing and structure of realization transactions that are not applicable to the interests of the limited partners. Furthermore, a General Partner's clawback obligation creates an incentive for such General Partner and the relevant Management Company to defer disposition of one or more investments if such disposition would result in a realized loss, a return on investment that was less than the applicable preferred return and/or the finalization of dissolution and liquidation of the Fund where a clawback obligation would be owed. Further, to take advantage of possibly long-term capital gains treatment for U.S.

federal income tax purposes, the relevant General Partner may be incentivized to hold investments for three years which, if sold prior to the three-year mark, might have yielded a greater profit for limited partners.

Investors in other Funds may be permitted to invest in a Fund on preferred terms (such as reduced or eliminated management fees and/or carried interest), and the other limited partners will not be entitled to receive such benefits. Interests held by limited partners that pay a reduced management fee will generate a higher net profit and as a result the General Partner will receive more carried interest with respect to such limited partners than other limited partners without the reduced management fee.

*Fund Expenses; Portfolio Company Charges.* A Fund will pay and bear, or reimburse a General Partner for, all expenses related to its 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 relevant Fund makes any profits. While it is difficult to predict the future expenses of the Fund, such expenses may be substantial and may surpass a Fund's operating income. The amount of these fund expenses will reduce the actual returns realized by limited partners on their investment in a Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by the relevant Fund for investments). A General Partner expects to call sufficient capital from limited partners in relation to Fund investments in amounts to cover the acquisition amounts and to establish reserves for estimated or anticipated fund expenses associated with the acquisition, including expenses related to the operation of portfolio companies, as well as liabilities or contingencies, including general reserves for unspecified contingencies. Additionally, a General Partner may cause the pre-payment or deferral of applicable fund expenses by a Fund or portfolio companies, including by using such portfolio companies' free cash flow or working capital or by capitalizing such expenses into the purchase or sale price of any such portfolio company. These factors may impact the amount and/or timing of distributions to the limited partners. Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. A General Partner believes it has an incentive to act reasonably in approving any reserves due to the structure of its carried interest; however, the amount of Fund expenses ultimately called or called at any one time may exceed expectations.

In addition, a Fund and the relevant General Partner are permitted to charge a portfolio company and/or a prospective portfolio company for any costs to the extent a General Partner reasonably determines such costs are attributable to such portfolio company and/or prospective portfolio company or a Fund's investment or prospective investment therein or liquidation thereof. However, a Fund will generally directly bear all such costs in respect of portfolio companies in which such Fund does not hold a controlling interest, causing the relevant Fund to bear a disproportionate share of those costs vis-à-vis other equity holders of those portfolio companies. In addition, fund expenses include fees, costs and expenses related to in-house services. These services will be provided to a Fund on such terms determined by the relevant General Partner.

*Limited Transferability of Fund Interests.* There will be no public market for a Fund's interests, and none is expected to develop. There are substantial restrictions upon the transferability of a Fund's interests under the relevant Governing Documents and applicable securities laws. In

general, withdrawals of a Fund's interests are not permitted. In addition, a Fund's interests are not redeemable.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for a significant number of each Fund's investments and hence, a significant portion of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be optimal by such partners. After a distribution of securities is made to the partners, many partners 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 partners may be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to the relevant General Partner with respect to such investment.

*Potential Loss of Investment.* An investment in a Fund is speculative and involves substantial risks, including the risk that the entire investment will be lost.

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

*Projections.* Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Norwest 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 adverse impact on the reliability of projections.



*Changes in tax law, practice and interpretation.* There may be changes in tax laws or interpretations of tax laws (possibly with retrospective effect) in a jurisdiction in which a Fund or one of its subsidiaries operates, is managed, is advised, is promoted or invests, or in which any of the partners is resident, that are adverse to the relevant Fund, its subsidiaries or its partners. In particular, both the level and basis of taxation may change. Changes to taxation treaties or interpretations of taxation treaties between one or more such jurisdictions and the countries through which a Fund or any of its subsidiaries holds investments or in which a partner is resident, or the introduction of, or change to, EU directives may adversely affect a Fund's ability to efficiently realize income or capital gains and to efficiently repatriate income and capital gains from the jurisdictions in which they arise to partners. Consequently, it is possible that a Fund or its subsidiaries may face unfavorable tax treatment in such jurisdictions that may materially adversely affect the value of a Fund's investments or the feasibility of making investments in certain countries. This could significantly affect returns to investors.

In particular, pursuant to the Organization for Economic Co-operation and Development's (the "OECD") BEPS Project, many individual jurisdictions have introduced domestic legislation implementing certain of the BEPS Actions. Several of the areas of tax law (including double taxation treaties) on which the BEPS Project focuses are relevant to the ability of a Fund to efficiently realize income or capital gains and to efficiently repatriate income and capital gains from the jurisdictions in which they arise to partners and, depending on the extent to and manner in which relevant jurisdictions have implemented (or implement, as the case may be) changes in those areas of tax law (including double taxation treaties), the ability of a Fund to do those things may be adversely impacted. Many of the jurisdictions in which a Fund will make investments have now ratified, accepted and approved the OECD's Multilateral Instrument which brings into force a number of relevant changes to double tax treaties within scope. While these changes continue to be introduced, there remains uncertainty as to whether and, if so, to what extent a Fund or its subsidiaries may benefit from the protections afforded by such treaties and whether a Fund may look to its partners in order to derive tax treaty or other benefits. This position is likely to remain uncertain for a number of years.

In addition, in July 2016, the European Union ("EU") adopted the Anti-Tax Avoidance Directive 2016/1164 (commonly referred to as "ATAD I"), which directly implements some of the BEPS Project actions points within EU law. EU Member States had until 31 December 2018 to transpose ATAD I into their domestic laws (except for the provisions on exit taxation, which had to be transposed by December 31, 2019). On May 29, 2017, the Council of the EU formally adopted the Council Directive amending Directive (EU) 2016/1164 as regards hybrid mismatches with third countries (commonly referred to as "ATAD II"). ATAD II came into force in Member States on January 1, 2020 (subject to relevant derogations).

On December 22, 2021, the European Commission issued a proposal for a Council Directive laying down rules to prevent the misuse of shell entities for tax purposes within the EU (the "Unshell Proposal"). Whilst the European Commission has stated that it expects the Unshell Proposal to be adopted and published into EU member states' national laws by June 30, 2023, and to come into effect as of January 1, 2024, there is considerable uncertainty surrounding the development of the proposal and its implementation. If adopted in its current form, the proposal could result in

additional reporting and disclosure obligations for a Fund and/or its subsidiaries (which may require a Fund or its subsidiaries to share with applicable taxing or other governmental authorities' information concerning limited partners) and/or additional tax being suffered by limited partners, a Fund or its subsidiaries.

Further to the BEPS Project, and in particular BEPS Action 1 ('Addressing the Tax Challenges of the Digital Economy'), the OECD published a Report on May 31, 2019 entitled 'Programme of Work to Develop a Consensus Solution to the Tax Challenges Arising from the Digitalization of the Economy' (as updated on several occasions since and most recently on 8 October 2021 by the 'Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy'), which proposes fundamental changes to the international tax system. The proposals (commonly referred to as "BEPS 2.0") are based on two 'pillars', involving the reallocation of taxing rights (Amount A of Pillar One), and a new global minimum corporate tax rate (Pillar Two).

Under Amount A of Pillar One, multinational enterprises (MNEs) with total group revenues exceeding EUR 20 billion (or equivalent) in a given period and pre-tax profitability exceeding 10% calculated using an averaging mechanism will be subject to rules allocating 25% of profits in excess of a 10% profit margin to the jurisdictions within which they carry on business (subject to threshold rules). Certain entities are excluded, including certain investment funds and real estate investment vehicles (as respectively defined) which are the ultimate parent entity of the MNE group (and certain holding vehicles of such entities). There are also specific exclusions for MNEs carrying on specific low-risk activities, including "regulated financial services" (as defined). Pillar Two imposes a minimum effective tax rate of 15% on MNEs that have consolidated revenues of at least EUR 750 million in at least two out of the last four years (i.e., broadly those MNEs which are required to undertake country by country reporting). Pillar Two introduces two related tax measures (the GloBE rules): the income inclusion rule (IIR) imposes a top up tax on a parent entity where a constituent member of the MNE group has low taxed income while the undertaxed payment rule (UTPR) applies to intra group payments if the constituent member's income is not taxed by an IIR. Additionally, a subject to tax rule (STTR) will permit source jurisdictions to impose limited withholding taxes on low taxed related party payments, which will be creditable against the GloBE rules tax liability. Specified classes of entities which are typically exempt from tax are outside the scope of Pillar Two, including investment funds and real estate investment vehicles (as respectively defined) which are the ultimate parent entity of the MNE group (and certain holding vehicles of such entities).

The implementation of the Pillar One and Pillar Two proposals is scheduled for 2024 and 2023 (respectively), with the UTPR coming into effect in 2024. An implementation plan on BEPS 2.0 was agreed in the OECD Statement of October 8, 2021 (as updated with respect to Pillar One by a 'Progress Report on Amount A of Pillar One' published on July 11, 2022). Pursuant to this plan, on December 20, 2021, the OECD released Pillar Two model rules providing a template for jurisdictions to translate the GloBE rules into domestic law (and in this respect EU member states on December 15, 2022 adopted a Council Directive on ensuring a global minimum level of taxation for multinational groups and large-scale domestic groups in the EU (the "EU minimum tax directive")), although more detail (including final rules and implementation details on Pillar One) is still to be provided over the coming months. The EU minimum tax directive shall be implemented

by EU member states in their domestic laws by December 31, 2023, with the IIR entering into effect for fiscal years beginning from December 31, 2023, and the UTPR entering into effect for fiscal years beginning from December 31, 2024. Subject to the development and implementation of both Pillar One and Pillar Two (including the implementation of the EU minimum tax directive by EU member states) and the details of any domestic legislation, double taxation treaty amendments and multilateral agreements which are necessary to implement them, effective tax rates could increase within a Fund structure or on its investments, including by way of higher levels of tax being imposed than is currently the case, possible denial of deductions or increased withholding taxes and/or profits being allocated differently and/or penalties could be due. This could adversely affect investor returns.

*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 Foreign Account Tax Compliance Act (“FATCA”) aims to combat tax evasion by United States tax residents using foreign accounts. It includes certain provisions on withholding taxes and requires financial institutions outside the United States to collect and share information about their U.S. customers. Pursuant to FATCA, the United States has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion. In addition, OECD has developed a global Common Reporting Standard for the automatic exchange of financial account information in tax matters (as amended) (the “CRS”) pursuant to which many countries have signed multilateral agreements for the exchange of information. In the EU, a mandatory exchange of information regime has been implemented under Council Directive 2011/16/EU on administrative co-operation in the field of taxation (as amended) (the “Directive on Administrative Co-Operation” or the “DAC”). The DAC, which effectively implements (amongst other items) the OECD’s CRS, requires EU Member States to obtain detailed account information from financial institutions and exchange that information automatically with other jurisdictions annually. One or more of these information exchange regimes are likely to apply to a Fund and/or alternative investment vehicles, and may require the General Partner to collect and share with applicable taxing authorities information concerning limited partners (including confidential information, such as financial information concerning a limited partner’s investment in the Fund, any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling person (direct or indirect) of such investor and identifying information and amounts of certain income allocable or distributable to them). A limited partner’s failure to provide such information may result in withholding taxes, government-imposed penalties, expulsion from a Fund and/or alternative investment vehicles or other potential 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 unless applicable requirements are satisfied or an exception applies, and may, in the future, impose withholding on the gross proceeds of a disposition of any stock, debt instrument, or other property that can produce U.S.-source dividends or interest. The United States Internal Revenue Service (“IRS”) has issued proposed regulations (on which taxpayers may rely until final regulations are issued) that would generally not apply these withholding requirements to gross proceeds from asset dispositions. A Fund and/or an alternative investment vehicle may be required to withhold such taxes from certain non-U.S. limited partners, unless an exception applies.

*Conflicting Investor Interests.* It is expected that investors in a Fund will likely include taxable and tax-exempt entities and may be resident, for tax purposes, or subject to tax, in many different countries. As a result, limited partners of a Fund may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Consequently, no attempt is made in the tax disclosures and risk factors contained in a Memorandum to summarize the tax consequences for each prospective investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of the interests. The tax position of investors in a Fund may differ according to the investor's particular financial and tax situation. Different tax outcomes and conflicts may arise in connection with decisions made by the relevant General Partner regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters, and the structure of a Fund and/or its investments may not be tax efficient for any particular prospective investor. No undertaking is given that amounts distributed or allocated to investors will have any particular characteristics or that any specific tax treatment will be enjoyed. Further, no assurance is given that any particular investment structure in which a Fund has a direct or indirect interest will be suitable for all investors and, in certain circumstances, such structures may lead to additional costs or reporting obligations for some or all of the investors. In selecting, structuring, acquiring and disposing of investments, the relevant General Partner generally will consider the investment and tax objectives (including tax structuring considerations) of a Fund and its partners as a whole, not the investment, tax, or other objectives of any limited partner individually. Prospective investors should consider their own tax position in relation to acquiring, holding and potentially disposing of an interest in a Fund, consulting their own tax counsel as appropriate. None of a General Partner, Norwest, any of their affiliates, or any officer, director, member, partner, employee, adviser or agent of any of them can take responsibility in this regard.

Furthermore, it should not be assumed that the interests of all limited partners will be aligned. In particular, certain limited partners have made a commitment to a Fund in exchange for receiving an allocation (a "Secondary Allocation") of a certain portion of limited partner interests in one or more predecessor funds being sold on a secondary basis (such investors, "Staple Investors", and such commitments, "Staple Commitments"). Due to the incentivization of a Secondary Allocation, it should not be assumed that the Staple Investors would have made their Staple Commitments if not for their respective Secondary Allocations, which Secondary Allocations, may be more or less than the Secondary Allocation provided to any other particular limited partner. As such, an investment in a Fund by a Staple Investor should not be construed as an indication of confidence in the ability for Norwest to successfully carry out the investment strategy of a Fund, in particular, due to the fact that the Secondary Allocation consists of an established and identified portfolio. Furthermore, the long-term interests of a Staple Investor may not be aligned with the long-term interests of other investors who may not have received a Secondary Allocation, or have received a lesser Secondary Allocation. Investors should be aware that the investors of a Fund comprise a diverse group of limited partners, each of which may have differing investment objectives, investment portfolio compositions, tax profiles, risk tolerances and/or incentives or other interests.

*Tax in Foreign Jurisdictions.* A Fund and/or any vehicle in which such Fund has a direct or indirect interest may be subject to tax, including transfer taxes, in jurisdictions in which any such vehicles are incorporated, organized, controlled, managed, have a permanent establishment or are otherwise located and/or in which investments are made and/or with which investments have a connection.

Moreover, taxes such as withholding tax, branch tax or similar taxes may be imposed on, and thereby reduce, profits of, or proceeds arising to, a Fund from investments in such jurisdictions. Withholding tax may also be imposed on payments (for example interest payments) from such jurisdictions to 'non-cooperative' or 'blacklist' jurisdictions. In addition, local tax incurred in such jurisdictions may not be creditable to, or deductible by, the investors in their respective jurisdictions. A Fund or the investors could also be subject to tax, and have filing obligations, in jurisdictions in which such Fund invests or operates.

*Limited Access to Information.* Limited partners' rights to information regarding a Fund, the relevant General Partner or Norwest generally will be specified in, and in many cases strictly limited by, the Governing Documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Norwest's control. Decisions by Norwest or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Norwest and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners 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 the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Norwest reserves the right to withhold certain information from investors subject to such laws for reasons relating to Norwest's public reputation, business strategy or other reasons.

Due in part to the fact that prospective limited partners may ask different questions and request different information, a General Partner may provide certain information to one or more prospective limited partners that it does not provide to all prospective limited partners. None of the answers or additional information provided is or will be integrated into the Governing Documents, and no prospective limited partner may rely on any such answers or information in making its decision to subscribe for interests in a Fund. Such information may affect a prospective investor's decision to invest in a Fund or take actions or make decisions as an investor.

*Disclosure of Information.* Certain limited partners may be subject to state public records or similar freedom of information laws, which may compel public disclosure of confidential information regarding a Fund, its investments and limited partners. There can be no assurance that such information will not be disclosed either publicly, or to regulators, law enforcement agencies or otherwise, including for purposes of complying with regulations or policies to which a Fund, the relevant General Partner, their affiliates, portfolio companies or service providers to any of them may be or become subject. Moreover, the relevant General Partner is permitted to withhold confidential information or other information and materials from any limited partner or to such limited partner's affiliates, employees, representatives, agents or attorneys if the General Partner determines that such disclosure is not in the best interests of a Fund, any partner or any portfolio company or is not permitted by applicable law, statute, governmental rule, or regulation or judicial

or governmental order, judgment or decree. In addition, due to the fact that potential investors in a Fund may have different diligence inquiries and/or request different information, Norwest may provide certain information to one or more prospective investors that it does not provide to all prospective investors.

*Material Non-Public Information.* As a result of the operations of Norwest and its affiliates, as well as in connection with officerships or directorships of Norwest personnel, Norwest frequently comes into possession of confidential or material non-public information. Therefore, Norwest and its affiliates may have access to material, non-public information that might be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Norwest's internal policies and practices.

*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 and, more generally, there is an increased focus on tax avoidance strategies employed by businesses. There can be no assurance that any such scrutiny, regulation or focus will not have a material adverse impact on a Fund's activities, including the ability of a Fund to effectively and timely address new rules and regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Norwest and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Norwest and its affiliates, the Funds and/or its investments. In addition, the Funds are expected to bear increased and significant costs as a result of such enacted and proposed rules, including costs related to limited partner reporting and disclosures to investors. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to a Fund. In addition, such regulations will require a General Partner to disclose to prospective investors and/or limited partners certain preferential investment terms that such General Partner provides to any limited partner in connection with its investment in a Fund, which could cause such General Partner to deny certain preferential terms to limited partners.

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 may complicate or prevent a Fund's 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, a Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

*Alternative Investment Fund Managers Directive.* The AIFMD regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA") and the United Kingdom ("UK"). To the

extent a Fund is actively marketed to investors domiciled or having their registered office in the EEA or the UK: (i) the Fund, and the relevant General Partner or Norwest (as applicable) will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in the Fund incurring additional costs and expenses; (ii) the Fund, the General Partner or Norwest (as applicable) may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions or the UK, which may result in the Fund incurring additional costs and expenses or otherwise affect the management and operation of the Fund; (iii) the General Partner or Norwest (as applicable) will be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of the Fund in relation to EEA or UK portfolio companies including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure an EEA or UK portfolio company within the first two years of ownership, which may in turn affect operations of the Fund generally. In addition, it is possible that some jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for a Fund to raise its targeted amount of commitments.

*Environmental, Social and Governance Risk.* Norwest maintains an environmental, social and governance ("ESG") policy and intends to apply the policy to a Fund's investment activities. Although Norwest believes that application of its ESG policy is an opportunity to potentially enhance or protect the performance of the portfolio companies in which the Partnership invests over the long-term, Norwest cannot guarantee that its ESG policy, which depends in part on qualitative judgments, will positively impact the performance of any individual investment or a Fund or firm as a whole. There can also be no assurances that Norwest will be able to implement its ESG or diversity, equity and inclusion ("DEI") initiatives, or that the ESG and/or DEI initiatives will be successful.

Depending on the investment, the impact of developments connected with ESG factors, including worker health and safety, environmental compliance, labor issues, and bribery and corruption, could have a material effect on the return and risk profile of the investment. The act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by Norwest, or a third-party ESG advisor, will reflect the beliefs or values, internal policies or preferred practices of any particular limited partner or other asset managers or reflect market trends. Considering ESG factors when evaluating an investment in certain circumstances may, to the extent material risks associated with an investment are identified, cause Norwest not to make an investment that it would have made or to make a management decision with respect to an investment differently than it would have made in the absence of such consideration, which carries the risk that a Fund may perform differently than investment funds that do not take ESG factors into account. Additionally, ESG factors are only some of the many factors that Norwest expects to consider in making an investment. Further, Norwest's ESG policy and associated procedures and practices are expected to change over time. Norwest may determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations.

To the extent Norwest, or a third-party ESG advisor, engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements

will improve the financial or ESG-related performance of the investment. Successful engagement efforts on the part of Norwest or a third-party ESG advisor will depend on Norwest's skill in properly identifying and analyzing material ESG and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful. In addition, Norwest's ability to influence and exercise control over the portfolio companies in which it invests may vary depending on the investment structure and terms. In cases where Norwest determines it has limited ability to conduct diligence or to influence and control the consideration of ESG issues in connection with an investment, Norwest may only be able to apply those elements that it determines to be practicable.

The materiality of ESG risks and impacts on an individual asset or issuer and on a portfolio as a whole depends on many factors, including the relevant industry, location, asset class and investment style. ESG factors, issues and considerations do not apply in every instance or with respect to each investment held, or proposed to be made, by a Fund, and will vary greatly based on numerous criteria, including, but not limited to, location, industry, investment strategy, and issuer-specific and investment-specific characteristics. In evaluating a prospective investment, Norwest often depends upon information and data provided by the entity or obtained via third-party reporting or advisors, which may be incomplete or inaccurate and could cause Norwest to incorrectly identify, prioritize, assess or analyze the entity's ESG practices and/or related risks and opportunities. Norwest does not intend to independently verify certain of the ESG information reported by investments of the Fund, and may decide in its discretion not to utilize, report on, or consider certain information provided by such investments. To the extent that Norwest provides reports of material ESG issues to investors, such reports will be based on Norwest's or the applicable investment management team's sole and subjective determination of whether a material ESG issue has occurred in respect of an investment.

Finally, there is also growing regulatory interest, particularly in the U.S., UK, and the EEA (as defined below) (which may be looked to as models in growth markets), in improving transparency around how asset managers, amongst others, define, measure and disclose ESG performance, in order to allow investors to validate and better understand sustainability claims. Norwest's ESG policy could become subject to additional regulation in the future (including pursuant to the various legislative initiatives stemming from the European Commissions' action plan on sustainable finance announced in 2018 or the UK's Green Finance Strategy announced in 2019), and Norwest cannot guarantee that its current approach will meet future regulatory requirements.

*European Sustainability-Related Disclosure and Reporting Frameworks.* On June 22, 2020, the Official Journal of the European Union published a classification system that establishes a list of environmentally sustainable economic activities and sets out four overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable (Regulation (EU) 2020/852, "Taxonomy Regulation"). The Taxonomy Regulation, amongst other things, introduces mandatory disclosure and reporting requirements and supplements the framework set out in the Sustainable Financial Disclosure Regulation (Regulation (EU) 2019/2088, "SFDR"), which requires certain disclosures in relation to whether and, if so, how sustainability risks and negative impacts on environmental and social factors are taken into account in the investment process. Financial products that have a sustainable investment objective or which promote environmental or social characteristics have an obligation to disclose such an objective or characteristics in pre-



contractual disclosures and report on an ongoing basis their performance in achieving those commitments, among other things.

The disclosure requirements in the SFDR are supplemented by the Commission Delegated Regulation (EU) 2022/1288 which specifies the details of the content and presentation of the information in relation to the principle of “do no significant harm,” the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

To the extent a Fund becomes subject to compliance with SFDR, such compliance would cause increased legal, compliance, governance, reporting and other costs to such Fund, the relevant General Partner and/or such Fund’s portfolio companies because it would create the need to collect certain information to meet the disclosure requirements, and the compliance requirements would also create risks relating to financial supervision and the possibility of enforcement action. To the extent that any jurisdiction applicable to a Fund or its investment objectives enact similar laws and/or frameworks, there is a risk that a Fund may not be able to maintain alignment of a particular investment with such frameworks, and/or may be subject to additional compliance burdens and costs, which might adversely affect the investment returns of such Fund.

*Corporate Sustainability Reporting Directive.* On January 5, 2023, the Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464, “CSRD”) came into force. On July 31, 2023, the EU Commission adopted detailed sustainability reporting obligations, requiring reporting which must be made in accordance with mandatory EU Sustainability Reporting Standards on areas including but not limited to climate and environmental issues, social issues and corporate governance issues. In-scope entities will be required to have their sustainability reports externally audited and assured. To the extent that any entities associated with a Fund are in-scope (which could include, for example, investments that form part of the value chain of an in-scope entity) those entities may be subject to an increased compliance burden and related costs. Some of these costs may be borne directly or indirectly by a Fund.

*United Kingdom Exit from the European Union (the “EU”).* On January 31, 2020, the UK formally withdrew from the European Union (“Brexit”). After this, the UK entered into a transition period during which the majority of the existing EU rules continued to apply in the UK. Following the end of the transition period on December 31, 2020, EU rules ceased to apply in the UK.

Although the terms of the UK’s future relationship with the EU were agreed in a trade and cooperation agreement signed on December 30, 2020, this did not include an agreement on financial services. In the absence of a formal agreement on this issue, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to substantially many of the same rules and regulations as prior to Brexit. However, the UK Government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of such Fund to achieve its investment objectives.

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

*Additional Government or Market Regulations.* Market disruptions and the dramatic increase in the capital allocated to alternative asset management during recent years have led to increased governmental, as well as self-regulatory organization scrutiny, of the private fund industry in general. In addition, certain legislation proposing greater regulation of the industry is periodically considered by the U.S. Congress, as well as the governing bodies of various jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to a Fund, the relevant General Partner, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Any such regulation could have a material adverse impact on the profit potential of a Fund and increase the risk a Fund could be required to disclose the identities of the limited partners.

Certain industry segments in which a Fund may invest, including various segments of the consumer products, industrials, business and consumer services, agriculture, business services, healthcare industries, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including, in particular, the healthcare industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund may invest.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company (or to related entities) or may have the opportunity to increase its investment in a portfolio company (or to related entities), whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There can be no assurance that any Fund will make add-on investments or that any Fund 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 may have a substantial negative impact 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) and may result in a lost opportunity for such Fund to increase its participation in a successful investment or the dilution of the relevant Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest in such investment.

*Side Letters.* The relevant General Partner and/or a Fund have entered into Side Letters or other similar written agreements with one or more limited partners. These Side Letters establish rights or entitle such limited partners to make an investment in the relevant Fund on terms other than those described in the Governing Documents. Generally, Side Letters may include (i) more favorable fee and other economic arrangements (including discounts and terms applicable in exchange for closing by a specified deadline, making a certain size capital commitment or other parameters) with respect to such limited partners, including, but not limited to, higher preferred return rates and/or lower carried interest or Management Fee rates and/or changes to the general partner "catch-up" or waiver of any other amounts to the General Partner or its affiliates (including in respect of any equalization interest payable to the Management Company); (ii) excuse or exclusion rights applicable to particular investments or withdrawal rights (with the consent of the General Partner) from the Fund, including without limitation, as a result of a limited partner's specific policies or certain violations of U.S. federal, state or non-U.S. laws, rules or regulations, such as so-called "pay-to-play" rules with respect to public pension plan investors (which may materially increase another limited partner's pro rata interest in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal) and may reduce the overall size of a Fund); (iii) the General Partner's agreement to extend certain information rights or additional or modified reporting (including customized reports) to such limited partner, including, without limitation, to accommodate special regulatory or other circumstances of such limited partner, which could be time-consuming, divert the attention of personnel and the management teams of the relevant General Partner and its affiliates and the costs of which will, unless otherwise expressly agreed with a limited partner, be borne by the relevant Fund and are likely to be material, including on a cumulative basis over the life of the Fund; (iv) prior consent of the relevant General Partner to certain transfers by such limited partner; (v) special priorities, rights and economic and other terms with respect to co-investment allocation and participation; (vi) waiver of certain confidentiality obligations; (vii) consent rights to certain amendments to the relevant Partnership Agreement; (viii) certain obligations or restrictions on the General Partner with respect to the exercise of its discretion on certain matters, including amendments, exercising default remedies and waiving confidentiality or terms; (ix) restrictions on, or special rights of, such limited partner with respect to the activities of the General Partner; (x) rights or terms necessary in light of particular legal, tax, regulatory or policy characteristics of a limited partner (including with respect to limitations on the ability to provide indemnification); (xi) certain adjustments with respect to economic provisions (including potential mandatory waivers of compensation as a result of certain violations of law with regard to

public pension investors); (xii) additional obligations and restrictions of the General Partner and the Fund with respect to the structuring of any particular investment in light of the legal, tax and regulatory considerations of particular limited partners (including with respect to alternative investment vehicles); (xiii) agreements to assist with the taking or defending of tax positions; (xiv) the right of the General Partner to waive any requirements of limited partners to execute acknowledgments or other documents in connection with any subscription line or other credit facility; (xv) agreement to various sovereign immunity, jurisdiction and venue provisions applicable to certain governmental, sovereign, or other types of investors on behalf of the General Partner and/or the Fund (which could limit the ability to initiate or maintain legal proceedings against certain limited partners in certain jurisdictions); (xvi) rights with respect to different anti-money laundering requirements; and (xvii) any other matters described herein, which may be more favorable than those offered to any other limited partners. The relevant General Partner shall not be, to the fullest extent permitted by applicable law, under any obligation to give the limited partners notice of any side letters entered into absent an agreement with a limited partner to the contrary. A General Partner, on behalf of the relevant Fund, may enter into such Side Letters with any party as such General Partner may determine in its sole and absolute discretion at any time. The other limited partners will have no recourse against a Fund, the General Partner or any of their affiliates in the event that certain limited partners receive additional and/or different rights and/or terms as a result of such Side Letters. As a consequence of one or more limited partners being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

*Non-U.S. Investments.* Without the consent of the limited partners, a Fund may invest in portfolio companies that conduct substantially all of their respective operations outside of the United States and Canada. 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 a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.

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.

*Due Diligence of and Conduct at Portfolio Companies.* Before making investments, the relevant General Partner will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such

involvement may present a number of risks primarily relating to the General Partner's reduced control of the functions that are outsourced. When conducting due diligence and making an assessment regarding an investment, the General Partner will rely on the resources available to it, including information provided by the target portfolio company and, in some circumstances, third-party investigations. The General Partner's due diligence investigation with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, a due diligence investigation will not necessarily result in any particular investment being successful. There can be no assurance that any attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in a Fund as being speculative and having a high degree of risk.

*Significant Adverse Consequences for Default.* The Governing Documents of a Fund provide for significant adverse consequences in the event a limited partner defaults on its commitment or any other payment obligation. In addition to potentially losing its right to distributions from a Fund, a defaulting limited partner may be forced to transfer its interest in such Fund for an amount that is less than the fair market value of such interest and that may be paid over a lengthy period (as set forth in the Governing Documents), without interest.

*Dilution.* Limited partners admitted or that increase their respective commitments to a Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing limited partners in such investments. Although any such new limited partner will be required to contribute its *pro rata* share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund's existing investments at the time of such contributions. On the other hand, a limited partner admitted to a Fund or increasing its commitment at a subsequent closing may be acquiring interests in one or more investments at a price in excess of the fair value of such investments (or acquiring interests in a Fund at a price less than their fair value based on the net asset value of such Fund as a whole) to the extent such fair value of such investments (or the interest of such limited partner) would equal less than the cost plus interest price being paid by such limited partner for its interest in the Fund. As such, limited partners should be aware that the risk of dilution or participation, in each case, at a price not necessarily commensurate with the Fund's net asset value should be carefully considered when deciding on subscription timing. For the avoidance of doubt, a subsequent closing limited partner will typically be required to bear Management Fees retroactive to the initial closing date as if such limited partner was admitted for its full commitment on the initial closing date, plus any interest thereon, as described in the Partnership Agreement of such Fund.

*Transfer by General Partner.* To the extent the relevant General Partner, its members, the Norwest principals and/or their respective affiliates commit to make a direct or indirect investment in or alongside a Fund, a material participation in or a portion of such investment may thereafter be transferred to others, subject to certain limitations set forth in the Governing Documents of such Fund.

*Public Company Holdings.* A Fund's investment portfolio may contain securities and debt and/or equity issued by publicly held companies. Such investments may subject the relevant Fund 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 relevant Fund 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 Norwest principals, partners and other investment professionals, and increased costs associated with each of the aforementioned risks.

*Director Liability.* A Fund 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. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately such Fund, 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 such Fund's investment activities.

*Limitation of Recourse and Indemnification.* The Governing Documents of a Fund will limit the circumstances under which the relevant General Partner and its affiliates will be held liable to the Fund. As a result, limited partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Governing Documents of a Fund will provide that the Fund will indemnify the relevant General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially adversely impact the returns to limited partners.

*Contingent Liabilities Upon Disposition.* In connection with the disposition of an investment, a Fund and the relevant General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties (e.g., in respect of 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 relevant Fund and, ultimately, its limited partners.

*Litigation.* In the ordinary course of its business, a Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the relevant Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the relevant General Partner's and Norwest principals', partners' and/or other investment professionals' 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 relevant General Partner will appoint one or more limited partner representatives to the advisory board of a Fund. The Governing Documents of the relevant Fund will provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the Fund or any other partner. In addition, representatives of the advisory board may have various business and other relationships with Norwest and its members, employees and affiliates. These relationships may influence their decisions as members of the advisory board.

*Delayed Tax Information.* A Fund may not be able to provide final tax filing information to limited partners for any given fiscal year until after the initial tax filing deadlines for limited partner tax returns. Accordingly, limited partners should plan to obtain extensions of the filing dates for their income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the Fund.

*U.S. Federal Income Tax Liability Resulting from IRS Audits.* U.S. federal income taxes arising from an IRS audit will be paid by a Fund absent an election to the contrary. In addition, a “partnership representative” will have the power to act on behalf of a Fund and its Partners in all IRS audits and other proceedings involving the Fund’s U.S. federal income, loss, deductions and credits.

*Tax Liability Considerations.* A Fund may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by a taxing authority, a limited partner might be found to have a different tax liability for that year than that reported on its tax returns. In addition, a taxing authority’s review of a Fund may result in a review of the returns of some or all of the limited partners, which examination could result in adjustments to the tax consequences initially reported by the relevant Fund and affect items not related to a limited partner’s investment in the relevant Fund. If such adjustments result in an increase in tax liability for any year, the relevant Fund or one or more of the limited partners may also be liable for interest and penalties with respect to the amount due. The legal and accounting costs incurred in connection with any taxing authority’s review of a Fund’s tax returns will be borne by the Fund. The cost of any review of a limited partner’s tax return will be borne solely by such limited partner.

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

*Changes in U.S. Tax Law.* All statements contained herein concerning the U.S. federal income tax (or other tax) consequences of an investment in a Fund are based on existing law and interpretations thereof. Recent or future changes in U.S. federal income tax law could materially affect the tax consequences of a limited partner’s investment in a Fund, and the tax treatment of the Fund’s portfolio companies. While some of these changes could be beneficial, others could negatively affect the after-tax returns of a Fund and the limited partners. Accordingly, no assurance can be given that the currently anticipated tax treatment of an investment in a Fund, or of investments made

by the Fund, will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of the limited partners.

*Public Health Emergencies.* Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in market 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 may result in significant losses to the Funds.

In an effort to contain such health emergencies, national, regional and local governments, as well as private businesses and other organizations, have taken or have the potential to take restrictive measures, including instituting local, regional and national quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. Any such measures have the potential to significantly diminish economic production and activity of all kinds and contribute to volatility in financial markets, demand across categories of consumers and businesses, as well as in the credit and capital markets. Restrictive measures, whether on an initial or re-imposed basis, also have the potential to cause labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, increases in unemployment levels, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, restaurant, retail, sports and entertainment.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds’ and their portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds’ ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partners and Norwest may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity’s personnel. These measures may also hinder such entities’ ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.



*Market Conditions.* The capital markets have, on many recent occasions, experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) has had, and may in the future have, a material 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 a Fund and may affect a Fund's 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 a Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the relevant Fund to pay break-up, termination or other fees and expenses in the event the 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 the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective.

*Effect of General Economic, Market, Social and Political Conditions on the Fund's Activities; Uncertain Environment.* The success of a Fund's activities will be affected by general economic and market conditions such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in law (including laws relating to taxation of the Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments' prices and the liquidity of a Fund's investments. Volatility or illiquidity could impair a Fund's profitability or result in losses. A Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

The current global economic and political climate continues to be one of uncertainty. 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 a Fund and its 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 a Fund and result in longer holding periods for investments. Furthermore, such uncertain or general economic downturn may have an adverse effect upon a Fund's portfolio companies. Unpredictable or unstable market conditions may also make it more difficult for a Fund to exit and realize value from its investments. The current

political environment could also create additional regulatory burdens applicable to the relevant General Partner and/or a Fund, which could have an adverse effect on the Fund.

It is important to understand that in light of the nature of certain investments, a Fund may not be able to react quickly to changes in market conditions and such Fund could incur material losses even if it reacts quickly to difficult market conditions. There can be no assurance that a Fund will not suffer material adverse effects from broad and rapid changes in market conditions.

*Russia-Ukraine Conflict.* On February 24, 2022, Russia launched an invasion of Ukraine that has resulted in an ongoing military conflict between the two countries (the “Russia-Ukraine Conflict”). The Russia-Ukraine Conflict has caused, and is currently expected to continue to cause, significant disruptions to the global financial system, international trade, and the transportation and energy sectors, among other disruptions. In addition, the Russia-Ukraine Conflict has displaced millions of people, causing an acute refugee crisis in Europe, and has increased the threat of nuclear accidents or attacks, cyberattacks and further regional or global conflicts (including a potential expansion of the Russia-Ukraine Conflict to other countries as well as other potential conflicts, including, but not limited to, conflicts in other geographic locations and between other state and non-state actors), among other potential consequences. In response to Russia’s actions, multiple countries and governing bodies, including the United States and the European Union (the “EU”), have put in place global sanctions and other severe restrictions or prohibitions on the activities of certain individuals and businesses connected to Russia and/or Belarus. Private companies have also implemented restrictions that severely limit, and in some cases, reverse or cancel, business transactions in or involving certain individuals and/or businesses connected to or associated with Russia and/or Belarus. Further, some private companies have moved to divest of Russia-based subsidiaries and assets. In addition, the impacts of the Russia-Ukraine Conflict on the global supply chain and commodity prices are expected to be profound and may result in substantial inflation in one or more countries (or globally). However, the ultimate impact of the Russia-Ukraine Conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Partnership or any particular industry, business, currency or country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine Conflict may have a significant adverse impact on, and result in significant losses to, a Fund and its portfolio companies. In particular, the portfolio companies of the Partnership may suffer significant increases in operating costs (including, among other reasons, as a result of the substantial increase in energy prices), reductions in customers or new subscriptions for services, losses from cyberattacks, significant reductions in revenue and growth, increased foreign exchange risk and/or unexpected operational losses and liabilities. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (sanctions-related, military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy that a Fund intends to pursue, all of which could adversely affect a Fund’s ability to fulfil its investment objectives.

*Monetary Policy and Governmental Intervention.* Actions by the Board of Governors of the U.S. Federal Reserve System (the “Federal Reserve”) and other central bankers, including changes in

policies, may have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of the Fund's investments on an absolute and/or relative basis. For example, in response to interagency guidance on leveraged lending by the Federal Reserve, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation has indicated a willingness to curtail certain leveraged lending to market participants such as private equity firms in connection with their investment activities, and in such cases private equity funds would need to finance portfolio investments with a greater proportion of equity relative to prior periods and the terms of debt financing may be less flexible for borrowers compared to prior periods. These developments may impair a Fund's ability to consummate transactions and/or cause a Fund to enter into transactions on less favorable terms.

*Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one of the banks, brokers, hedging counterparties, lenders or other custodians (each, a "Financial Institution") of some or all of a Fund's (or any portfolio company's) assets fails to timely perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (including without limitation a "run on the bank" for any reason), 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 or a loss of confidence in the Financial Institution's management or board of directors or its perceived financial strength or health. If a Financial Institution experiences a Distress Event, a General Partner, a Fund and/or one of its portfolio companies may not be able to access deposits, borrowing facilities or other services, either permanently or for an extended period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to the stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks (where the FDIC's stated insured balance amounts are \$250,000 per depositor with respect to such banks), and the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers (where the SIPC's stated insured balance amounts are \$10 million with respect to such broker-dealers), amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss (in whole or in part), substantial delays or negative impacts on banking or brokerage conditions or markets. Absent such governmental intervention in connection with any Distress Event, it is likely that a significant portion (or perhaps substantially all) of the balances in any such bank deposit accounts and/or brokerage accounts of the Fund and/or its portfolio companies will be uninsured, and as a result there can be no assurance that the Fund or its portfolio companies would not incur material (which may include potentially near-total) losses in respect of any uninsured amounts in such respective accounts. More broadly, absent such governmental intervention, any Distress Event could lead to significant disruption, including but not limited to severe disruptions to the domestic (or potentially global) banking system, with a strong possibility of one or more additional Distress Events involving other Financial Institutions, all of which could lead to a national or global recession, an extended systemic impact or contagion within or outside the relevant country, and/or civil unrest.

Any Distress Event could have a potentially adverse effect on the ability of the General Partner to manage the Fund and its investments, and on the ability of the General Partner, the Fund and/or any portfolio company to maintain operations, which in each case could result in significant losses and in unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event the Fund is unable 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 the Fund to access capital contributions or otherwise); the inability of a Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and the inability of the relevant Fund's portfolio companies to make payroll, fulfill obligations or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that a Fund or a portfolio company will incur additional expenses or delays in putting in place alternative arrangements or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, availability, access to capital or otherwise). To the extent the General Partner is able to exercise contractual remedies under 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, delays or other negative impacts. A Fund and its portfolio companies are subject to similar risks if a Financial Institution utilized by investors in such Fund or by suppliers, vendors, contractors, service providers or other counterparties of a Fund or a portfolio company becomes subject to a Distress Event, which could have a material adverse effect on the Fund and/or one or more of its portfolio companies.

Many Financial Institutions require, as a condition to using certain of their services (often including lending services), that a General Partner and/or a Fund maintain all or a set amount or percentage of their respective accounts or assets with that Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although the General Partner seeks to do business with Financial Institutions that it believes are established, well-capitalized and capable of fulfilling their respective obligations to a Fund, the relevant General Partner is under no obligation to use a minimum number of Financial Institutions with respect to such Fund or to maintain account balances at or below the relevant insured amounts, and the rapid collapse in the first quarter of 2023 of several seemingly well-capitalized and established institutions demonstrates that there are limits to the effectiveness of this approach in avoiding counterparty exposure. Under certain circumstances, such as receiving capital contributions pursuant to a capital call or proceeds from a disposition, a Fund will not be able to maintain account balances at or below any relevant insured amounts.

*Unfunded Pension Liabilities of Portfolio Companies.* In at least one U.S. federal circuit, a court has found that, in certain circumstances, an investment fund could be treated as a "trade or business" for purposes of determining pension liability under ERISA. Therefore, 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 portfolio company to the extent the portfolio company is unable to satisfy such liabilities. A Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own an 80% or greater interest in such portfolio company. If such Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a

material adverse effect on the operations of the Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding ERISA control group liability as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

*In-House Services.* A Fund will be responsible, either directly or by reimbursing Norwest or its affiliates, for the fees, costs and expenses related to In-House Services provided by Norwest or its affiliates to or for the benefit of a Fund, its portfolio companies or prospective portfolio companies (including an allocable portion of rent, utilities, personnel and other related overhead expenses) if a General Partner determines the fees, costs and expenses of these services would otherwise be paid by the relevant Fund, its portfolio companies or prospective portfolio companies if the services were provided by third-party service providers and the General Partner determines it is in a Fund's best interests to have in-house personnel perform such services. Amounts directly or indirectly borne by a Fund in respect of In-House Services will not reduce the Management Fee.

Occasionally, whether a service meets the criteria for reimbursement from a Fund will not be clear. In these circumstances, the General Partner will determine in its sole discretion whether reimbursement is appropriate. From time to time, Norwest professionals providing In-House Services will work alongside third-party service providers with respect to the same type of service or engagement. When this occurs, although a third party will also be engaged on the matter, a Fund may still provide reimbursement for the work performed in house resulting in higher overall costs to the Fund, which will reduce returns to the limited partners.

Norwest intends to implement processes to monitor and review the allocation of expenses relating to In-House Services. Individual service providers (e.g., employees or other affiliates) will allocate their time to Norwest Funds and Norwest, as applicable, on a periodic basis. Senior professionals and Norwest's legal or compliance function will periodically review the recorded time for reasonableness and will be empowered to make adjustments considered appropriate before a monetary value is assigned to such time. Such monetary value will generally be determined by reference to the aggregate annual compensation paid to the employee providing the In-House Services (including salaries, wages, bonuses, benefits, profits interests, equity interests or other incentive-based compensation), plus an estimate of the overhead and other fixed costs allocable to the employee, and the amount of time spent by the employee providing the In-House Services, although other inputs may be used in Norwest's discretion. Because the allocation process for In-House Services relies on certain judgments and assessments that in turn are based on information and estimates from various individuals, the allocations that result may not reflect the value obtained by a Fund for the related services. In the future, Norwest reserves the right to use additional or different methods to determine and allocate expenses related to In-House Services.

A Fund's reliance on In-House Services will give rise to potential conflicts of interest. For example, Norwest will have an incentive to utilize its own employees and other affiliates to provide these services in order to reduce its overhead. While Norwest believes In-House Services will offer potential synergies or benefits to a Fund and its portfolio companies, there can be no assurance that no other service provider is more qualified to provide these services, could provide greater benefits or could provide such services at a lesser cost. Accordingly, there can be no assurance there will be any cost savings as a result of the utilization of In-House Services.

*Valuation of Investments.* Market quotations will generally not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by a Fund generally will be illiquid and not quoted on any exchange. Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all 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. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of such Fund's portfolio of investments.

The process of valuing assets or 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 assets or securities and may differ from the prices at which such assets or securities ultimately may be sold. The exercise of discretion in valuation by a General Partner may 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 Management Fees after the expiration of the investment period. In addition, a General Partner has an incentive to value such investments at a higher level in order to enhance performance reporting.

*Subscription Lines.* A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of a Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may 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 limited partner claim against a Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership 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/or recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating, amending or terminating the

facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the 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 limited partners to make capital contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. 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 (including one or more co-investing Funds) 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 the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in a Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership 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 limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner 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 the limited partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse Norwest for expenses incurred on behalf of the relevant Fund. A Fund is also permitted to utilize Fund-level borrowing when a General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment funded with borrowings appreciates in value and is disposed of when such borrowings remain outstanding, the relevant Fund generally would be permitted to apply disposition proceeds to repay all or any portion of outstanding borrowed amounts (and related interest and expenses), and the absence of invested capital funded by limited partners potentially will result in a disposition of net proceeds from such investment without a preferred return accrual on the amount invested by the Fund (which had been funded with borrowings at the outset) and can result in a distribution of carried interest to the relevant General Partner. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

*Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. The information and technology systems of a Fund, a General Partner, Norwest and its portfolio companies, and the data that they hold or process and each of their respective abilities to operate, may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches (e.g., "hacking," ransomware or malicious software coding), usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. In addition, critical infrastructure, including projects and companies in which Norwest invests, may attract particular interest from cyber criminals and therefore be the subject of such infiltration and attacks. Although Norwest and its portfolio companies generally have implemented (and certain portfolio companies may implement in the future) 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, Norwest or another relevant party may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Norwest's, a General Partner's, a Fund's, portfolio companies' and/or service providers' operations, potentially resulting in financial losses, interference with the ability to conduct asset valuations, the inability to transact business, including the ability to make distributions to limited partners, 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) or customers of a portfolio company. In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may harm a Fund's, a General Partner's, Norwest's and/or a portfolio company's reputation, subject any such entity and their respective affiliates to fines, civil or criminal legal claims or regulatory action (see "Privacy and Data Protection Law Compliance Risk" below for further details), and otherwise affect their business and financial performance. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Norwest or one of its service providers holding its financial or investor data, Norwest, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under Norwest's policies and practices.

*National Security Clearance Considerations.* In some cases, investments by a Fund involving the acquisition of or investment in a U.S. business or assets with a nexus to U.S. interstate commerce (including a U.S. subsidiary or branch of a company domiciled outside of the United States) may be subject to review and approval by the Committee on Foreign Investment in the United States ("CFIUS"). In the event that CFIUS reviews one or more investments, there can be no assurances that the General Partner or a Fund will be able to maintain or proceed with such portfolio companies on acceptable terms. Additionally, CFIUS may seek to impose limitations on one or more such portfolio companies that may prevent a Fund from maintaining or pursuing investment opportunities that a Fund otherwise would have maintained or pursued, which could adversely affect the performance of a Fund's investment in such portfolio companies and thus the performance of the General Partner. Legislation to reform CFIUS was signed into law in August 2018 and regulations to implement this legislation became effective in 2020. This legislation and implementing regulations, among other things, expand the scope of CFIUS' jurisdiction to cover more types of investments and empowers CFIUS to scrutinize more closely investments in U.S. technology, data, and infrastructure companies (called "TID U.S. Businesses"), including investments involving foreign limited partners and foreign co-investors that may be deemed "non-passive." Moreover, parties to certain transactions involving foreign persons and U.S. "critical technology" companies must submit filings to CFIUS at least 30 days in advance of closing. A Fund's transactions may involve investments into "critical technology" companies. Failure to submit required filings may result in significant financial penalties for each transaction party, as well as reputational damage. In addition, CFIUS is actively pursuing transactions that were not notified to it and may ask questions regarding, or impose restrictions, conditions, limitations, or mitigation on, transactions post-closing. Such restrictions, limitations, conditions, and mitigation can include, among other things, restrictions on foreign persons' ability to influence or govern a target company, pre-approval by the U.S. government of certain business decisions, and/or divestiture of some or all of a target company's business.

Certain of the limited partners of a Fund are expected to be non-U.S. investors, and in the aggregate, may comprise a substantial portion of the Fund's aggregate commitments, which may increase the risks of such limitations, conditions or restrictions on investments being imposed. Moreover, other countries continue to strengthen their own national security investment clearance regimes, and a Fund's investments outside of the U.S. may also face delays, limitations, or restrictions as a result of compliance with these legal regimes. Heightened scrutiny of foreign direct investment worldwide may make it more difficult for a Fund to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for an investment in a portfolio investment.

Additionally, a Fund may invest in companies that are, or may become, subject to CFIUS requirements based on pre-existing foreign ownership and control; in such cases, CFIUS requirements may adversely impact a portfolio company's ability to obtain or retain business or otherwise make it more difficult for a Fund to realize a profit from an investment. Moreover, CFIUS or other regulatory considerations, including changes to the implementing laws and regulations and agency practice, may limit or restrict the universe of suitable prospective acquirers for certain investments that a Fund may exit and may make it more difficult for a Fund to realize value from such investments.

Current legislation pending before the U.S. Congress and a prospective Executive Order contemplate regulating outbound investment to countries and companies deemed to be averse to U.S. national security and foreign policy interests. If such legislation is not enacted, similar outbound investment controls could be implemented under the auspices of an executive order. Any restrictions on U.S. outbound investment could limit the universe of prospective investments available to a Fund making it more difficult to deploy capital, and/or adversely affect the governance and operations of such Fund's investments and thus the performance of such Fund.

Finally, more than two dozen U.S. states have enacted or are considering legislation that would prohibit, restrict, or regulate foreign investment in real property in such states. A Fund cannot exclude the possibility that some or all of these states may prohibit, restrict, or regulate (including requiring disclosure) of Fund investments, including based on the composition of a Fund's limited partner base. Collectively, these laws also elevate the likelihood that a Fund, a General Partner, or a limited partner will be required or requested to disclose to U.S. federal and/or state regulators information about a Fund, its General Partner, its limited partners, their structure, and their beneficial ownership and control.

Any changes in the regulatory framework applicable to a Fund, including the changes described above, may impose additional compliance and other costs, increase the likelihood for regulatory investigations of the investment activities of the Fund, require the attention of senior management, affect the manner in which a Fund conducts its business, and adversely affect such Fund's profitability.

*Other Regulatory Restrictions.* Anti-corruption, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the General Partner or a Fund from entering into transactions with certain individuals or jurisdictions.

The U.S. Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act ("UKBA") and other anti-corruption and anti-bribery laws, as well as U.S. anti-boycott regulations, may impact a General

Partner, a Fund and a Fund's portfolio companies. A Fund may be adversely affected or miss out on opportunities because of the relevant General Partner's unwillingness to participate in transactions that potentially violate such laws and regulations. Such laws and regulations may make it difficult in certain circumstances for a Fund to act successfully on investment opportunities or to obtain or retain business. Despite any policies that a General Partner may seek to implement at portfolio companies, portfolio companies or their affiliates may engage in activities that could result in FCPA violations. Any determination that the General Partner, the Fund, its portfolio companies or any of their respective officers, directors or employees has violated the FCPA, the UKBA or other applicable anti-corruption laws, anti-bribery laws, or U.S. anti-boycott regulations, could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of investor confidence, any one of which could adversely affect the Fund's business prospects and/or financial position, as well as the ability to achieve its investment objective and/or conduct its operations.

The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or companies owned or controlled by such persons, or located in certain jurisdictions. These types of sanctions and similar laws and regulations may significantly restrict a Fund's direct or indirect investment activities in certain countries and economic sectors. Moreover, sanctions laws and regulations change frequently, and it may be challenging for a Fund to ensure consistent compliance with these laws and regulations. The economic and trade sanctions and related laws of different jurisdictions (including, for instance, anti-blocking legislation enforced by EU member states and Canada) also may conflict with one another, such that compliance with all applicable laws may be difficult for a Fund or its portfolio companies. Ensuring ongoing compliance with sanctions laws, rules, regulations, directives, and special measures may require a Fund or its portfolio companies to terminate or wind-up certain business relationships, which may adversely impact a Fund's investment objectives.

In connection with the prevention of money laundering under applicable laws, a Fund may require a detailed verification of a prospective investor's identity, disclosure of its beneficial owner(s), and the source of such prospective investor's funds. In the event of a delay or failure by a prospective investor to produce any such information required for verification purposes, a Fund may refuse to admit such investor to the Fund. As a result, the relevant General Partner may from time-to-time request (outside of the subscription process), and limited partners will be obligated to provide to the relevant General Partner as appropriate upon such request, additional information as from time to time may be required for the relevant General Partner or the relevant Fund to satisfy their respective obligations under these and other laws that may be adopted in the future. Such Fund accordingly will require each investor to make representations and warranties with respect to compliance with anti-money laundering and sanctions regulations. Where an investor or a related person is or becomes the target of sanctions or otherwise violates or would cause a Fund to violate applicable law, the relevant Fund may be required immediately and without notice to such investor to cease any further dealings with the investor and/or the investor's interest in a Fund and/or freeze such investor's assets in the Fund's possession until the investor ceases to be the subject of such sanctions or restrictions. A Fund and a General Partner have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential

losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by any investor as a result of any such event.

Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of the General Partner's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by the General Partner or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that a Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

*Privacy and Data Protection Law Compliance Risk.* A General Partner, a Fund and its portfolio companies, and each of their affiliates, may be subject to data protection laws and regulations related to privacy, data protection and information security (collectively, the "Data Protection Legislation"). Compliance with the Data Protection Legislation may require adhering to stringent legal and operational obligations and therefore the dedication of substantial time and financial resources which may increase over time.

Failure to comply with applicable Data Protection Legislation could result in fines, other enforcement actions or reputational damage. For example, failure to comply with the General Data Protection Regulation (EU 2016/679) (the "GDPR") or the UK implementation of the GDPR, could (in the worst case) attract regulatory penalties up to the greater of: (i) €20 million / £17.5 million (as applicable); and (ii) 4% of an entire group's total annual worldwide turnover, as well as the possibility of other enforcement actions (such as suspension of processing activities and audits), and liabilities from third-party claims.

The United States operations of a Fund and its portfolio investments in particular will be impacted by a growing movement to adopt comprehensive privacy and data protection laws similar to the GDPR, where such laws focus on privacy as an individual right in general. Portfolio companies are subject to regulations related to privacy, data protection and information security in the jurisdictions in which they do business. As privacy, data protection and information security laws are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California passed the California Consumer Privacy Act of 2018, as amended (the "CCPA"), which took effect on January 1, 2020. The CCPA generally applies to businesses that collect personal information about California consumers and 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 California Attorney General also may impose civil penalties ranging from \$2,500 to \$7,500 per violation. Further, California passed the California Privacy Rights Act of 2020 (the "CPRA") to amend and extend the protections of the CCPA. Under the CPRA, which became effective on January 1, 2023, California established a new state agency focused on the enforcement of its privacy laws, likely leading to greater levels of enforcement and greater costs related to compliance with the CCPA and CPRA.

Other jurisdictions, including other states in the United States, have either passed, proposed or are considering similar laws and regulations to the CCPA, CPRA and GDPR, which could impose similarly significant costs, potential liabilities and operational and legal obligations. Such laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens and the potential for significant liability on regulated entities.

*LIBOR and other Benchmark Rates.* To the extent that (i) a Fund's investments (whether made, acquired or otherwise) and/or (ii) a Fund's and/or its affiliates' credit arrangements or facilities, hedging activities, derivative- or other structures, in each case, are subject to, utilize or otherwise reference, whether directly or indirectly, a variable interest rate that is based on (or calculated with reference to) the London Interbank Offered Rate ("LIBOR", and together with the Euro Interbank Offered Rate, the Canadian Dollar Offered Rate, the Secured Overnight Financing Rate ("SOFR"), the Sterling Overnight Index Average ("SONIA"), or any other reference rate, benchmark or index, including in each case, any permutations thereof and any credit spread adjustments thereto, collectively, the "Benchmark Rates"), such Fund may be subject to certain material risks, some of which are described below.

LIBOR was an estimate of the rate at which a sub-set of traditional banks could borrow money from other banks, and together with other interbank offered rates (together with LIBOR, each an "IBOR"), was, before being terminated, widely used as a reference for interest rates on credit and other financial instruments and agreements globally. LIBOR has historically been, and other Benchmark Rates may presently be, and/or may in the future become, the subject of manipulation, regulatory scrutiny and/or reform, phase-out, permanent discontinuation, replacement, tremendous volatility, and other change(s) which may have resulted and/or may result in, among others (i) such Benchmark Rate being artificially lower (or higher) than it otherwise would have been; (ii) changes to the applicable calculation and/or valuation methodology; and/or (iii) market uncertainty as to the current and/or future status of any such Benchmark Rate. As a result of its turbulent history (including manipulation of LIBOR rates), the LIBOR Benchmark Rate was terminated and, as of June 30, 2023, all remaining tenors of U.S.-dollar LIBOR have ceased publication. With respect to certain legacy contracts, to aid the transition thereof, the ICE Benchmark Administration ("IBA") is expected to publish synthetic USD-currency LIBOR rates for the 1-month, 3-month and 6-month USD LIBOR tenors from July 1, 2023 through September 30, 2024 (although such so called "synthetic" LIBOR tenors are "permanently nonrepresentative").

Regulators, central banks, governments and other market participants are working on replacement Benchmark Rates and the transition of existing instruments and contracts to such new rate. The transition from LIBOR may involve, among other things, increased volatility or illiquidity in markets for loans, instruments or securities that, either directly or indirectly use, or are based on or calculated with reference to LIBOR. In March 2022, the U.S. Congress passed the Adjustable Interest Rate (LIBOR) Act (the “LIBOR Act”), to establish a uniform, federal solution to replace LIBOR as the applicable rate or reference for certain contracts, agreements, securities, instruments or other assets that use or reference USD-LIBOR and lack fallback provisions, or contain insufficient fallback provisions (i.e., identify neither a specific replacement Benchmark Rate nor a determining person with authority to determine such replacement) (the “Covered Contracts”). The LIBOR Act provides that, as of the first London banking day after June 30, 2023 (or such other date as the Federal Reserve Board determines that any LIBOR tenor will cease to be published or cease to be representative), the Benchmark Rate (including the applicable tenor spread adjustment) identified by the Federal Reserve Board will be the applicable replacement Benchmark Rate, and all conforming technical, administrative, operational, and other modifications necessary to implement such replacement will be effective automatically for such Covered Contracts. The LIBOR Act expressly supersedes any state-level LIBOR transition legislation and provides that the Federal Reserve Board will promulgate regulations to carry out the LIBOR Act within 180 days after its enactment. Even if one or more replacement Benchmark Rates (e.g., Term SOFR) is adopted across all public and private credit markets (including direct lending markets), the transition away from LIBOR is complex and could have a material adverse effect on a Fund’s investments, and/or a Fund’s business, financial condition and results of operations, including, without limitation, as a result of: (i) adverse changes in (a) pricing and/or availability of existing or prospective investments, (b) the value of such Fund’s investments, (c) the anticipated hold time of an investment prior to its repayment or refinancing, and/or (c) the ability to buy, sell, or otherwise transfer such Fund’s investments in secondary markets, (ii) costs and expenses incurred to negotiate and/or implement changes to, and/or implement a replacement Benchmark Rate with respect to, a Fund’s investments and/or a Fund’s own leverage and credit facilities, and, in each case, any disputes or litigation relating thereto, (iii) increased cost of borrowing to a Fund, or decrease to the interest rate (or anticipated interest rate) earned by such Fund as a holder of its investments for any number of reasons, including due to a replacement Benchmark Rate that is not reflective of the then-current (or anticipated) market interest rates during any one or more calculation periods, increased basis risk, or otherwise, (iv) reductions in the effectiveness of certain transactions, such as hedges, adverse changes in basis risk between investments and hedges, and/or basis risks within investments (e.g., securitizations), (v) changes to valuation measurements that use or reference LIBOR, whether directly or indirectly, (vi) increased operational complexities and related costs, including among others, costs of modifying a Fund’s processes and systems (including IT, controls, monitoring, compliance, risk, and valuation models, systems, and processes, among others) associated with the transition to, or tracking/monitoring of, one or more Benchmark Rates and any adjustment or component thereof, and (vii) costs incurred by portfolio issuers to manage the transition away from LIBOR.

There are significant uncertainties regarding the implementation of any replacement Benchmark Rate and any related renegotiations between a Fund and any finance facility providers on the one hand, or a Fund and its portfolio issuers on the other, could result in increased costs for a Fund and/or its portfolio issuers. While some of these agreements or instruments already provide

“fallback” provisions, the determination of the new Benchmark Rate and/or any adjustments thereto may require further negotiations and there can be no certainty that an agreement favorable to a Fund will be reached between the parties. The terms of a Fund’s credit facilities may also provide that, during certain periods, including transition periods, amounts available to be drawn under such credit facilities may bear interest at a higher rate. In addition, the applicable lenders may have an unfettered ability to make certain changes to the terms of such Fund’s credit facilities to implement a new Benchmark Rate, which may not be favorable to the Fund, and over which the Fund may have no control.

Although it is not possible to identify a comprehensive set of potential risks at this time, the termination of and transition away from LIBOR could present certain risks to a Fund including, among others: (i) general increased volatility or illiquidity in markets, (ii) material delays in or reductions to financing options for actual or prospective portfolio investments, (iii) increased cost of borrowing to a Fund and/or to actual or prospective portfolio investments, (iv) reduction in the value of certain instruments or the effectiveness of related transactions such as hedges, (v) uncertainty under applicable documentation, or difficult and costly consent processes for any required amendments to applicable documentation for a Fund as a borrower or counterparty, or for any actual or prospective portfolio investments in such capacities, (vi) costs of modifications to a Fund’s processes and systems (including IT), and/or costs of administrative services and operations, including monitoring of recommended conventions and Benchmark Rates, or any component of or adjustment to the foregoing, and (vii) costs of causing a Fund and/or, indirectly, causing one or more portfolio investments to incur expenses to manage the transition away from LIBOR. Any such effects of the transition away from LIBOR and the other IBORs, as well as other unforeseen effects, may result in expenses, difficulties, complications or delays for impacted markets and instruments, and could have a material adverse impact on a Fund and/or its investments. Additionally, to the extent swaps, hedges, and/or similar derivatives or instruments that use or reference, whether directly or indirectly, LIBOR or other similar Benchmark Rates, including swaps or contracts used to manage long-term interest rate risk related to assets and/or liabilities, are entered into, in addition to the potential need to renegotiate some of those instruments to address a transition away from LIBOR, there also may be different conventions that arise in different but related market segments, which could result in mismatches between different assets and liabilities and, in turn, in possible unexpected gains and/or losses. In addition and as further described above, some of the standard conventions under consideration, including SOFR, are conceptually different than LIBOR and can behave differently from LIBOR in ways that cause greater payments or lesser payments under its derivatives or similar instruments, at least during certain market cycles. Some of these replacement rates may also be subject to compounding or similar adjustments that cause the amount of any payment referencing a replacement Benchmark Rate not to be determined until the end of the relevant calculation period, rather than at the beginning, which could lead to administrative challenges for a Fund and its portfolio issuers, and their respective affiliates and service providers.

*Secondaries and other General Partner-Led Transactions.* There continues to be a significant market in the private fund sector for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments, and Norwest reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will

continue to be managed by Norwest following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Norwest believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by Norwest and its affiliates), often on different terms than the original investment. However, certain of such transactions are expected to require: a limited partner to invest additional capital in the existing Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio company; and/or a delay in the full liquidation of its investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner(s) and those of Norwest or any buyer group, which are typically not applicable to more traditional investment sales. For example, in circumstances where Norwest or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Norwest, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. To the extent Norwest requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by Norwest in addition to the purchase amount paid in a transaction, such requirement is expected to have a negative effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of a Fund investment(s) being sold. Further, the relevant General Partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances, Norwest reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory board prior to the closing of the transaction, there can be no assurance that Norwest will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of a Fund or any individual limited partner or group of limited partners. However, Norwest reserves the right, in its sole discretion, to determine whether to engage in such transactions, subject to any approvals required in the relevant Governing Documents. Norwest is permitted to seek the consent of the relevant Fund advisory board to approve conflicts associated with such transactions and accordingly



not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

*Use of Artificial Intelligence.* Norwest may incorporate the use of Artificial Intelligence (“AI”) into its business, operations and offerings, and anticipates that usage and adoption of AI in the marketplace will continue to grow. As with many disruptive innovations, AI presents risks and challenges that could affect its accuracy adoption and therefore Norwest’s business. While Norwest intends the use of any AI to make processes more efficient, AI models may not achieve sufficient levels of accuracy. AI algorithms may be flawed, the datasets on which such algorithms are trained may be insufficient, raise privacy concerns or contain biased information, which could undermine the decisions, predictions or analysis that AI applications produce, subjecting Norwest, the General Partners and their respective affiliates to competitive harm, legal liability, and brand or reputational harm. Some AI scenarios present ethical issues. If a General Partner uses, enables or offers AI solutions that are controversial because of their impact on human rights, privacy, employment or other social issues, Norwest may experience brand or reputational harm. A number of governments are considering imposing regulations on AI and AI companies, which could adversely affect a Fund’s portfolio companies and their businesses.

#### Conflicts of Interest

*Generally.* Norwest and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of the Funds, and providing transaction-related, legal, management and other services to the Funds and portfolio companies. Norwest will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Norwest conducting its activities, the interests of a Fund likely will conflict with the interests of Norwest, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Norwest will determine all matters relating to structuring transactions and Fund operations using its good faith business judgment considering all factors it deems relevant in its sole discretion, subject in certain cases to the required approvals by the advisory boards of the participating Funds or a requisite threshold of limited partners (as applicable).

Norwest believes that the investment of the General Partners and its affiliates in the Funds, as well as the General Partners’ carried interest, operate to align, to some extent, the interests of Norwest with the interests of the Funds and the limited partners, although Norwest and its affiliated persons have economic interests in other Funds as well and receive Management Fees and carried interest relating to certain of these other interests.

Norwest personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure (or otherwise), to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Norwest’s principals, partners and/or other investment

professionals will continue to manage and monitor such investments until their realization. Such other investments that Norwest principals, partners and/or other investment professionals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, Norwest principals, partners and other investment professionals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments, subject to the terms of the relevant Governing Documents. To the extent an investment opportunity is received that is unsuitable for a Fund, in Norwest's sole discretion, Norwest and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Norwest personnel are permitted to serve on boards or act in other roles unaffiliated with Norwest, 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, none of which will offset or otherwise reduce Management Fees.

*Allocation of Investment Opportunities.* Until such time as the relevant General Partner is permitted under the Governing Documents to begin to accrue management fees from a successor investment fund to a Fund, the relevant General Partner will allocate all investment opportunities which it determines, in its sole discretion, to meet the investment criteria of, and otherwise be appropriate and suitable for, such Fund, to the Fund for potential investment, in each case, subject to certain exceptions set forth in the Governing Documents. However, the Norwest principals, partners and/or other investment professionals currently, and may in the future, manage and/or advise several other investment funds besides such Fund and investments similar to those in which such Fund will be investing and may direct certain relevant investment opportunities to those investment funds and investments.

From time to time, Norwest will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Norwest. In determining which investment vehicles should participate in such investment opportunities, Norwest and its affiliates are subject to conflicts of interest among the investors of a Fund and the investors in other vehicles. Except as required by the Governing Documents, Norwest is not obligated to recommend any investment to any particular Norwest Client. Investments by a Fund and another account in a portfolio company also increases the risk of using assets of a Fund to support positions taken by other Clients of Norwest.

When making investment allocation decisions, Norwest must first determine which Clients (if any) will, or are required to, participate in the relevant investment opportunity. Norwest generally assesses whether an investment opportunity is appropriate for a particular Client based on the Governing Documents, as well as factors including, but not limited to, investment restrictions and objectives (including those set forth in the Governing Documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limitations, portfolio composition and diversification, cash level (if any), applicable tax and regulatory considerations, life cycle, structure and such other relevant factors as determined by Norwest in its sole discretion. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Clients in the manner set forth in Norwest's investment allocation policy and the relevant Partnership Agreements (or other Governing

Documents) of the applicable Clients. Norwest will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its Clients under the circumstances over time consistent with Norwest's obligations and reserves the right to take into consideration factors such as those set forth above and any other factors that it deems relevant in its sole discretion. In other circumstances, during the period that a Fund has an investment in a portfolio company, it could become a suitable investment for one or more other Clients due to size, revenue or other characteristics.

In the event that the available amount of an investment opportunity in which a Fund will invest exceeds an amount appropriate for the Fund, as determined by the relevant General Partner in its sole discretion, such excess may also be offered to one or more potential co-investors.

Norwest's allocation of investment opportunities among the Clients and in the manner discussed herein often will not result in proportional allocations among such Clients, and such allocations likely will be more or less advantageous to one or more Clients relative to other Clients. While Norwest will allocate investment opportunities in a manner that it believes is fair and equitable to its Clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Norwest expects to be subject, discussed herein, did not exist.

*Investment with other Norwest Funds.* A General Partner anticipates that in many cases a Fund will make an investment in a portfolio company in which a Norwest-sponsored fund has made or will make an investment, and vice versa. Moreover, Norwest expects from time to time that it will offer and complete package financing / investment opportunities where Norwest-sponsored funds invest in a company in exchange for multiple classes of debt and equity securities, and the various classes of securities are disproportionately allocated among the various funds. A General Partner will face potential conflicts of interest in proposing and negotiating the terms of the various classes of debt and equity securities, as more favorable terms for a class of security disproportionately allocated to another Norwest Fund has the potential to affect the returns on the class or classes of securities allocated to a Fund.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Client, and vice versa, or if it were to invest in the securities of a company in which another Client has already made an investment and vice versa. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Clients or have access to the same information. This likely will result in differences in price, terms, leverage and associated costs. Where multiple Clients invest in the same portfolio company at different times, the first Client to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Clients investing in such portfolio company; similarly, to the extent a transaction does not proceed, the initial Client committing to invest typically will bear the full amount of any Broken Deal Expenses relating to the transaction, regardless of whether other Clients could or would have invested in the company in potential future transactions. Further, there can be no assurance that the relevant Fund and the other Clients with which it might co-invest will exit such investment at the same time or on the same terms, or that the terms of such Fund and a co-invest vehicle will be

perfectly aligned (for example, in instances where a Fund bears any guarantee obligations in connection with financing a transaction and the co-investors are not required to bear such risks), nor is the relevant Fund, subject to the relevant Partnership Agreement, required to obtain advisory board approval in order to do so. Norwest and its affiliates reserve the right from time to time to express differing views of commonly-held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express different views regarding the same investment or potential investment. For example, Norwest may cause a Fund to sell all or part of an investment in a portfolio company while another fund managed by Norwest holds or increases its investment in such entity (or vice versa). Situations can also arise where, to maximize the return on investment of another Norwest Fund, Norwest causes a portfolio company to explore and/or engage in a sales process that results in portfolio company securities held by a Fund to be disposed of, even if a Fund would have preferred to retain its securities in the portfolio company. A Fund will make business decisions relating to investments in which multiple Norwest Funds invest (such as, for example, financing or hedging interest rate, currency or credit risk) independently of the analogous decisions made with respect to such investment by other Norwest Funds. This could result in situations where a Fund chooses not to hedge certain risks that another Norwest Fund elects to hedge (or vice versa), or the possibility that a Fund is exposed to risks of financing on an investment when another Norwest Fund is not (or vice versa). There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Clients participating in a given transaction. Additionally, investments made by a Fund or another Client in a portfolio company may also raise the risk of using such investments, respectively, to support positions taken, as the case may be, by such Fund or such other Client in respect of the other (and vice versa). In instances where multiple Clients invest in a company at the same time or at a different time and the portfolio company seeks additional capital, if a Fund or another Client is unable to fund its share of additional capital (e.g., in the event such Fund or such other Client does not have sufficient available capital), the Fund or one or more other Clients, as applicable, potentially will fund more than their respective share of such amount. In such event, the Fund or such other Client(s) participating in such investment, as applicable, will gain greater exposure to such investment than may have been intended, resulting in potential over-exposure in the given portfolio company, and the non-participating Client, whether the relevant Fund or such other Client, will be diluted in such investment. In other circumstances, the reverse may be true. Given the nature of such conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to a Fund. In that regard, actions taken for one or more Clients may adversely affect other Funds.

More generally, it is anticipated that a Fund and other Clients will, from time to time, invest in different types of securities of the same portfolio company. Where multiple Clients invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment and in the ongoing management and decision-making with respect to such investment and the respective interests held by each Client. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, and/or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims and/or other rights, and/or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, may raise conflicts of interest, particularly with respect to

Clients that have invested in different or multiple levels of the capital structure of a portfolio company.

Any investment by a Fund in a portfolio company in which another Client has a pre-existing investment (or vice versa) could be viewed, particularly in hindsight, to have been made on the basis of a non-arms'-length valuation. Similarly, another Client could later invest in entities in which a Fund has invested, which could have an effect (either positive or negative) on the market price of such Fund's investments. In addition, a Fund could participate in re-leveraging or recapitalization transactions involving portfolio companies in which other Clients hold a pre-existing investment (or vice versa) or in which such other Clients are contemplating an investment. Recapitalization transactions themselves present conflicts of interest, including determinations of whether existing investors are being "cashed out" at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than prevailing market terms.

In the event that a Fund has a controlling or significantly influential position in a portfolio company (which is expected to be the case with respect to most of the Fund's investments in respect to the NEP strategy), it will have the ability to elect some or all of the members of the board of directors (or comparable governing body) of such portfolio company, thereby controlling its policies and operations, including the appointment of management, future issuances of securities, the payment of dividends, the incurrence of debt and the entering into of extraordinary transactions. In addition, a Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of the company. Such management and operational decisions will, at times, be in direct or indirect conflict with the interests of another Norwest Client that has invested in the same portfolio company (which other Norwest Funds are not expected to have the same level of control or influence). The presence of such investments by such other Norwest Clients could result in Norwest exercising the Fund's position in such portfolio company (or electing not to exercise such position) in a manner that benefits such other Norwest Clients to the detriment of a Fund (or otherwise in a manner that is not otherwise in the Fund's best interest).

If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, a Fund may or may not provide such additional capital, and if provided, the Fund generally will supply such additional capital in such amounts, if any, as determined by Norwest in its sole discretion. Because of the different legal rights associated with debt, preferred equity and common equity of the same portfolio company, Norwest expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one fund versus another fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

If a Fund enters into any indebtedness with another Client on a joint and several basis, the relevant General Partner is expected to enter into one or more agreements that provide such Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Norwest expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and another Client seeking reimbursement, or vice versa. In certain circumstances one or more Clients are expected to be prohibited from exercising (or Norwest may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the

relevant potential conflicts, notwithstanding the fact that the investment(s) of one Client or another may be subject to creditor claims regarding subordination of interests.

Conversely, there could also be circumstances when Norwest considers a potential investment on behalf of a Fund and determines not to pursue such investment for a Fund, but ultimately determines to pursue an investment in the same potential portfolio company (whether in the same securities considered by a Fund or otherwise) through another Norwest Client, or vice versa. Neither notice to nor approval of the advisory board shall be required in any of the circumstances referenced above.

Prospective investors should also be aware that it is possible a member of an advisory board could also be a member of the advisory board for one or more of the other Norwest Funds involved in the applicable transaction or relationship giving rise to an actual or potential conflict of interest. Accordingly, such member's interests are likely to be different from the interests of another limited partner whose membership on any such board is limited to a Fund's advisory board only and such interests could influence such person's decisions as a member of such boards of advisors. Although a Fund's advisory board is intended to act as the representative of the limited partners, it should not be assumed that the interests of the members of the advisory board will always be aligned with the interests of other limited partners. Furthermore, the advisory board cannot be expected to be experts in private equity investing, and certain of its determinations could, in fact, adversely affect the performance of a Fund. Finally, under a Partnership Agreement, no member of an advisory board, nor any limited partner appointing any such member, will owe any fiduciary duty to a Fund, any other limited partner or the limited partners as a group in connection with the activities of the advisory board, and no member of the advisory board, nor any limited partner appointing any such member, will be obligated to act in the interests of a Fund, any other limited partner or the limited partners as a group, other than to act in good faith.

*Co-Investments.* To the extent there remains excess investment opportunity following Norwest's determination regarding allocation among Clients, Norwest reserves the right to offer such excess investment opportunity as co-investment opportunities to one or more potential co-investors, including vendors, service providers and/or other third parties, subject to the terms of the relevant Partnership Agreements and Side Letters and Norwest's investment allocation policy. Norwest's procedures permit it to take into consideration a variety of factors in making such allocation determinations, including: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; Norwest's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Norwest's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs or exposure; existence of a formal or informal strategic relationship with the prospective co-investor; the size and/or timing of a commitment to a Fund or another

Client; the allocation of Broken Deal Expenses and whether Norwest believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the Clients or Norwest. Although Norwest reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Norwest in identifying co-investors. Norwest reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Furthermore, Norwest or its related persons expect 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 lender or co-sponsor. Co-investment opportunities typically will not be offered to all Fund investors and may be offered to only a subset thereof, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Norwest expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation (or are subject to reduced rates relative to a Fund's economic terms), co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Fund's Governing Documents, and to the extent Norwest is paid Management Fees and/or performance-based compensation from a co-investor, Norwest would be incentivized to attain such fees and/or compensation and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that employees and related persons of Norwest and its affiliates make capital investments in or alongside certain Funds, Norwest and its affiliates are

subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

*Allocation of Fees and Expenses.* Norwest is expected to be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Funds. Subject to any relevant restrictions and other limitations contained in the Governing Documents, Norwest will allocate fees and expenses in a manner that it believes is fair and equitable to its Clients under the circumstances over time and considering such factors as it deems relevant, but in any case, in its sole discretion. The allocations of such expenses will not necessarily be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate *pro rata* based on the number of Funds or co-investors receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or the General Partner.

As a general matter, shared expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind, except Broken Deal Expenses are often not borne by prospective co-investors and a General Partner shall be under no obligation to seek that prospective co-investors bear an allocable share of Broken Deal Expenses in connection with an unconsummated transaction. For the avoidance of doubt, a Fund will generally be required to bear all costs, expenses, liabilities and obligations relating to any unconsummated investment that might have been allocated to one or more persons co-investing in such proposed investment had the proposed investment been consummated, irrespective of whether any such co-investor had been identified prior to such time that such proposed investment was not consummated or any determination had been made by the relevant General Partner regarding any co-investment opportunities with respect to such proposed investment.

Subject to applicable legal, contractual or similar restrictions, expense allocation decisions generally will be made by Norwest or its affiliates using their good faith business judgment, considering such factors as they deem relevant, but in their sole discretion. The Clients generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected from time to time to result in the Clients bearing different levels of expenses with respect to the same investment. Further, Norwest reserves the right to consider each relevant Client's strategy as a component of its allocation of investment expenses, and as a general matter will not allocate expenses directly attributable to one Client's equity investment to a different Client's credit investment, or *vice versa*, even if the two investments are in the same portfolio company.

*Positions with Portfolio Companies.* Certain of the Funds intend to make controlling investments in portfolio companies. As a result of these controlling interests, the relevant General Partner anticipates that it will typically have the right to appoint portfolio company board members (including current or former General Partner personnel or persons serving at their request), or to influence their appointment or engagement, and to determine or influence the determination of their compensation. Except to the extent amounts paid in respect of such directorships or employment are subject to the Governing Documents' offset provision, such compensation may be in addition



to the Management Fee or carried interest discussed herein. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to the relevant General Partner in connection with services provided by the General Partner and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the Governing Documents' offset provision, are in addition to the Management Fee or carried interest discussed herein. The relevant General Partner's authority to appoint or influence the appointment of portfolio company board members who are involved in approving compensation payable to the General Partner subjects the General Partner and any such portfolio company board appointees to potential conflicts of interest. Although the interests of the Funds and their portfolio companies typically are closely aligned, in certain limited circumstances, actions that may be in the best interest of a portfolio company may not be in the best interest of the Funds, and vice versa. Norwest personnel serving on the boards of portfolio companies will consider all relevant facts before coming to a decision or making a recommendation.

Additionally, a portfolio company typically will reimburse Norwest or service providers retained at Norwest's sole discretion for expenses (including without limitation travel expenses) incurred by Norwest or such service providers in connection with its performance of services for such portfolio company. This subjects Norwest and its affiliates to conflicts of interest because a Fund generally does 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 Governing Documents and its internal reimbursement policies and practices, Norwest determines the amount of these reimbursements for such services in its sole discretion. Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by the Funds to the relevant General Partner. Although the amount of individual reimbursements typically is not disclosed to limited partners, their effect is reflected in the Funds' audited financial statements.

*Relationships with Service Providers.* Norwest generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) Norwest or a related person of Norwest (which may include a portfolio company of such Fund or another Client or an operating partner); (ii) an entity with which Norwest or its affiliates or current or former members of their personnel has a relationship or from which Norwest or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Norwest personnel are seconded, or from which Norwest receives secondees; or (iii) certain limited partners or their affiliates. For example, Norwest expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. In addition, Norwest expects to have Wells Fargo & Company provide banking and/or other services to Norwest's Clients. This discretion subjects Norwest to conflicts of interest, because, although Norwest selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Norwest has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Norwest, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Norwest), would favor such retention or continuation even if a better price

and/or quality of service could be obtained from another person. Norwest will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Norwest generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, from time-to-time Norwest expects that certain service providers, their affiliates and personnel potentially will invest in, or co-invest alongside, a Fund, and due to the nature of the service provider relationships these persons have the potential to have information advantages relative to other investors or co-investors. In certain circumstances where Norwest commits or has committed to seek “market” or “arm’s-length” rates or terms, Norwest will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Norwest reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arm’s-length.” Consequently, Norwest undertakes no minimum amount of or any benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Norwest reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not Norwest has a relationship 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.

Norwest is also expected, from time to time, to employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by the Funds; conversely, current or former personnel or executives of Norwest are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by Norwest. Similarly, Norwest and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. 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, Norwest and/or the Funds. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Norwest entities) to Norwest personnel and their tax or estate planning and other personal vehicles. Norwest from time to time will 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, will provide Norwest information about markets and industries in which Norwest operates (or is contemplating operations) or will provide other services that are beneficial to Norwest. Norwest will have a conflict of interest in making such recommendations, in that Norwest has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Funds, while

the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds.

In certain circumstances, current or former Norwest personnel are expected to serve in interim or part-time roles at a portfolio company, or provide services to a portfolio company as a secondee or in similar capacities, whether or not while maintaining certain legacy economic arrangements, benefits, support services or indicia of employment at Norwest. Under such arrangements, Norwest and/or the relevant portfolio company is authorized to pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships (such as compensation, benefits and other incentives or opportunities (including investment opportunities)) or to former employees generally will not offset or reduce the Management Fee. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold or when the position can be filled on a longer-term or permanent basis. Employees may or may not return to Norwest at the end of such secondee arrangement.

*Certain Transactions.* Subject to the terms of the relevant Governing Document, Norwest reserves the right from time to time to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Clients, or co-investors or co-investment vehicles. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities, in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Client, or vice versa, or where a Fund acquires a portion of an investment with the intention of syndicating such portion away to another Client, or vice versa. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Client (or vice versa). These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the Governing Documents or as may be otherwise determined in the sole discretion of the relevant General Partner, Norwest reserves the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness or "arm's-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of Norwest) or by obtaining the consent of the relevant Client(s) (including, where authorized, the consent of each Client's advisory board or requisite threshold of its limited partners or other investors) to such transactions. In certain circumstances, Norwest reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction (including its value) to a Fund under then-current market conditions. Norwest intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

*Cross-Liability.* Although Norwest expects to structure Funds to avoid circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Client or any Norwest affiliate, in certain circumstances lenders and other market participants negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Clients' share of the relevant obligation and/or joint and several liability among Funds. In such cases, Norwest intends to cause the relevant other Clients to enter into a back-to-back guarantee, indemnification, contribution or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market parties are expected to seek "cross default" rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another Client or a Norwest affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Fund's limited partners could suffer adverse effects resulting from any default by such other Client or such Norwest affiliate, whether or not related to the Fund in which such limited partners have invested.

*Operating Advisors.* Portfolio companies and/or the Funds will pay certain fees to, and reimburse expenses of, operating advisors and other consultants (including consultants introduced or arranged by Norwest and/or its affiliates that regularly provide services to one or more portfolio companies), and such amounts do not offset or reduce the Management Fee or carried interest payable to the relevant General Partner. Operating advisors generally make use of Norwest resources or otherwise are associated with Norwest. Norwest and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation and/or benefits. Operating advisors are expected from time to time to include former employees of Norwest or certain employees or board members of portfolio companies, and in some circumstances former operating advisors are expected to become Norwest employees or employees or board members of portfolio companies. Consequently, the determination of whether individuals are operating advisors is expected to vary and/or be revisited from time to time, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that Norwest otherwise would be required to bear. Operating advisors generally receive investment opportunities, reimbursements, incentive equity, fee payments and/or other forms of compensation, in each case, that do not offset or reduce the Management Fee of any Fund, as described herein, and the use of operating advisors is expected to fluctuate and/or expand over time. To the extent that operating advisors are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the operating advisor's services at a time when fewer portfolio companies or Funds make use of such operating advisor. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the operating advisor. In certain cases, including where a Fund does not own a controlling interest in a portfolio company, the portfolio company, its management and/or equity holders potentially will not agree to engage and/or bear the costs of operating advisors. In such cases, where the General Partner believes the services of the operating advisors will benefit a portfolio company, it is authorized to cause the relevant Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a portfolio company, notwithstanding that other equity holders in that portfolio company will receive the benefit of any returns that result from operating advisor services.

Although the use of operating advisors and the allocation of compensation paid to them by a Fund, Norwest, its affiliates and/or the portfolio companies subjects Norwest and/or its affiliates to potential conflicts of interest, Norwest believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the operating advisors is lower than market rates for the services provided and/or if the services of the operating advisor align with Norwest's model for the portfolio company and improve portfolio company performance. Although Norwest seeks to retain operating advisors 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. Norwest also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Norwest believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only operating advisors and service providers 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.

*Secondary Interests.* In certain cases, Norwest will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Norwest will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

*Certain Discounts.* From time-to-time Norwest, its affiliates, personnel, and/or persons selected by them expect to receive the benefit of "friends and family" and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Because its portfolio companies offer such discounts to customers other than Norwest and such other persons as part of their standard commercial practices in an effort to expand their respective customer bases, Norwest believes that the potential for conflicts of interest relating to such discounts is mitigated. Norwest, its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course. Norwest has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Norwest has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations of or be directly involved in such arrangements. Discounted prices or better terms offered by a portfolio company to Norwest, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

*Carried Interest.* Because the relevant General Partner's carried interest is based on a percentage of net realized profits, it creates an incentive for the General Partner to cause a Fund to make riskier or more speculative investments than would otherwise be the case. Also, because there is a fixed commitment period after which capital from limited partners may only be drawn down in limited

circumstances, as set out in the relevant Governing Document, and because Management Fees will, at certain times during the life of the Fund, be based upon capital invested by the Fund, this fee structure creates an incentive to deploy capital when the General Partner might not otherwise have done so. Since a Fund is permitted to retain certain portfolio company fees in connection with the Fund's investments, a Fund could have a conflict of interest in connection with approving transactions and setting such compensation. Additionally, Norwest, its personnel, affiliates and/or others designated by Norwest may receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the relevant Governing Documents are applied, Norwest and/or such other recipients will be permitted to retain such securities, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Norwest) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting the Fund's relative ownership of the portfolio company awarding such compensation.

U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as a Fund 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 could apply to reduce the after-tax returns of individuals associated with a Fund, Norwest or the relevant General Partner who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. Similar rules may operate in other jurisdictions. This creates potential incentives for Norwest principals to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

*Other Tangible and Intangible Benefits.* In connection with its services to the Funds and their investments, Norwest, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Norwest's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Norwest 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, "Norwest Information"). In many cases, Norwest Information will include tools, procedures and resources developed by Norwest to organize or systematize Norwest Information for ongoing or future use. Although Norwest expects its Funds and their portfolio companies generally to benefit from Norwest's possession of Norwest Information, it is possible that any benefits will be experienced solely by other or future Clients or portfolio companies (or by Norwest and its personnel) and not by a current Fund or portfolio company from or related to which Norwest Information was originally received or derived. Norwest Information will be the sole intellectual property of Norwest and solely for the use of Norwest. Norwest reserves the right to use, share, license, sell or monetize Norwest Information, without offset to Management Fees or carried interest, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged

using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, “points,” “cash back,” rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees or carried interest.

*Transactions of Norwest and its Beneficial Owners.* Norwest, its affiliates, and equity holders, beneficial owners, officers, principals and employees of Norwest and its affiliates reserve the right to buy or sell securities or other instruments that Norwest has recommended to a Fund. In addition, such persons reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for due diligence or other expenses (including Broken Deal Expenses) incurred by such Fund in connection with such Fund’s consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in Norwest’s Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments are generally expected to vary from those of any Fund. Employees and related persons of Norwest have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have additional potential conflicting interests in connection with these investments.

*Special Purpose Acquisition Companies (“SPACs”).* Except to the extent prohibited by the Governing Documents, Norwest and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders’ equity or similar interests) relating thereto. Subject to any limitations imposed by the Governing Documents and anti-“assignment” provisions of the Advisers Act, Norwest and its personnel are also permitted to offer, restructure and monetize interests in Norwest.

*Distribution In Kind.* A Fund’s General Partner generally is permitted to receive a distribution in kind from a Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities, which valuation shall be determined by the General Partner in accordance with the relevant Partnership Agreement). In such circumstances, there is a potential conflict of interest between a General Partner (and its beneficial owners) and the relevant Fund’s limited partners. For example, a General Partner and its beneficial owners may intend to hold the investment for a different time period than Norwest deems suitable for a Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following a Fund’s disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner’s *pro rata* interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity

(including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to a Fund or its limited partners.

*Calculation of Management Fees.* As further specified in the relevant Partnership Agreement, following the expiration of the investment period (or an earlier date as specified in the Partnership Agreement) (the “Stepdown Date”), Management Fees generally will be calculated based on a formula tied to the amount of investment contributions (or outstanding amounts advanced under any Fund credit facility in lieu thereof) made by the Fund with respect to investments that have not been disposed of (or completely written off), in each case as determined on the first day of the period with respect to which a determination is being made (such investments, “Impaired Value Investments”); provided that, for purposes of calculating an investment (other than a bridge financing) with respect to which a Fund has received any cash distribution with respect to a leveraged recapitalization, extraordinary dividend or similar transaction, such investment shall be treated as having been disposed of (or completely written off) only to the extent that, as of the date of any such disposition (or complete write off), the aggregate fair market value of all remaining investments (other than bridge financings) in such portfolio investment is less than the aggregate investment contributions with respect to all existing and former investments in such portfolio investment (such amount, “Invested Capital”).

As a result, the amount of Management Fees generally will not correspond with fluctuations in the value of a Fund’s portfolio investments, including following the investment period, and will not be reduced in connection with any temporary write downs. Management Fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of investments to the extent an investment does not constitute an Impaired Value Investment, as determined by the relevant General Partner in its sole discretion. The Management Fee base will typically include capitalized transaction-specific expenses of unrealized investments and other fees and expenses incurred by a Fund. Further, Management Fees generally will not be reimbursed or refunded under the applicable Partnership Agreement in the event of realizations, dispositions or write downs that occur partway through the relevant calculation period. A Partnership Agreement will typically set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Partnership Agreement as set forth therein.

*Impaired Value Investment Determinations.* A Partnership Agreement will typically provide the relevant General Partner with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that have the potential to affect the compensation of the General Partner and its affiliates. In making such determinations, the General Partner will be subject to potential conflicts of interest. For example, the potential to earn additional compensation can be expected to create an incentive for a General Partner to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund’s Management Fee and carried interest compensation arrangements. A General Partner can expect to be incentivized to cause the relevant Fund to make investments and hold on to investments (and to delay or forego a determination as to whether an investment has become an Impaired Value Investments) in order to generate greater ongoing Management Fees and, potentially, larger carried interest distributions than would otherwise be the



case if such investments had not been made or held (or if such determination had not been made), including because of the possibility that the investments' values will appreciate in the future.

Because Management Fees are calculated or impacted, in part, based upon a determination of whether an investment has become an Impaired Value Investment, a General Partner will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. A Partnership Agreement does not generally require Management Fees to be reduced in connection with investment reorganizations, restructurings, extraordinary dividends or similar transactions, and as such, the General Partner will be incentivized to pursue (or, if it had the right to object, to not object to) such transactions. Additionally, the amount of carried interest owed to the General Partner is dependent in part on the amount and timing of investment dispositions, as well as determinations as to whether or not investments are Impaired Value Investments, and the General Partner expects to be subject to related conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Partnership Agreement.

A Partnership Agreement typically provides the relevant General Partner with wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by such General Partner or its affiliates in valuing an investment, including determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors, and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the General Partner's determination as to whether or not an investment is an Impaired Value Investment, and, except as set forth in the relevant Partnership Agreement, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. In making its determination, the General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Partnership Agreement. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of compensation to a General Partner and its affiliates is dependent in part on an investment's status as an Impaired Value Investment, the General Partner will face potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the General Partner and its affiliates intend to operate in accordance with the relevant Partnership Agreement, as well as valuation and other practices, policies and/or procedures, as a way to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such practices, policies and/or procedures will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

*Interpretation of Governing Documents.* The governing documents of a Fund establish complex arrangements among such Fund, the limited partners of the Fund, the relevant General Partner and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations some of which may not have been explicitly contemplated upon the negotiation and execution of such documents. In some instances, certain operative provisions of the governing documents may be broad, conflicting or ambiguous and may allow for multiple

reasonable interpretations. In other instances, there may not be a directly applicable provision. While the relevant General Partner will construe the relevant provisions in good faith and in a manner consistent with its legal obligations, such General Partner's interpretations may not always be the most favorable to the relevant Fund or the limited partners.

*Transaction Fees.* Norwest expects from time to time to collect transaction fees, commitment fees, monitoring fees, directors' fees, financial consulting fees, advisory fees, break-up fees and other similar fees from a Fund's portfolio companies or prospective portfolio companies and/or otherwise on account of such Fund's investments or prospective investments (collectively, "Transaction Fees"). Any such Transaction Fees will be allocated among the Fund, any parallel investment entities, alternative investment vehicles, and co-investors (if any), respectively, that are acquiring the securities that the applicable General Partner determines, in its sole discretion, are related to such Transaction Fees, on a pro rata basis, calculated based on the fully diluted equity ownership of the Fund, any such parallel investment entities, alternative investment vehicles, and the co-investors, respectively, immediately following (or, in the case of a disposition transaction, immediately preceding) the transaction or proposed transaction to which such Transaction Fees relate. To the extent other Clients have differing terms with respect to how much in Transaction Fees may be retained by Norwest without an offset of Management Fees, Norwest will be subject to a potential conflict of interest in determining if a Transaction Fee is on account of the investments held by a Fund, or investments held by other Clients.

Since Norwest is permitted to retain Transaction Fees in connection with Fund investments and/or prospective investments, it will be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Transaction Fees are based on enterprise value or other metrics relating to a portfolio company, or on a flat-fee basis or other metric, and there can be no assurance that the amount of Transaction Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio company. Additionally, Norwest, its personnel, affiliates or others designated by Norwest expect from time to time to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied, Norwest and/or such other recipients will be permitted to retain such securities as Supplemental Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Norwest) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation. In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, Norwest reserves the right to accrue, defer or forego payments of Transaction Fees, and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

*Side Letter Agreements.* As noted in “*Side Letters*” above, Norwest and/or its affiliates have entered into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of Norwest’s compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund’s advisory board, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic, procedural and other terms, many of which generally will not be subject to the “most-favored nation” provisions of a Fund’s Governing Documents.

Norwest is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, *e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Norwest, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Norwest, its affiliates and personnel, or the Funds. Further, Side Letters may also relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, Norwest, the relevant 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. Side Letters subject Norwest to potential conflicts of interest, including in circumstances where an investor’s right to serve on the relevant Fund’s advisory board results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded, or from legal, regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although Norwest believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such legal, regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner’s voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners’ voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay

different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, “blocker” or other structures used to facilitate their investments in, through or below a Fund.

*Insurance Coverage.* The relevant liability standards under insurance coverage procured by Norwest are expected to vary by carrier, and such standards are expected to vary from time to time depending on, for example, coverage features or limitations then available from the carrier at the time of insurance contract renewal. As a result, insurance coverages from time to time are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in Norwest’s insurance coverage are higher or lower than that set forth in the Governing Documents. A Fund may share in the costs of insurance products procured for such Fund, other Clients and/or their respective portfolio companies. In such cases, claims made on behalf of another Client may reduce the amount of available coverage for a Fund and/or its portfolio companies, and may increase the premiums paid by such Fund and/or its portfolio companies.

Any of these situations described above subjects Norwest and/or its affiliates to potential conflicts of interest. Norwest attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Norwest’s advisory affiliates to investors in other Clients, and attempts to allocate investment opportunities among a Fund, other Funds and other Clients in a manner it believes to be fair and equitable to Clients under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Norwest will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Norwest consults and receives consent to conflicts from an advisory board consisting of limited partners of the relevant Fund(s) and such other investment vehicles. Under certain circumstances, and to the extent permitted by the relevant Partnership Agreement or other Governing Documents, such consent may be deemed to have been given in the case of an abstention or the absence of a response by the applicable deadline.

The foregoing list of risk factors and potential conflicts of interest does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. For a detailed description of risks, clients and investors in Funds should refer to the relevant Governing Documents.

## **Item 9. Disciplinary Information**

Norwest is obligated to disclose any legal or disciplinary events in the past 10 years that would be material to a Client's evaluation of Norwest and its personnel. Norwest has no such disclosure to report.

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

Norwest is not, and is not affiliated with, a broker-dealer.

Norwest is affiliated with other investment advisers, including General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to Norwest's registration in accordance with the SEC guidance. These advisers also include Norwest Capital Management LLC, a relying adviser that will be registered under the Advisers Act pursuant to Norwest's registration. These entities operate as a single advisory business together with Norwest and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

Norwest has adopted the Code of Ethics (the “Code”), which sets forth standards of conduct that are expected of Norwest principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Norwest personnel to report their personal securities transactions, requires pre-clearance for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and, with limited exceptions, prohibits Norwest personnel from directly or indirectly acquiring beneficial ownership of securities without first obtaining approval from the Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material, non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Charles P. Moorse, the Chief Compliance Officer, at 612-215-1644. Personal securities transactions by employees who manage Client accounts are required to be conducted in a manner that prioritizes the Client’s interests in Client eligible investments.

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

Accordingly, should Norwest or any of its affiliated persons come into possession of material, non-public or other confidential information with respect to any public or non-public company, Norwest generally would be prohibited from communicating such information to clients, and Norwest will have no responsibility or liability for failing to disclose such information to Clients as a result of following their policies and/or procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Norwest personnel serving as directors of public companies and may restrict trading on behalf of Clients, including a Fund.

Principals and certain employees of Norwest and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of Norwest, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company’s structure. Such co-investment opportunities generally will be allocated in the manner described under “Methods of Analysis, Investment Strategies and Risk of Loss.”

Norwest and its affiliates, principals and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or

prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).



## Item 12. Brokerage Practices

### General

As described herein, Norwest anticipates that its Clients' portfolio investments will consist primarily of private investments into voting control equity transactions and into equity and mezzanine debt securities supporting control transactions. These investments will be privately negotiated transactions with the issuer, or its designated representative. As such, Norwest rarely anticipates executing transactions with broker-dealers. However, in the event that Norwest requires the services of a broker-dealer, Norwest will select the broker-dealer used to execute Client transactions and intends to follow the brokerage practices described below. Norwest does not receive research or other products or services from a broker-dealer or third-party in connection with Client securities transactions ("soft dollar benefits"). Nor does Norwest select or recommend broker-dealers in consideration of Client or investor referrals. Norwest also does not permit Clients to direct the execution of transactions to a particular broker-dealer.

Norwest has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular Client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting Client transactions to the extent consistent with the interests of such Clients. Although Norwest generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

In Norwest's private company securities transactions on behalf of the Funds, Norwest reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Norwest reserves the right to consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Norwest generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

### Aggregation of Client Transactions

When an investment under consideration is appropriate for more than one Client with investment capacity with respect to that issuer, and the investment size is greater than the allocation desired for a single Client, Norwest intends to allocate the investment among the eligible Clients in a manner that is fair and equitable over time. Investments will generally be allocated among eligible Clients *pro rata* or another objective basis. Norwest intends to allow certain operating advisors to co-invest in portfolio companies. The co-investment amount will be determined by Norwest in its discretion, based on factors including the size of the deal and expected involvement of the operating advisors. In addition, Norwest expects to maintain various co-investment relationships. Co-investment

relationships of this nature are designed to allow Norwest Clients to consummate transactions where additional capital is required above the Clients' targeted investment amount. When offering a co-investment opportunity, Norwest will consider a number of factors including its duties to its Clients and the strategic value or operational speed of the potential co-investors. It is anticipated that Clients and co-investors will invest alongside each other on the same investment terms and conditions (e.g., price, liquidity, covenants) however co-investors may have different management fees, "carried interest" or performance fees to the Norwest than investors in the Funds or separately managed accounts pay to Norwest. *See* conflicts of interest issues that may arise in connection with allocation of investment opportunities as described under "Methods of Analysis, Investment Strategies and Risk of Loss".

## **Item 13. Review of Accounts**

The investments made by Clients are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. Clients under Norwest's management are monitored by the investment team and the Chief Compliance Officer in an effort to ensure compliance with the Clients' respective Governing Documents and any representations made by the Norwest to the Client or its investors, as well as compliance with all applicable regulatory compliance requirements. The investment staff and the Chief Compliance Officer review various financial and other reports that are designed to identify any investment exceptions. Reviews will also be triggered if the regulatory, market, political, or economic environment changes materially.

Investors in the Funds will receive quarterly statements indicating their capital account balance and the accounts balance sheet and income statement. In addition, Norwest intends to provide a quarterly letter highlighting the performance of the Funds for the prior period. Norwest may also make itself available upon request to conduct portfolio reviews and to answer specific questions.

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

Norwest reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by Norwest indirectly through an offset against the Management Fee under the Governing Documents, 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(s).

Norwest does not receive any other economic benefits from non-clients in connection with the provision of investment advice to Clients.

Norwest and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation in many cases will offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees are in addition to Management Fees. *See* "Fees and Compensation."

## **Item 15. Custody**

Norwest generally expects that it will be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2 (the “Custody Rule”)) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such assets with qualified custodians.

Clients’ cash, cash equivalents and securities will be appropriately safeguarded by Norwest in accordance with the Custody Rule. In compliance with the Advisers Act, investors in Clients that are Funds will receive annual audits of the Funds to be performed in accordance with U.S. Generally Accepted Accounting Standards and the audited financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles. A copy of the audited financial statements for each such Fund will be distributed to each such Fund’s investors within 120 days of the Client’s fiscal year end.

## **Item 16. Investment Discretion**

Norwest has discretionary authority to determine, without obtaining specific Client or investor consent, securities to be bought or sold, the amount of securities to be bought or sold, or the price to be paid/received. Norwest assumes this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of such Fund. Norwest is responsible for negotiating the terms of all transactions. Any limitations on authority are included in each Client's investment management agreement and/or Governing Documents, as applicable. Pursuant to the terms of the Governing Documents, Norwest and/or its affiliates reserves the right to enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

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

Most of the portfolio companies held by Clients are private companies that typically do not issue proxies. However, Norwest will adopt proxy voting policies and procedures in accordance with its fiduciary duty to Clients and Rule 206(4)-6 under the Advisers Act. Norwest is responsible for voting proxies on behalf of Clients, when applicable. Norwest will vote Client proxies in a way that it believes will maximize investor value taking into account all relevant considerations. In exercising its voting discretion, Norwest will seek to avoid material conflicts of interest raised by such voting decision. A record of all proxy votes cast on behalf of Clients will be maintained and available for review. Investors may obtain a copy of Norwest's proxy voting policies and procedures and a record of all proxy votes cast on behalf of Client(s) (as applicable) in which the investor holds an interest upon request, by contacting Norwest at the address or telephone number listed on the first page of this brochure.

## **Item 18. Financial Information**

Norwest has never filed for bankruptcy and is not aware of any financial condition that is expected to impair its ability to meet contractual commitments to its Clients. Further, Norwest does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. Therefore, Norwest is not required to include a balance sheet for its most recent fiscal year with this filing.