

# **VBD CAPITAL MANAGEMENT, LP**

**November 15, 2023**

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**This Form ADV Part 2A Brochure (“Brochure”) provides information about the qualifications and business practices of VBD Capital Management, LP. If you have any questions about the contents of this Brochure, please contact VBD Capital Management, LP at (207) 210-0022. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about VBD Capital Management, LP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.**

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### **Important Note about this Brochure**

This Brochure is not:

- An offer or agreement to provide advisory services to any person;
- An offer to sell interests (or a solicitation of an offer to purchase interests) in any fund; or
- A complete discussion of the features, risks or conflicts associated with any fund or advisory service.

As required by the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”), the Adviser (as defined below) provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a fund, together with other relevant offering documents, such as a fund’s offering memorandum, prior to, or in connection with, such persons’ investment in such a fund. The delivery of this Brochure to an investor or prospective investor in a fund is not an acknowledgement that the investor or prospective investor is a client under the Advisers Act or that there is any direct client relationship with the Adviser.

Additionally, this Brochure is available through the SEC’s Investment Adviser Public Disclosure website. Although this publicly available Brochure describes investment advisory services and products of the Adviser, persons who receive this Brochure (whether or not from the Adviser) should be aware that it is designed solely to provide information about the Adviser as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant offering documents. More complete information about each product managed by the Adviser is included in relevant offering documents, certain of which may be provided to current and eligible prospective investors only by the Adviser. To the extent that there is any apparent conflict between discussions herein and similar or related discussions in any offering documents, the relevant offering documents shall govern and control.

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**Item 2. Material Changes**

Item 2 is not applicable to VBD Capital Management, LP as this is an initial filing.

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#### Item 4. Advisory Business

VBD Capital Management, LP (the “Adviser”) is a Delaware limited partnership that provides investment advisory services to privately offered investment funds (collectively with any future funds advised by the Adviser, “Impact Funds”). The Adviser commenced operations in November 2023. VBD Holdings, LLC is the general partner of the Adviser, which is principally owned by Warren Valdmanis, Ian Blasco and Edward Demetriou.

The Adviser invests in companies that prioritize human capital (e.g., workforce) innovation. The Adviser seeks to combine active, principled ownership with the application of data science to attain positive social and investment outcomes through investment in portfolio companies’ workforces.

While the Adviser does not currently advise any clients, the Adviser’s advisory clients are expected to consist of the Impact Funds. Further information regarding the investment strategy and terms of such funds are detailed in their respective offering documents.

The Impact Funds seek to generate long-term capital appreciation primarily through acquiring interests in businesses primarily organized and/or headquartered in the United States and Canada that seek, or could be caused to seek, to create “Good Jobs” within select sub-sectors of the consumer, healthcare, business services and education and training sectors, and making follow-on investments with respect thereto. The Adviser views “Good Jobs” on a proprietary multi-factor basis that takes into account fairness, growth, purpose, leadership and associated factors. The strategies the Impact Funds pursue are long-term and discretionary in nature. An Impact Fund generally seeks to achieve returns commensurate with a corresponding level of investment and liquidity risk. As manager of the Impact Funds, the Adviser identifies and evaluates investment opportunities, negotiates the terms of investments, manages and monitors investments and seeks to achieve dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted in limited circumstances.

An Impact Fund intends to acquire established businesses in growing industries that the Adviser expects to thrive as technology evolves, and where the Adviser sees potential for “Workforce Impact” by (i) seeking to make a series of workforce-focused strategic, operational and investment decisions that are intended to directly improve job quality among its portfolio companies; (ii) seeking to indirectly increase workforce job quality by targeting a portfolio that includes, in part, certain businesses that promote education and training within the workforce; and (iii) broadly sharing its learnings as a strategy to increase job quality throughout the workforce. The Adviser will further seek to leverage its data science capabilities in order to measure job quality, unlock human potential, improve job quality in the workforce and improve financial performance.

Some of an Impact Fund’s investments may focus on enabling businesses that seek to act as catalysts to transform disrupted workers into competitors for tomorrow’s jobs, particularly “middle skills” jobs (e.g., jobs that may require specialized training but not a college degree), while others may be emerging business models with the potential to be enabled by technology and to create Good Jobs, including jobs of all skill levels. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of the Adviser or its

affiliates generally serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies in which an Impact Fund has invested.

Investors in an Impact Fund (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for such fund, but in certain circumstances may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Fund Agreement (as defined below). Such arrangements generally do not and will not create an adviser-client relationship between the Adviser and any investor. An Impact Fund or the applicable general partner entity generally enters into side letters or other similar agreements (“Side Letters”) with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Fund Agreement with respect to such investors. Other than those restrictions set forth in the applicable Fund Agreement, investors generally may not impose restrictions on investing in certain securities or certain types of securities.

The Adviser from time to time and as permitted and required by the pertinent Fund Agreement, expects to provide (or agree to provide), co-investment opportunities (including the opportunity to participate in co-invest vehicles and fund-of-one vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, the Adviser's personnel (or their estate planning or other similar vehicles) and/or certain other persons associated with the Adviser and/or its affiliates (*e.g.*, a vehicle formed by the Adviser's principals to co-invest alongside an Impact Fund). For strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing fund) has, and from time to time will, purchase a portion of an investment after the relevant Impact Fund has consummated its investment in the applicable portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Impact Fund investor capital contributions and/or use of an Impact Fund credit facility. Any such purchase from an Impact Fund by a co-investor or co-invest vehicle generally occurs shortly after the Impact Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Impact Fund's initial purchase. In such cases, where appropriate in the Adviser's sole discretion, the Adviser 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 Impact Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Impact Fund.

The Adviser's advisory services to an Impact Fund are detailed, as applicable, in the applicable private placement memoranda or other offering documents (each, a “Memorandum”), investment management agreements, limited liability company or other operating agreements or governing documents (each, a “Fund Agreement”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.”

As of November 15, 2023, the Adviser has no regulatory assets under management.

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## Item 5. Fees & Compensation

In general, the Adviser receives a management fee and a carried interest in connection with the provision of its advisory services to its clients. The Adviser or affiliates, from time to time, receive additional compensation in connection with management and other services performed for portfolio companies of an Impact Fund and such additional compensation will not, in all cases, offset the management fees otherwise payable to the Adviser. In addition, in certain circumstances the Adviser receives compensation for management and other services performed in connection with co-investments made in portfolio companies of an Impact Fund. Investors in an Impact Fund also bear certain expenses.

### *Management Fees*

An Impact Fund will generally pay the Adviser or its affiliate, quarterly in advance, a management fee, as more fully described in the applicable Fund Agreement. Investors participating in a closing after the initial closing of an Impact Fund typically bear a management fee from the date of the initial closing. As more fully described in the applicable Fund Agreement, the management fee for an Impact Fund is generally equal to 2.0% of aggregate commitments, subject to separate agreement, and converting after a designated investment period to be based upon aggregate investment contributions not associated with investments that have been disposed of or permanently written down. The management fee for an Impact Fund is typically “offset” or reduced by an amount equal to certain fees (“Transaction Fees”) received by the Adviser or certain persons affiliated with the Adviser, subject to certain exclusions. As described in greater detail in the applicable Fund Agreement, Transaction Fees include certain closing fees, investment banking fees, commitment fees, breakup fees, litigation proceeds from transactions not consummated, monitoring fees, consulting fees, directors’ fees and other similar fees (whether in the form of cash, securities or otherwise) received by the Adviser or certain persons affiliated with the Adviser from portfolio companies or prospective investments, less certain reimbursements. Various costs and expenses will reduce Transaction Fees (and thereby the amounts by which the management fee will be reduced), including out-of-pocket costs and expenses. As described in greater detail in the following paragraphs, the amount of management fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Fund Agreement. As a general matter, management fees will be payable during term extensions unless otherwise agreed with investors.

As is generally the case in private equity funds, the Fund Agreements provide that an Impact Fund’s management fees will be calculated and charged on a basis that generally is not tied to the Impact Fund’s then-current net asset value. As further specified in the relevant Fund Agreement, for the period from the effective date of an Impact Fund until the last day of the quarterly period during which a date specified in such Fund Agreement occurs (representing the earliest to occur of (i) the end of the Impact Fund’s defined investment period, (ii) six months after the occurrence of a key person event (unless continuing investment approval is obtained) and (iii) the date the relevant general partner (or an affiliate thereof) first begins receiving or accruing management fees from another investment fund meeting certain criteria) (the “Stepdown Date”), management fees generally will be charged based on the amount of the relevant Impact Fund’s aggregate commitments. Further, after the Stepdown Date, management fees generally will be charged and calculated based on the aggregate amount of certain investment contributions made

by the relevant Impact Fund for investments that have not yet been realized (in whole or in part), reduced by permanent writedowns of investments that have not been disposed of required pursuant to the applicable Fund Agreement.

Pursuant to the Fund Agreements, even where the fair market value of an investment falls below the total amount of investment contributions relating to such investment, post-Stepdown Date management fees will not be calculated based upon the depreciated value (other than depreciation resulting from a realization or permanent writedown as described above), and will instead continue to be calculated based on the amount of investment contributions. Further, after the Stepdown Date, even where there has been a partial distribution, partial writedown (including a permanent writedown) or partial sale of an investment, if the fair market value of the investment following such event exceeds the total amount of investment contributions relating to such investment, the Fund Agreements do not require management fees to be reduced.

As a result, the amount of management fees generally will not correspond with fluctuations in an Impact Fund's net asset value, including following the investment period, and will not be reduced in connection with any write downs, except in the case of investments permanently written down as described above.

The Fund Agreements 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.

As a matter of practice, the Adviser expects that it will be paid Transaction Fees from, on behalf of or with respect to co-investors in an investment of an Impact Fund, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the management fee payable by an Impact Fund. As a result, an Impact Fund will, in most cases, benefit only with respect to the relevant allocable portion of any such fee and not any portion related to general partner or affiliated partner commitments (which may be significant) or related to co-investors in an investment of an Impact Fund (which could include co-investment vehicles managed by the Adviser, third parties, portfolio company management or employees and/or others), which have the potential to be significant. In certain circumstances, the Adviser could agree to allow co-investors or other parties, from time to time, to share a portion of the Transaction Fees from a particular investment, and any applicable reduction in the management fee will be applied after excluding any amounts paid to such persons. Additionally, as further described below and in the applicable Fund Agreement, the Adviser may retain certain Affiliated Service Providers (as defined below) to provide services to (or with respect to) certain portfolio companies of an Impact Fund. Such Affiliated Service Providers may receive compensation and other amounts described herein from the relevant portfolio companies or Impact Fund to which they provide services, but no such amounts would result in additional offsets to the management fee.

### ***Performance-Based Compensation***

An Impact Fund's general partner is generally entitled to receive a carried interest with respect to such Impact Fund subject to a preferred return, as more fully described in the applicable



Fund Agreement. The carried interest distributed to the applicable general partner is subject to a potential clawback or giveback at the end of life of an Impact Fund if the applicable general partner has received excess cumulative distributions and at certain interim intervals as provided in the Fund Agreement. The Adviser's investment professionals and certain other employees (including, among others, specialists in fund management, portfolio operations, transaction structuring and management, risk and analytics) will generally receive a portion of the carried interest or other compensation received by the Adviser or its affiliates.

### ***Other Fees and Expenses***

In addition to the management fee and carried interest payable to the Adviser, Impact Funds bear certain expenses. As set forth more fully in the applicable Fund Agreement (and subject to the specific terms set forth therein), an Impact Fund bears all fees, costs, expenses, liabilities and obligations relating to such Impact Fund's (and its subsidiaries' and intermediate entities') activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce management fees; but not the Adviser's ordinary overhead and administrative expenses (such as compensation of its internal legal, accounting, administrative or compliance personnel).

An Impact Fund also bears expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of the Adviser and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Impact Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. The Impact Fund's general partner reserves the right to agree with operating partners, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits interest granted in the relevant investments or related intermediate entities. While such an arrangement could be more favorable to the relevant Impact Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits interest generally would have a dilutive impact on an Impact Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation. Excluded from an Impact Fund's expenses are ordinary administrative and overhead expenses of such Impact Fund's general partner incurred in connection with maintaining and operating its office (including salaries, rent and equipment expenses) to the extent not borne or reimbursed by a portfolio company. As is typical for private equity funds, an Impact Fund likely bears additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. In limited circumstances, an Impact Fund is expected to pay an expense common to multiple Impact Funds and/or co-investors (including without limitation legal expenses for a transaction in which such Impact Fund and other Impact Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by an Impact Fund and one or more other Impact Funds and/or co-investors over time), and be reimbursed by such other Impact Funds by their share of such expense, without interest. While the Adviser believes such circumstances to be highly unlikely, it is possible that one of such other Impact Funds could default on its obligation to reimburse the paying Impact Fund. In certain circumstances, the Adviser is expected to advance amounts related to the foregoing and receive reimbursement from such other Impact Funds to which such expenses relate. The decision of the Adviser to cover a portion of any of the above costs or expenses at a

given time for an Impact Fund does not preclude a later decision to charge these costs and expenses to any other Impact Fund, or to that same Impact Fund in the future, so long as the charge is permissible under the applicable Fund Agreement(s). Each Impact Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Impact Fund's strategy, including in Side Letters relating thereto, and (if and where applicable) environmental, social, governance and other standards to which the relevant general partner has committed in making investments on behalf of an Impact Fund. Additionally, subject to the Fund Agreement, an Impact Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Impact Fund invests.

As described above, in certain circumstances, an Impact Fund's general partner is expected to permit certain investors to co-invest in portfolio companies alongside an Impact Fund, subject to the Adviser's related policies and the applicable Fund Agreement 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 an Impact Fund (including management fees and performance-based compensation). Generally, the Adviser will advance amounts related to the foregoing and receive reimbursement from the respective Impact Fund or co-invest vehicle. However, unless otherwise specified in the applicable Fund Agreement, 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 Adviser, ultimately is not consummated, all fees and expenses, or other liabilities or obligations, incurred for transactions not consummated ("Broken Deal Expenses") relating to such proposed transaction and other expenses relating to the diligence or evaluation of a prospective investment will be borne by the investors within the relevant Impact Fund, and, except in limited circumstances, not by any potential co-investors, that were to have participated in such transaction. To the extent that such co-investors have already committed to a co-investment or other vehicle in connection with such transaction, such co-investor or vehicle, as applicable, is expected to bear its share of such Broken Deal Expenses (including those relating to the diligence or evaluation of a prospective investment) 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. In addition, in certain circumstances, the Adviser receives compensation for management and other services performed in connection with co-investments made in portfolio companies of an Impact Fund. To the extent an Impact 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.

The Adviser and/or its affiliates generally have discretion over whether to charge Transaction Fees, monitoring fees, consulting fees, directors' fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to conflicts of interest between an Impact Fund, on the one hand, and the Adviser, an Impact Fund's general partner and/or their affiliates on the other hand.

Additionally, subject to the applicable Fund Agreement, the Adviser may retain Affiliated Service Providers (as further defined in Item 8 below) to provide data science, marketing, technology, acquisition, integration, rationalization and/or other operations services or due diligence, or similar services to an Impact Fund, its related investment vehicles or a portfolio company. In certain circumstances, these services may also include serving in management or policy-making positions for portfolio investments. Affiliated Service Providers may receive compensation, including, but not limited to cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), Transaction Fees, a profits or equity interest in one or more Impact Funds or their general partners, remuneration from the Adviser and/or an Impact Fund or affiliates or other compensation, which typically are determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Affiliated Service Provider, a percentage of the value of the portfolio company, the invested capital exposed to the portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on an Impact Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Impact Fund typically will bear the costs of all Affiliated Service Provider compensation as well as fees, costs and expenses of structuring Affiliated Service Provider's arrangements. None of the amounts set forth above would offset an Impact Fund's management fee.

The Adviser is generally permitted to exempt certain investors in an Impact Fund from payment of all or a portion of such Impact Fund's management fee and/or carried interest, including the Adviser and any other person designated by the Adviser, such as "friends and family" of the Adviser or it or its affiliate's personnel (or their estate planning or other similar vehicles), or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. An Impact Fund's general partner reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by the Adviser and/or its affiliates, or through other funds which co-invest with an Impact Fund. For example, in instances where an Adviser professional (or an entity affiliated with the Adviser) invests in an Impact Fund, such professional (or such affiliated entity) generally will be exempt from payment of the management fee and/or carried interest with respect to such Impact Fund. Additionally, to the extent permitted by the relevant Fund Agreement, the Adviser generally has the right to permit investors, affiliated with the Adviser or otherwise, to invest through the relevant general partner or other vehicles that do not bear an Impact Fund's management fee or carried interest. In general, the management fee offsets described above apply only with respect to the capital commitments of fee-paying investors.

Principals or other employees of the Adviser generally receive salaries and other compensation derived from, and in certain cases including a portion of, the management fee, carried interest or other compensation received by the Adviser or its affiliates.

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

As described under “Item 5. Fees and Compensation,” the Adviser generally receives a management fee and carried interest in connection with the provision of its advisory services, although it will generally have the authority to waive such management fee or carried interest with respect to certain investors. Differing fee structures (including varying carried interest terms with respect to amount, timing, waterfall conditions or other terms) and/or differences in proprietary ownership of an Impact Fund by the Adviser or its affiliates could create an incentive for the Adviser to favor one Impact Fund over another Impact Fund in the allocation of investment opportunities. Determining which investments to allocate to an Impact Fund and at what price creates a conflict of interest for the Adviser, which is discussed under “Item 11. Code of Ethics, Participation or Interest in Fund Transactions & Personal Trading.”

The existence of performance-based compensation has the potential to create an incentive for the Adviser to make more speculative investments on behalf of an Impact Fund than it would otherwise make in the absence of such arrangement, although the Adviser 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 under certain circumstances at the end of the relevant Impact Fund’s life or at certain interim intervals.

Additionally, to the extent that the compensation of the Adviser’s personnel varies from fund to fund, such personnel are subject to potential conflicts of interest, to the extent they are involved in managing portfolio companies for funds from which they are entitled to receive greater compensation.

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

The Adviser provides investment advice to the Impact Funds and certain related co-investment vehicles where applicable. References throughout this Brochure to “clients” and to the Adviser’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. Each of the Impact Funds is a limited partnership formed under the laws of the State of Delaware and each operates as an exempt investment pool under the U.S. Investment Company Act of 1940, as amended.

The investors participating in an Impact Fund, and any respective co-investment vehicle, generally include individuals, banks or thrift institutions, other investment entities, university endowments, state and municipal pension plans or investment agencies, sovereign wealth funds, family offices, pension and profit sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other personnel (or their estate planning or other similar vehicles) of the Adviser and its affiliates and members of their families. The relevant general partner also is generally permitted from time to time to establish funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related fund.

With respect to an Impact Fund, initial and additional subscription minimums, if any, are disclosed in the relevant Memorandum or Fund Agreement, as applicable. The Adviser is generally permitted to waive, reduce or modify such subscription minimums, subject to certain limitations in accordance with applicable law or regulation.

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

An investment in an Impact Fund involves significant risks, conflicts of interest and other considerations and, therefore, should be undertaken only by prospective investors capable of evaluating and bearing such risks. An Impact Fund's returns may be unpredictable and an Impact Fund's investment programs are not suitable as the sole investment vehicle for an investor. A prospective investor should only invest in an Impact Fund as part of a broad overall investment strategy, and only if the prospective investor is able to withstand both extended periods of illiquidity and a total loss of its investment. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the limited partner interests in an Impact Fund. There can be no assurance that the Adviser or an Impact Fund will achieve their investment objectives, and a loss of investment is possible. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that an Impact Fund will meet its investment objectives or otherwise be able to successfully carry out its investment program.

The Adviser's discretionary investment advisory services with respect to an Impact Fund consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted in limited circumstances. The strategies an Impact Fund pursues are long-term in nature and generally include investment lock-up provisions. The following list is not a complete list of all risks and other considerations involved in connection with an investment in an Impact Fund. Prospective investors should consult the relevant Memorandum, Fund Agreement and subscription agreement, as applicable, of an Impact Fund.

### Risks of Investment

***Business Risks.*** There can be no assurance that an Impact Fund will be able to generate returns for investors or that the returns will be commensurate with the risks of holding and investing in the types of investments, assets or companies and transactions that an Impact Fund will pursue. There can be no assurance that any investor will receive any distribution from an Impact Fund. An Impact Fund's portfolio companies involve a high degree of business and financial risk that can result in substantial losses, and all investments involve the risk of loss of capital. Accordingly, an investment in an Impact Fund should only be considered by persons who can afford a loss of their entire investment as part of an overall investment strategy.

***Uncertain Exit Strategies.*** Due to the illiquid nature of an Impact Fund's portfolio companies, the Adviser is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies that appear to be viable when an investment is initiated (or at the time that the investments are contributed to an Impact Fund, as applicable) may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors. Certain assets of an Impact Fund are expected to be self-liquidating and it is possible that there will be no means to exit the holding, even if the Adviser's view as to potential future performance of the portfolio company has changed.

***Concentration of Investments.*** An Impact Fund will participate in a limited number of investments (and may seek to make several investments in one industry or one industry segment or within a short period of time) and, as a consequence, the aggregate return of an Impact Fund may be materially affected by the performance of a single investment or a single industry segment.

***Diverse Investors.*** Investors may have conflicting investment, tax and other interests with respect to their investments in an Impact Fund and with respect to the interests of investors in other investment vehicles managed or advised by the Adviser that may participate in the same investments as an Impact Fund. The conflicting interests of individual investors with respect to other investors and investors in other investment vehicles would generally relate to or arise from, among other things, the nature of investments made by an Impact Fund and such other investment vehicles, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Adviser, including with respect to the nature or structuring of investments, which likely will be more beneficial for one or more (but not all) investors than for another investor, especially with respect to investors' individual tax situations. In addition, an Impact Fund may make investments that may have a negative impact on related investments made by investors in separate transactions. In selecting and structuring investments appropriate for an Impact Fund, the Adviser will consider the investment and tax objectives of an Impact Fund and its investors as a whole (and those of investors in other investment vehicles managed or advised by the Adviser that participate in the same investments as an Impact Fund), not the investment, tax, or other objectives of any investor individually. In addition, certain investors are, and others in the future are expected to also be, investors in other investment funds sponsored or managed by the Adviser, including co-investment vehicles that may invest alongside an Impact Fund in one or more investments. Investors are expected in certain circumstances to include affiliates of the Adviser, such as affiliates of the portfolio companies of the Adviser or other funds, charities or foundations associated with the Adviser's personnel and/or current or former employees of the Adviser (or their estate planning or other similar vehicles), the Adviser's senior advisors and any such affiliates, funds or persons expect to invest through the vehicles established in connection with the Adviser's side-by-side co-investment rights. It is also possible that an Impact Fund's portfolio companies will be counterparties (such counterparties dealt with on an arm's-length basis) or participants in agreements, transactions or other arrangements with an investor or an affiliate of an investor. Such investors described in the previous sentences may therefore have different information about the Adviser and an Impact Fund than investors not similarly positioned. In addition, conflicts of interest may arise in dealing with any such investors, and the Adviser may not be motivated to act solely in accordance with its interests relating to an Impact Fund. Similarly, not all investors monitor their investments in vehicles such as an Impact Fund in the same manner. For example, certain investors may periodically request from the Adviser information regarding an Impact Fund and investments and/or portfolio companies that is not otherwise set forth in (or has yet to be set forth) in the reporting and other information required to be delivered to all investors, for instance, pre-quarterly reporting valuation. In such circumstances, the Adviser may provide such information to such investor, but because it has provided such information upon request by one or more investors does not mean the Adviser will be obligated to affirmatively provide such information to all investors (although the Adviser will generally provide the same information upon request and treat investors equally in that regard). As a result, certain investors (particularly investors that are affiliated with the Adviser and/or an Impact Fund) will likely have more information about an Impact Fund, and/or will likely receive information about an Impact Fund at

an earlier time, than other investors, and the Adviser will have no duty to ensure all investors seek, obtain or process the same information regarding an Impact Fund and its portfolio companies.

***Environmental, Social and Governance (“ESG”) Matters.*** The Adviser maintains an ESG policy (the “ESG Policy”) and expects to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. There is no guarantee that the Adviser will be able successfully to implement the ESG Policy while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the Adviser, or any judgment exercised by the Adviser, will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what ESG characteristics mean by region, industry and topic, as well as the interpretations of their scope and materiality. The Adviser’s interpretations and decisions are expected to differ from others’ views and evolve over time. In addition, in evaluating an investment, the Adviser expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources, which could be incomplete, inaccurate or unavailable, and which could cause the Adviser to incorrectly assess a company’s ESG practices and/or related risks and opportunities. The Adviser does not intend independently to verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on the Adviser’s view of certain ESG-related and other factors and could cause the relevant Impact Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG policy and practices.

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

***Impact of Government Regulation, Reimbursement and Reform.*** Certain industry segments in which an Impact Fund invests, including various segments of the healthcare industry, 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 Impact 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 industry, 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 an Impact Fund invests.

Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of the Adviser and each Impact Fund. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact the Adviser and its affiliates, the Impact Funds and/or its investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to any Impact Fund.

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

Any Distress Event has a potentially adverse effect on the ability of the Adviser to manage the Impact Funds and their investments, and on the ability of the Adviser, any Impact Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to cause an Impact Fund to pay fees and expenses in the event an Impact Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of an Impact Fund to acquire or dispose of investments at prices that the relevant general partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although the Adviser expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

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

***Illiquidity; Lack of Current Distributions.*** An investment in an Impact 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 an investment may be sold at any time, it is generally expected that this will not occur for a number of years. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating an Impact Fund (including the fees payable to the Adviser) may exceed its income, thereby requiring that the difference be paid from an Impact Fund's capital, including unfunded commitments to an Impact Fund. Further, investments by an Impact Fund may be in illiquid securities or assets that are difficult to value.

***Leveraged Investments.*** An Impact Fund or its portfolio company or intermediate entity is permitted in certain instances by the Fund Agreement to make use of leverage, including indebtedness under credit facilities or through other debt instruments. Leverage generally magnifies both an Impact Fund's and the portfolio companies', as applicable, opportunities for gain and its risk of loss. 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 an Impact Fund or a portfolio company will also result in fees, interest expense and other costs to an Impact Fund or portfolio company that may not be covered by distributions made to an Impact Fund or appreciation of its investments, or the operating income of a portfolio company, as applicable. While it is anticipated that fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. 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 certain portfolio companies of an Impact Fund will increase the exposure of an Impact Fund's investments to any deterioration in a portfolio companies' condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of an Impact 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 Impact Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, an Impact Fund may suffer a substantial or total loss of capital invested in the portfolio company, which could adversely affect the returns of an Impact Fund. Furthermore, should the credit markets be

limited or costly at the time an Impact Fund determines that it is desirable to sell all or a part of a portfolio company, such Impact Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the portfolio companies in which an Impact Fund will invest generally will not be rated by a credit rating agency. Except where otherwise required by the relevant governing documents, an Impact Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Impact Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company. An Impact Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that an Impact Fund would be compensated for providing such guarantee or exposure to such liability. An Impact Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other investment funds and entities managed by the Adviser or any of its affiliates, including through Impact 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, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that an Impact Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent an Impact Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by capital commitments made by an Impact Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of an Impact Fund.

***Subscription Lines.*** An Impact Fund is generally permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of an Impact 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 an Impact Fund's general partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if an Impact Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against an Impact Fund would likely be subordinate to an Impact Fund's obligations to a subscription line's creditors.

In addition, fund-level borrowing will result in additional partnership expenses that would be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of an Impact Fund's limited partners and the terms of the Fund Agreements, 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 an Impact Fund's cost of borrowing, fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases an Impact 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 contributions to an Impact Fund, or results in short-term gains to an Impact Fund, which in certain circumstances enhances an Impact 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 an Impact Fund's carried interest arrangements will be met. In other circumstances the use of fund-level borrowing can increase the base of an Impact 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 an Impact Fund's investment period, and cause or defer a related change in the basis of the relevant Impact 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 Impact 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 an Impact Fund nor its 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 an Impact Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on an Impact Fund's general partner's ability to consent to the transfer of a limited partner's interest in an Impact Fund or impose concentration or other limits on the Impact Fund's investments, and/or financial or other covenants, that could affect the implementation of an Impact Fund's investment strategy. In addition, in order to secure a subscription line, an Impact Fund's general partner may request certain financial information and other documentation from limited partners to share with lenders. An Impact Fund's 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 Impact Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Impact Fund, resulting in a potential net benefit to the Impact Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Impact Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows an Impact Fund's 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 such Impact Fund's general partner called smaller amounts of capital incrementally over time as needed by an Impact 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. An Impact Fund's general partner is authorized to use fund-level borrowing to pay management fees and to reimburse the Adviser for expenses incurred on behalf of the Impact Fund. An Impact Fund is also permitted to utilize fund-level borrowing when an Impact Fund's 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 an Impact 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 appreciates in value and is disposed of prior to repayment of the borrowing, the relevant Impact Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, in which case the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant Impact Fund's general partner, as reduced by the interest incurred by the relevant Impact Fund. Subject to any limitations in the governing documents, this scenario potentially incentivizes the relevant Impact Fund's general partner to permanently fund the acquisition and ongoing capital needs of an Impact 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).

In borrowing on behalf of an Impact Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of an Impact Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than an Impact Fund's preferred return, is expected to have incentives to cause an Impact Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when an Impact Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had an Impact Fund's general partner called capital, and thus could result in the relevant Impact Fund's general partner receiving carried interest sooner than it would without borrowing. In addition, when the management fee is calculated as a percentage of invested capital, a limited partner may pay management fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

***Limited Transferability of Fund Interests.*** There will be no existing public market for an Impact Fund's interests, and none is expected to develop. There are substantial restrictions upon the transferability of an Impact Fund's interests under the applicable Fund Agreements and applicable securities laws. In general, withdrawals of an Impact Fund's interests are not permitted and such interests will not be redeemable.

***Limited Access to Information.*** Limited partners' rights to information regarding an Impact Fund, its relevant general partner or Adviser generally will be specified, and in many cases strictly limited, by the respective governing documents of an Impact Fund. In particular, it is

anticipated that the Adviser and its affiliates will obtain certain types of material information from or relating to an Impact 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 Adviser's control. Decisions by Adviser 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 an Impact Fund interest 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 Adviser and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on an Impact Fund's advisory board ("Advisory Board") generally may, by virtue of such participation, have more or earlier information about an Impact 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 an Impact Fund succeeds in asserting confidentiality for requested documents and other materials, and Adviser reserves the right to withhold certain information from investors subject to such laws for reasons relating to Adviser's public reputation, business strategy or other reasons.

***Restricted Nature of Investment Positions.*** Subject to the terms of the applicable Fund Agreement, certain investments may be distributed in-kind to the investors and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors. After a distribution of securities is made to investors, many investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities and, in turn, on the remaining holders of such securities (which may include an Impact Fund). The price at which such securities may be sold by such investors may be lower than the value of such securities determined pursuant to the applicable Fund Agreement, including the value used to determine the amount of carried interest available to the Adviser with respect to such investment.

***Reliance on the Adviser and Portfolio Company Management.*** At its initial closing, an Impact Fund is a newly formed entity and has no operating history, and a significant number of its portfolio companies are expected to be relatively new and will require substantial additional capital. Whether and to the extent such capital is ultimately invested is subject to the discretion of personnel of the Adviser. Control over the operation of an Impact Fund will be vested with the Adviser, and an Impact Fund's future profitability will depend largely upon the business and investment acumen of personnel of the Adviser. The loss or reduction of service of one or more members of the Adviser's personnel could have an adverse effect on an Impact Fund's ability to realize its investment objectives. In addition, the personnel of the Adviser currently, and may in the future, manage other investment funds besides an Impact Fund and the personnel of the Adviser 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 personnel of the Adviser. Investors generally have no right or power to take part in the management of an Impact Fund, and as a result, the investment performance of an Impact Fund will depend on the actions of the Adviser. Although the Adviser will monitor the performance of each portfolio company, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis.

***Non-U.S. Investments.*** An Impact Fund could invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. The Adviser expects such investments to 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 (which an Impact Fund or a portfolio company, as applicable, may or may not hedge against), capital repatriation regulations (as such regulations may be given effect during the term of an Impact 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 an Impact Fund and/or investors with respect to an Impact Fund's income, and possible non-U.S. tax return filing requirements for an Impact Fund and/or its investors. Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

***Force Majeure Risks.*** The Adviser, an Impact Fund, portfolio companies, their respective affiliates and counterparties and other persons and entities may be adversely affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, adverse weather conditions, assertion of eminent domain, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, riots, terrorism and labor strikes), which have the potential to affect the ability of the foregoing parties to perform their obligations until any such force majeure event is remedied. These catastrophic events could result in the partial or total loss of an investment or significant down time resulting in lost revenues, among other potentially detrimental effects. The cost to a portfolio company or an Impact Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. In addition, repeated or prolonged service interruptions resulting from a force majeure event may cause a permanent loss of customers, substantial litigation or significant penalties for regulatory or contractual non-compliance, though in some cases, agreements may be terminable if a force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre agreed time period. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which an Impact Fund may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to an Impact Fund, including if its investment in such portfolio company is canceled, unwound or acquired (which could be without what an Impact Fund considers to be adequate compensation). Any of the foregoing may therefore adversely affect the performance of an Impact Fund and its investments. Some force majeure risks are generally uninsurable and, in some cases, investment project agreements can be terminated if the force majeure event is so catastrophic that it cannot be remedied within a reasonable time period.

***Climate Change.*** Impact Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions

may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Impact Funds' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, Impact Funds may be vulnerable to the following: risks of property damage to the Impact Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Impact Funds' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Impact Funds' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Impact Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

***Cybersecurity Risks.*** The information and technology systems of the Adviser and of service providers to the Adviser and an Impact Fund are vulnerable to potential damage or interruption from computer attacks, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. In addition to direct vulnerabilities of the Adviser's systems, the foregoing (and similar) risks from time to time originate on systems and in locations beyond the Adviser's control. For example, software, data and other services provided by third parties may be compromised without the Adviser's knowledge. Additionally, the Adviser's communications with other persons, including Impact Fund counterparties and investors, are susceptible to infiltration due to human error or vulnerabilities in the systems of such persons. Accordingly, investors are advised to ensure communication methods with the Adviser and the relevant administrator(s) are secure so as to prevent interception or impersonation that could result in fraudulent communications being submitted on their behalf.

Although the Adviser has implemented various measures designed to seek 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, it may be necessary for the Adviser, the relevant Impact Fund general partners, or a service provider to make a significant investment to fix or replace them and to seek to remedy the effect of such issues. The failure or interruption of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser, the relevant Impact Fund general partners, and an Impact Fund and result in a failure to maintain the confidentiality, integrity or availability of sensitive data, including personal information, as well as reputational damage and/or financial loss, including via adverse impacts to Impact Fund returns. Further, there may be legal and related costs arising from either existing or pending laws or regulations governing cybersecurity requirements for the



Adviser and an Impact Fund, as well as litigation and/or regulatory investigations associated with any incidents that occur.

Another potential result of the interruption of the Adviser's (and its affiliates') systems and/or implementation of disaster recovery plans is a remote working or distributed workforce environment for employees of the Adviser and its affiliates, which presents certain risks discussed below in "Distributed Workforce Risks."

To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company potentially will be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. 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, as further discussed below in "Distributed Workforce Risks." Any of such circumstances could subject a portfolio company, or an Impact 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.

***Distributed Workforce Risks.*** The Adviser's personnel work remotely. Partial or fully remote working environment increases risks relating to cybersecurity, data protection, employee supervision, workforce engagement and cohesion of operations, which could negatively impact the Adviser and the Impact Funds.

Notwithstanding these risks, the Adviser believes that a remote working environment, in whole or in part, provides certain benefits to the Adviser and its employees (including in respect of workforce flexibility and the ability to recruit and retain personnel). The Adviser will endeavor to appropriately protect against the risks and expect to employ workplace policy arrangements designed to balance the benefits and potential drawbacks of remote work and a distributed workforce going forward. However, there can be no assurance that the operations of an Impact Fund will not be adversely affected.

***Privacy and Data Protection Law Compliance Risk.*** The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations ("Privacy Laws") in the United States, Europe and elsewhere could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Adviser, its affiliates, an Impact Fund and/or its portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure

to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and an Impact Fund's performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Adviser, its affiliates, an Impact Fund and/or its portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. In addition, in connection with the services provided to an Impact Fund, an investor's personal data will be subject to the Adviser's privacy policy, will be shared with certain of its affiliates and will be transferred and/or stored in various jurisdictions in which such affiliates, an Impact Fund's administrator or sub-administrator and/or their respective affiliates have a presence, including to jurisdictions that might not offer a level of personal data protection equivalent to the investor or prospective investor's country of residence.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Adviser, its affiliates, an Impact Fund and/or its portfolio companies.

***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 and are resulting 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 an Impact Fund.

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 and regional 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 both volatility and a severe decline in all financial markets, demand across categories of consumers and businesses, dislocation (or in some cases a complete halt) 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, steep 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, 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 an Impact Fund. The extent of the impact on an Impact Fund and its 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 an Impact Fund 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 an Impact Fund intends to pursue, all of which could adversely affect an Impact Fund's ability to fulfill its 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 Impact Funds, their portfolio companies, the general partner of each Impact Fund and the Adviser may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, 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.

***Russia-Ukraine Conflict.*** The ongoing military conflict between Russia and Ukraine has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. 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 funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Impact Funds. Such impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of the Impact Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (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 which the Impact Funds intends to pursue, all of which could adversely affect the Impact Funds' ability to fulfill their investment objectives.

***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 Impact 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 an Impact 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 an Impact Fund, its general partner, or Adviser 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 an Impact Fund. This creates potential incentives for Adviser to cause an Impact 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.

***LIBOR and other Benchmark Rates.*** To the extent that an Impact Fund’s investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on the London Interbank Offered Rate (“LIBOR”) or other benchmark or reference rates (each, a “Benchmark Rate”), the Impact Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Impact Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

***Secondaries and other GP-Led Transactions.*** There continues to be a significant market in the private fund sector for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments. 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 Adviser 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 the Adviser 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 potentially a portfolio that combines assets from multiple Impact Funds sponsored by the Adviser and its affiliates). However, certain of such transactions would be expected to require a limited partner to invest additional capital in the existing Impact 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 would 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 an Impact Fund or limited partner and those of Adviser or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where the Adviser or an affiliate would continue to manage and receive fees and/or performance-based compensation

relating to the subject assets following the 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 Impact Fund, the Adviser, the relevant general partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. 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 Impact Fund, and in such circumstances, Adviser 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 would 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 would be disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that the Adviser will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of an Impact Fund or any individual limited partner or group of limited partners. However, Adviser reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant governing documents.

***Hedging Arrangements.*** The Adviser is authorized (but is not obligated) to endeavor to manage an Impact Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. An Impact Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject an Impact Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose an Impact Fund to additional liquidity risks if such contracts cannot be adequately settled.

***Non-Controlling Investments.*** Certain portfolio companies are, and others are expected in the future to be, comprised of non-controlling stakes in privately held companies and have minority protection rights that, while often substantial, typically fall short of control characteristics. Other portfolio companies are comprised of interests that may not have significant minority protections, such as passive equity interests in investment pools, or interests in revenue share agreements with investment managers that do not include any governance rights with respect to such investment managers. In addition, during the process of exiting investments, an Impact Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority or passive holdings in general, such minority stakes that an Impact Fund holds or may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where an Impact Fund holds a minority or passive stake, it may be more difficult for an Impact Fund to liquidate interests than it

would be had an Impact Fund owned a controlling interest in such company. Even if an Impact Fund has contractual rights to seek liquidity of an Impact Fund's minority or passive interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to an Impact Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

***Side Letters.*** The Adviser or its affiliates, as applicable, are expected to enter into Side Letters with certain investors in connection with such investor's admission to an Impact Fund or parallel funds without the approval of any other investor, which would have the effect of establishing rights under or altering or supplementing the terms of the applicable Fund Agreement, with respect to such investors in a manner more favorable to such investors than those applicable to other investors. Such rights or terms in any such side letter or other similar agreement may include, without limitation, (i) excuse or exclusion rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments), (ii) the Adviser's agreement to extend certain information rights or additional reporting to such investor, including, without limitation, to accommodate special tax, regulatory or other circumstances of such investor, (iii) waiver or modification of certain confidentiality obligations and/or documentation that might be requested by the Adviser for the benefit of lenders or other persons extending credit to or arranging financing for an Impact Fund, (iv) consent of the Adviser to certain transfers by such investor or other exercises by the Adviser of its discretionary authority under the applicable Fund Agreement for the benefit of such investor, (v) restrictions on, or special rights of such investor with respect to the activities of the Adviser, (vi) withdrawal rights (subject to consent of the Adviser) due to legal, regulatory, tax, accounting or policy matters, including matters related to political contributions, gifts and other such policies, (vii) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor, (viii) economic arrangements (including, for example, with respect to any carried interest, servicing fees and/or management fees to be charged to investors, and discounted or rebated compensation terms, none of which generally will be subject to the "most-favored nation" provisions of an Impact Fund's governing documents), (ix) matters regarding such investor's right to participate in co-investment opportunities (including, without limitation, preferential allocation thereof and the terms and conditions related to such participation (including any carried interest and/or management fees to be charged with respect thereto)), (x) matters regarding such investor's (or its affiliates') interest in providing debt financing to an Impact Fund or its portfolio companies, (xi) acknowledgement of interest in co-investment opportunities and allocations thereof, (xii) rights to serve on an Impact Fund's Advisory Board, or (xiii) additional obligations, and restrictions of an Impact Fund with respect to the structuring of any investment (including with respect to alternative investment vehicles). While it is possible that an Impact Fund will, along with the Adviser itself, benefit from the existence of those side agreements, it is also possible that such side agreements may permit such investors to take actions on the basis of information not available to other investors that do not have the benefit of such agreements. Any rights or terms so established in a side letter with an investor will govern solely with respect to such investor (but not any of such investor's assignees or transferees unless so specified in such side letter) and will not require the approval of any other investor notwithstanding any other provision of the applicable Fund Agreement.

Except where required by the applicable Fund Agreement, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no

recourse against an Impact Fund, the Adviser, its general partner or any of their respective affiliates (including the Adviser) 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 the Adviser to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Impact 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 Impact 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 Impact Fund. As a consequence of one or more limited partners being excused or excluded, or from 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 the Adviser believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of an Impact 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 Impact 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 of the relevant Impact Fund; 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 Impact 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 an Impact Fund.

In addition, the Adviser has, and it can be expected that the Adviser in the future will, enter into agreements with investors involving an investor's overall relationship with the Adviser and/or its affiliates, which may include one or more strategies with terms and conditions applicable to such investor and its investment in multiple strategies managed by the Adviser (or the Adviser and its affiliates), including an investment in an Impact Fund. Such an agreement would often involve an investor agreeing to make a capital commitment to multiple funds and/or co-investment vehicles managed or sponsored by the Adviser or its affiliates, one or more of which may include an Impact Fund. Other investors will not receive a copy of the agreement memorializing such an investment program and will be unable to elect any rights or benefits granted to such multi-strategy investor.

It is also expected that the Adviser will from time to time confirm factual matters to incoming investors, make statements of intent or expectation to such investors or acknowledge statements by such incoming investors that relate to an Impact Fund and/or the Adviser's activities pertaining thereto in one or more respects. In addition, the Adviser may from time to time agree to certain matters relating to knowledge transfer and/or secondments with one or more investors as

part of an overall firm relationship. Additionally, it is expected that investors who designate representatives to participate on an Impact Fund's Advisory Board may, by virtue of such participation, have more information about an Impact Fund and investments in certain circumstances than other investors generally and may be provided information in advance of communication to other investors generally. Any such statements, confirmations agreements or acknowledgements, including those made in response to an investor's due diligence requests, will not involve the granting of any legal right or benefit, and therefore will not be subject to the "most favored nations" process or election by investors, and investors generally will as a result not receive notice thereof or copies of the documentation (if any) in which they are contained. There can be no assurance that any such arrangements will not have an adverse effect on an Impact Fund or that such arrangements will not influence the Adviser's activities or the operation of an Impact Fund.

***Material Non-Public Information.*** As a result of the extensive operations of the Adviser and its affiliates, as well as in connection with officerships or directorships of Adviser personnel, the Adviser and its affiliates frequently comes into possession of confidential or material, non-public information. Therefore, the Adviser and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by an Impact Fund. Consequently, an Impact Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, the Adviser or its affiliates, may have been undertaken on account of applicable securities laws or the Adviser's internal policies. Due to these restrictions, an Impact Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold. Additionally, there may be circumstances in which one or more individuals associated with the Adviser or its affiliates will be precluded from providing services to the Adviser or an Impact Fund because of certain confidential information available to those individuals or to the Adviser or its affiliates, which could have an adverse effect on an Impact Fund.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Adviser or an Impact Fund from entering into transactions with certain individuals or jurisdictions. 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 portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States 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 an Impact Fund's acquisition of a portfolio company may preclude another Impact Fund from making an attractive acquisition or require another Impact Fund to sell all or a portion of certain portfolio companies owned by it.

As a result of any of the foregoing, an Impact Fund may be adversely affected because of the Adviser'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 an Impact 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 Adviser 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 an Impact Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

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

***Co-Investments.*** The Adviser has provided or committed to provide, and subject to any contractual obligations (whether in a Side Letter or a Fund Agreement), the Adviser expects in the future to continue, in its sole discretion, to provide or commit to provide, co-investment opportunities to one or more investors and/or other persons, in each case on terms to be determined by the Adviser. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the Adviser, may not be in the best interests of an Impact Fund or any individual investor. In exercising its sole discretion in connection with such co-investment opportunities, the Adviser may consider some or all of a wide range of factors, which may include factors which benefit the Adviser such as the likelihood that an investor may invest in a future fund sponsored by the Adviser or its affiliates.

Furthermore, the Adviser 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 be offered to some and not to an Impact Fund's other investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Impact Fund, and the Adviser expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Impact Fund because (i) co-invest opportunities generally appeal to Impact Fund investors and third parties, (ii) to the extent co-investments made by Impact Fund investors are not subjected to management fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment typically is not subject to the management fee offset provisions of an Impact Fund's governing documents. In order to facilitate the acquisition of a portfolio company, an Impact 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 Impact 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 Impact 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 Impact 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. The Adviser intends to commit to provide co-investment opportunities related to a subset of an Impact Fund's prospective portfolio companies on a priority basis to one or more investors, and accordingly the Adviser's allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. When and to the extent that the Adviser, its related persons and personnel (or their estate planning or other similar vehicles) of the Adviser make capital investments in or alongside an Impact Fund, the Adviser is subject to potentially conflicting interests in connection with these investments. Please see "Potential Conflicts of Interest" below for additional considerations.

An Impact Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of an Impact Fund, or may be in a position to take action contrary to the investment objectives of an Impact Fund. In addition, an Impact Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that an Impact Fund's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

***Incentive Allocation.*** Any Incentive Allocation will reduce the allocations and distributions that would otherwise have been made to the investors absent any Incentive Allocation. In addition, the Incentive Allocation's existence may incentivize the Adviser to make riskier or more-speculative investments on an Impact Fund's behalf than it would otherwise make absent such performance-based allocations, which could result in adverse consequences for an investor, including but not limited to reduced returns or a complete loss of an investor's entire investment in an Impact Fund. Moreover, the manner in which the Adviser determines the Incentive Allocations may create a conflict between the Adviser's interests and the investor's interests as to the manner, timing and sequencing of the disposition of investments, which could result in adverse consequences for the investors, including, but not limited to, reduced returns and less efficient tax treatment. Furthermore, recently enacted tax reform legislation relating to the taxation of incentive allocations provides for a lower capital gains tax rate in respect of investments

held for at least three years. The Adviser may be incentivized to operate an Impact Fund, including holding and/or selling investments, in a manner that takes into account the tax treatment of the Adviser's Incentive Allocation. While the Adviser generally intends to seek to maximize pre-tax returns for an Impact Fund, the Adviser may nonetheless be incentivized, for example, to hold investments longer to ensure long-term capital gains treatment. To date, the Internal Revenue Service has issued only limited guidance on how these new rules apply.

**Data Science.** The use and application of data science capabilities and resources by the Adviser is still in its developmental stage and, while the Adviser has applied, and will continue to endeavor to apply, data science expertise to its portfolio companies, there can be no guarantee as to the level of data science capabilities or resources that will be made available to an Impact Fund and its investments by the Adviser or its affiliates, or that if applied, such data science capabilities or resources will result in improved financial performance or the achievement of any Impact Fund or portfolio company investment objectives comparable to or exceeding that which it has already achieved at existing portfolio companies, if at all. The Adviser also aims to utilize data science capabilities in order to source and evaluate potential investment opportunities. In evaluating a potential investment, the Adviser may consider whether such investment would provide access to data that might be useful to the Adviser's data science capabilities. There is a risk that the Adviser may determine not to invest in a particular opportunity to the extent it does not present a useful data set. To the extent information herein relates to the data science capabilities and personnel of the Adviser generally, it should be noted that it is anticipated that an Impact Fund will have access only to (i) a select portion of such information and (ii) certain personnel required to implement such Impact Fund's strategy. Further, certain information may not be accessible to the Adviser due to applicable law, regulation, information barriers, confidentiality restrictions, license restrictions, potential publicity risks, privacy considerations, internal policies, system limitations or other constraints. An Impact Fund's use of data resources will be determined by the Adviser and/or its affiliates in their sole discretion, and investors will not have the right to receive any access to such information or services directly as a result of their investment in an Impact Fund. Research to identify linkages in data is underway but expected to take time to develop and there can be no assurances that it will ultimately reveal reliable causal relationships, including without limitation between the elements of any "Workforce Impact," on the one hand, and improved financial performance or the achievement of any workforce related Impact Fund or portfolio company investment objectives, on the other hand.

**Impact Investment Strategy.** An Impact Fund's focus on positive Workforce Impact and producing Good Jobs in the workforce subjects it to a variety of risks, not all of which can be quantified or anticipated. When evaluating potential investment opportunities, a portfolio company's potential (i) to provide for a positive Workforce Impact, and (ii) to produce a strong financial outcome, will both be considerations. The success of such Impact Fund in achieving Workforce Impact goals will depend on the Adviser's skill and the Founders Board (as defined below), in identifying and analyzing material Workforce Impact factors and their impact-related value. Such decisions will be subjective. There can be no assurance that the strategy, criteria or techniques employed will be successful or those chosen by other third parties. Due to the nature of any Impact Fund pursuing a Workforce Impact strategy, Workforce Impact investment objective, potential investments will be inherently more limited in availability than they would otherwise be if such Impact Fund were seeking to make investments solely on the basis of financial characteristics and associated returns, and the Adviser and an Impact Fund may decline to pursue

potential investments if they are not suitable for an Impact Fund's Workforce Impact criteria. Additionally, a prospective portfolio company which may otherwise be compatible with an Impact Fund's Workforce Impact objective, may have a management team or other stakeholders that are not interested or incentivized in promoting positive Workforce Impact. Despite the Adviser's belief that positive Workforce Impact would lead to an investment's financial success, it is possible that a portfolio company's focus on positive Workforce Impact may not ultimately result in financial success or that management decisions may be made that favor one goal at the expense of the other in either the short or long term.

In evaluating a company, the Adviser must depend on information and data provided by third parties. Such reporting may be incomplete, inaccurate or unavailable, which could cause the Adviser to incorrectly assess a company's practices, related risks and opportunities for future Workforce Impact. Impact initiatives may vary by region, country, industry, political view, community values or socioeconomic class and are evolving accordingly, and an Impact Fund or a portfolio company's practices related to attain a positive Workforce Impact may change over time.

Any Impact Fund pursuing a Workforce Impact strategy seeks to promote the growth and development of Good Jobs within certain portfolio companies and across industry sectors, and consequently the Adviser may consult and/or collaborate with community leaders, advocacy groups, governmental agencies (including federal, state and local departments of such agencies), non-profit entities, debt providers, larger corporations or others. While the Adviser believes that such activities will ultimately be beneficial to such Impact Fund's investment strategy, there can be no assurance that such activities will positively affect an Impact Fund's investment returns or social or other impact. Any Impact Fund pursuing a Workforce Impact strategy also anticipates consulting their Founders Boards from time to time, to the extent provided for and constituted pursuant to the relevant Fund Agreement. Although the Adviser may receive recommendations from any of the foregoing, any determination about whether or not a potential investment is expected to produce a positive Workforce Impact will be made in the Adviser's sole discretion. The determination about what constitutes a positive Workforce Impact is inherently subjective, and what the Adviser considers to be beneficial may not necessarily reflect the views of other third parties, including the members of a Founders Board, to the extent provided for and constituted pursuant to the relevant Fund Agreement (the "FB Members"), or particular investors. The Adviser may change their standards, criteria or objectives with respect to what constitutes a positive Workforce Impact or what Workforce Impact they seek to achieve. In pursuing terms related to Workforce Impact, an Impact Fund may consummate investments using certain terms that may be considered less favorable than those found in the market for investment strategies that do not identify Workforce Impact as an investment criteria, and do not link Workforce Impact to financial returns.

An Impact Fund may invest in the securities of portfolio companies that make decisions or focus on courses of action that seek to achieve certain Workforce Impact goals, including the promotion, availability and quality of jobs within the portfolio company's workforce, which the Adviser believes will positively impact the financial success of such portfolio companies. However, there can be no assurance that an Impact Fund's portfolio companies will achieve their target Workforce Impact objectives, or that such objectives, if achieved, would lead to long-term financial success, and consequently investor returns may be adversely affected. Furthermore, there can be no guarantee that an Impact Fund's performance will not be negatively affected given its

pursuit of investments taking into consideration economic and Workforce Impact criteria, or that an Impact Fund will perform comparably to investment funds that pursue one (and not both) objectives.

The Adviser intends to report to investors on the Workforce Impact performance of an Impact Fund's portfolio companies at least annually, if not more frequently. An Impact Fund's reporting will depend on the quality of reporting from various third parties and/or an Impact Fund's portfolio companies, which may be incomplete, inaccurate or deficient in any manner of ways. Measuring Workforce Impact is complex and difficult and there can be no assurance that the criteria measured or utilized by the Adviser to determine changes in Workforce Impact performance will be accurate or reliable. An Impact Fund may seek a particular service provider's analysis, reporting or ratings in relation to an Impact Fund's effectiveness to achieve its Workforce Impact objective. To the extent such service providers are engaged on behalf of an Impact Fund or any of its portfolio companies, several factors may affect the conclusions, reports or ratings ultimately received by an Impact Fund or its portfolio companies, and one service provider may place greater emphasis on certain factors or information than others. As such, a service provider may arrive at a different conclusion regarding the Workforce Impact of an Impact Fund's investments than another service provider or the Adviser, even utilizing the same set of facts and circumstances. Certain other public, private or non-profit agencies may also publicly report on or discuss an Impact Fund, its activities or the activities of its portfolio companies in a manner that is inconsistent with the views of the Adviser and/or any service providers engaged by an Impact Fund to perform similar analysis. There is also the risk that reporting showing a positive impact on Workforce Impact criteria, even if consistent among all providers, actually reflects improved workforce conditions in general versus as a result of an Impact Fund's efforts. An Impact Fund will seek to produce demonstrable and repeatable methods of promoting positive Workforce Impact and to show a material cause and effect between the application of Workforce Levers, Good Jobs and positive financial outcomes, however there can be no guarantee that an Impact Fund will be able to achieve such objectives.

There is no universally recognized standard for impact investing or ESG integration into investment, and social impact and responsible investing practices are evolving rapidly. Accordingly, the Adviser's assessment of such practices and its social impact and ESG policies and procedures are expected to change over time. There are many different frameworks, methodologies, and tracking tools being implemented by investment managers pursuing ESG and social impact strategies. The framework, methodologies and tools that the Adviser is implementing may not align with the approaches used by other investment managers or preferred by prospective investors, or with future market trends or regulatory developments. Any determination about whether a potential investment is expected to produce a positive Workforce Impact or fits within an Impact Fund's impact investment mandate will be made in the Adviser's sole discretion. Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the Adviser or any judgment exercised by the Adviser will reflect the beliefs or values of any particular investor or other third-party. Except as otherwise expressly indicated with respect to an Impact Fund, data and information pertaining to an Impact Fund's ESG and Workforce Impact strategies may be audited or otherwise assured in any way and will not be prepared in accordance with GAAP or any other recognized accounting standard.

- *Work Force & Labor Matters.* Investments in portfolio companies that have a unionized work force and/or employees who are covered by a collective bargaining agreement could directly or indirectly subject a portfolio company to complex laws, rules and regulations as well as to labor relations disputes or difficulties generally. Although unions and collective bargaining arrangements generally aim to protect and empower workers, the foregoing or other factors may impede an Impact Fund from ultimately instituting changes at the portfolio company in the manner and on the timeline that they were projected to occur on, including those anticipated by the Adviser at the time of such investment that would be necessary to advance the creation or stability of Good Jobs in accordance with an Impact Fund's investment objective. Moreover, the negotiating positions, political views or other motivations that may be associated with a particular union may be driven by other factors or influences beyond the specific portfolio company in which an Impact Fund is invested. There can be no assurance that employees or their union representatives will act reasonably or in the manner anticipated by the Adviser at the time of investment by an Impact Fund, and the portfolio company's operations may be interrupted as a result of work stoppages and delays in the process of renegotiating collective bargaining agreements.
- *Investments in Healthcare Companies.* While investments in healthcare companies offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial or total loss. Healthcare reform continues to be a significant factor in the profitability of healthcare companies. The efforts to reform the healthcare delivery system in the United States have resulted in increased pressure on healthcare providers and other participants in the healthcare industry to reduce costs. These competitive forces place constraints on the levels of overall pricing, and thus could have a material adverse effect on profit margins for the companies in which an Impact Fund invests. Companies in the healthcare sector also have a heightened risk of liability lawsuits that could expose portfolio companies or an Impact Fund to significant losses (whether in defense of, settlement of, or judgements pertaining to, such lawsuits).

Healthcare companies may face intense competition, including competition from companies with greater financial resources, more extensive research and development, sales and marketing, customer services and support and other capabilities and a larger number of qualified managerial and technical personnel. Companies in which an Impact Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, or an economic downturn.

The healthcare industry spends significant capital and other resources on research and development. Research findings (e.g., regarding side effects or comparative benefits of one or more particular treatments, services or products) and technological innovation (together with patent expirations and enforcement limitations) may make any particular treatment, service or product less attractive if previously unknown or underappreciated risks are revealed, or if a more effective, less costly or less risky solution is or becomes available. Any such development could have a material adverse effect on one or more companies in which an Impact Fund invests. The research, development, preclinical and clinical trials, manufacturing, labeling, and marketing related to a healthcare industry company's products are subject to an extensive regulatory approval process by the U.S. Food and Drug Administration ("FDA") and other regulatory agencies in the U.S. and abroad. The process for obtaining FDA and other required regulatory approvals, including the required

preclinical and clinical testing is very lengthy, costly, and uncertain. There can be no guarantee that, even after such time and expenditures, a portfolio company will be able to obtain the necessary regulatory approvals for clinical testing or for the manufacturing or marketing of any products or that the approved labeling will be sufficient for favorable marketing and promotional activities. If a portfolio company is unable to obtain these approvals in a timely fashion, or if after approval for marketing, a product is later shown to be ineffective or to have unacceptable side effects not discovered during testing, the portfolio company may experience significant adverse effects, which in turn, could negatively affect the performance of an Impact Fund.

Sales of healthcare products will depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers, and other organizations. The levels of revenues and profitability of pharmaceutical companies may be affected by the continuing efforts of governmental and third-party payors to contain or reduce the costs of health care. Significant uncertainty exists as to the reimbursement status of newly approved health care products. There can be no assurance that a company's proposed products will be considered cost-effective or that adequate third-party reimbursement will be available to enable a company to maintain price levels sufficient to realize an appropriate return on its investment in product development.

- *Investments in Education and Training Companies.* The for-profit education sector has been increasingly subjected to extensive U.S. federal and state regulation. The principal federal regulatory regime is established under the Higher Education Act of 1965, as it is amended and reauthorized from time to time (the "HEA"), as it is amended and reauthorized from time to time, and the regulations promulgated under the HEA by the U.S. Department of Education. Among other matters, these regulations govern participation by universities in federal student financial aid programs under Title IV of the HEA ("Title IV"), which is the principal source of funding for students at these universities. Companies in this sector generally collect the substantial majority of their total consolidated net revenue from receipt of Title IV financial aid program funds. Neither portfolio companies nor the Adviser can predict how the regulations and requirements administered by federal and state educational supervision agencies will be applied or interpreted in the future, or whether compliance with any future changes will be possible. This can lead to significantly adverse impacts upon a portfolio company, thus impairing returns to an Impact Fund.

Companies in the education sector face increased rulemaking by the U.S. Department of Education, potentially negatively impacting returns to such companies. The U.S. Department of Education has promulgated a substantial number of new regulations in recent years relating to institutional eligibility under the HEA and the U.S. Secretary of Education's recognition of accrediting agencies, including (i) regulations regarding institution and lender requirements relating to education loans under the HEA, (ii) regulations requiring institutions that participate in Title IV programs to be authorized to operate by the appropriate postsecondary regulatory authority in each state where the institution has a physical presence, (iii) regulations defining for the first time the standards to measure "preparation for gainful employment," (iv) instituting consequences of failing the standards, and (v) and regulations requiring certain disclosures to students related to

gainful employment. Such increased regulation may require potential portfolio company management to expend time and resources on compliance, including an increase in overall operating costs, as opposed to focusing upon the growth strategy on which an Impact Fund's investment relies.

Increasingly, employers demand that their new employees possess appropriate technological skills and also appropriate "soft" skills, such as communication, critical thinking and teamwork skills. The nature of the skills required can evolve rapidly in today's changing economic and technological environment. A portfolio company in the education sector, if unable to adequately respond to changes in market requirements due to regulatory or financial constraints, unusually rapid technological changes, or other factors, may suffer decreased business success, worsened financial condition, and negative cash flow and operations results, adversely affecting an Impact Fund's investment in such company.

### **Conflicts of Interest**

The Adviser and its affiliates (each as further described in Item 10 below) engage in a broad range of advisory and non-advisory activities and as a result, on occasion the Adviser will encounter conflicts of interest in connection with the operations and investment activities of an Impact Fund. If any matter arises that the Adviser determines in its sole discretion constitutes an actual or potential conflict of interest, the Adviser will take such actions as necessary or appropriate to ameliorate such conflict. These actions could include consulting with an Impact Fund's Advisory Board or legal counsel, requesting advice, verification or confirmation regarding certain actions from independent third parties or taking certain other actions as it believes would eliminate the cause or mitigate the effect of the potential conflict. There can be no assurance that the Adviser will resolve all conflicts of interest in a manner that is favorable to an Impact Fund. By acquiring an interest, each investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest to the fullest extent permitted by law. In addition, prospective investors should note that the Fund Agreements of the Impact Funds contain provisions that, subject to applicable law, reduce or eliminate the duties, including fiduciary and other duties, to an Impact Fund and the investors to which the Adviser would otherwise be subject, provisions that waive or consent to conduct on the part of the Adviser or its affiliates that might not otherwise be permitted pursuant to such duties, and provisions that limit the remedies of investors with respect to breaches of such duties.

The Adviser and its affiliates and companies in which they invest may serve as counterparties or participants in agreements, transactions or other arrangements with the Adviser and/or its affiliates, and such agreements, transactions or other arrangements could be material to such other companies' success or failure. Such agreements, transactions or other arrangements may involve fees, commissions, servicing payments, discounts, rebates and/or other benefits to such portfolio companies, the Adviser or its affiliates, as applicable. While the Adviser and its affiliates intend to monitor such conflicts, there can be no assurance that any such conflicts will be effectively managed or mitigated.

Except in certain circumstances, the Adviser will generally pursue all appropriate investment opportunities that it determines meet the investment criteria of an Impact Fund for the



benefit of such Impact Fund, subject to exceptions provided for in the applicable Fund Agreement or discussed elsewhere herein (“Fund Opportunities”). The Adviser maintains broad discretion to determine which investment opportunities will be classified as Fund Opportunities, and further shall make any determination as to the appropriateness of a particular investment opportunity for an Impact Fund in its sole discretion, and such determinations will frequently be subjective in nature. The outcome of these determinations will from time to time result in the allocation of all, none or a portion of certain investment opportunities to an Impact Fund, which could adversely affect such Impact Fund’s performance in the same manner as an under- or over-allocation. In the event there is potential overlap between an Impact Fund and any other private funds that have or will in the future be sponsored or managed by the Adviser, the Adviser generally intends to allocate the investment opportunity in a manner that it believes is fair and equitable under the circumstances, in accordance with the Adviser’s allocation policy and subject to relevant factors associated with the investment and the terms of the applicable governing documents of an Impact Fund or the portfolio company, as applicable. An Impact Fund will have no right to participate in any opportunities that are not allocated to it (or to a portfolio company thereof), even if such opportunities ultimately would have been highly profitable or would otherwise be accretive or otherwise beneficial to a given portfolio company or an Impact Fund more broadly.

Subject to the applicable Fund Agreement, the Adviser reserves the right to, and expects to, focus its investment activities on other opportunities and areas unrelated to an Impact Fund’s investments.

The Adviser believes that the significant investment of certain members of the Adviser in an Impact Fund, directly or indirectly, as well as the participation of the Adviser in the management fee, carried interest or other sponsor economics, operate to align, to some extent, the interest of such person’s with the interest of the other partners in an Impact Fund, although members of the Adviser have or will in the future have economic interests (including management fees and carried interest) in other investments as well. Such investments that the Adviser’s personnel may engage in, finance, control or manage may compete with or be competitive with an Impact Fund generally or an Impact Fund and/or its portfolio companies individually. The Adviser and its personnel may have conflicts of interest in allocating their time and activity between Impact Funds and in effecting transactions between Impact Funds, including transactions in which the Adviser may have a greater financial interest.

Subject to the limitations contained with a Fund Agreement as well as the Adviser’s policies and procedures, the Adviser and its personnel have the ability to invest in financial instruments for their own accounts, to engage in personal investment activities, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. This may on occasion create conflicts of interest with an Impact Fund with regard to such matters as deciding whether to participate in particular investments or to dispose of certain investments. In particular, the Adviser and equity holders, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to an Impact Fund. In addition, the Adviser and equity holders, officers, principals and employees of the Adviser and its affiliates may buy securities in transactions offered to but rejected by an Impact Fund, but will not in such circumstances be required to share in or reimburse the relevant Impact Fund for due diligence or other expenses

(including Broken Deal Expenses) incurred by the Impact Fund in connection with the Impact Fund's consideration of the relevant investment opportunity. To the extent an advisory opportunity is received that is unsuitable for an Impact Fund, in the Adviser's sole discretion, the Adviser, its affiliates and their respective personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of an Impact Fund. Employees and related persons of the Adviser have, and are expected to continue to have, directly or indirectly, capital investments in an Impact Fund, portfolio companies or in prospective portfolio companies, and therefore may have additional conflicting interests in connection with these investments.

An Impact Fund's general partner generally is permitted to receive a distribution in kind from the Impact 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 on the date of distribution). In such circumstances, there is a potential conflict of interest between the general partner (and its beneficial owners) and the relevant Impact Fund's limited partners. For example, the general partner and its beneficial owners may intend to hold the investment for a different time period than the Adviser deems suitable for the Impact 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 the Impact Fund's disposition thereof, neither the relevant Impact 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 Impact 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 the Impact Fund or its limited partners.

One or more Impact Funds may participate alongside another Impact Fund in certain investments, which may involve risks not present in investments where a co-investor is not involved. While the Adviser generally expects that such Impact Funds will, in such cases, make follow-on investments in, and exit from, such investments on substantially the same terms and at substantially the same time, however this will not always be the case due to legal, tax, regulatory, or other business considerations, and the investment performance of such Impact Funds will differ due to, among other things, the terms and timing on which different vehicles participate in an investment opportunity, the use of leverage (or absence of leverage) as between such vehicles, different investment horizons or terms, the exercise of remedial measures by one or more of such vehicles, or different economic arrangements. There can be no assurance that such Impact Funds will invest in, or exit from, the investment at the same time or on the same terms, and there can be no assurance that an Impact Fund's return on such an investment will be the same as the returns achieved by other Impact Funds participating in such transactions. An Impact Fund may also be obligated to contribute more capital to a portfolio company than it otherwise would or elect not to exercise additional funding rights or pursue additional rights and, in either case, such Impact Fund's investment could suffer material adverse effects.

Furthermore, as one or more Impact Funds that participate alongside another Impact Fund will have different portfolios, it is possible that the Adviser's incentives to take risks would differ as between the investment accounts. In determining whether an Impact Fund should participate in an investment opportunity or in making a determination as to whether an investment opportunity is part of an applicable Impact Fund, the Adviser and its affiliates are subject to potential conflicts of interest among the investors in such Impact Funds. The terms of one Impact Fund may differ from the terms of another Impact Fund with respect to carried interest, Incentive Allocation, management fees or other terms. Such differences in terms also create an incentive for the Adviser to cause one Impact Fund to make riskier or more speculative investments in conjunction with another Impact Fund or to hold such an investment longer than otherwise would be the case.

In addition, because the interests of the Impact Funds may vary, the Adviser will face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Impact Fund versus another Impact Fund with respect to an investment. Given the nature of such conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to the applicable Impact Funds, and the action taken for one Impact Fund may be adverse to another Impact Fund. Additionally, it is possible that one Impact Fund may be invested in a portfolio company in which another Impact Fund has an interest in a different part of the capital structure, or vice versa. As an investment adviser to both such Impact Funds, the Adviser would owe duties to such Impact Funds, as modified by the respective governing agreements. Consequently, given the differing classes and corresponding priorities in the capital structure of such a portfolio company and/or the Adviser would in such circumstances face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, such Impact Funds (e.g., in the case of a portfolio company of one Impact Fund that provides financing to a portfolio company of another Impact Fund, with respect to the structure and terms of the debt facilities, the enforcement of rights and remedies, and the resolution of restructurings or bankruptcies).

The Adviser's ability to implement the Impact Funds' strategies effectively may be limited to the extent that contractual obligations entered into in respect of investments made by the Adviser or an Impact Fund impose restrictions on another Impact Fund engaging in transactions that the Adviser may otherwise be interested in pursuing. Investments by more than one Impact Fund in a portfolio company also raise the risk of using assets of one Impact Fund to support positions taken by another Impact Fund or a fund managed by affiliate, or that another Impact Fund may remain passive in a situation in which it is entitled to vote. Furthermore, actions taken for one or more other Impact Funds (or not taken by an Impact Fund) could adversely affect an Impact Fund, and it is possible that such other Impact Funds will have financial difficulties or constraints resulting in an adverse impact on an Impact Fund.

To the extent more than one Impact Fund invests side-by-side in an investment, the Impact Funds will be free to make decisions regarding the investment based on their own interests. Such interests may include strategic goals as well as, or in lieu of, financial goals. The interests of the applicable Impact Funds could diverge: one Impact Fund could have (a) investment goals, (b) investment timelines, and/or (c) resources available to effectuate investments that, in each case, differ from those of another Impact Fund. These differences have the potential to affect the timing and amount of an Impact Fund's gain or loss on its investment. An Impact Fund could also have greater control or influence over an investment and therefore a greater ability to promote its interests. As an example, two Impact Funds may enter into contractual obligations providing that

the two Impact Funds will simultaneously take the same action with respect to a portfolio company on a *pro rata* basis, such that even if a potential action would be to the benefit of one Impact Fund and the detriment of another Impact Fund, one Impact Fund would be contractually obligated to take such action on the basis that such action is being taken by another Impact Fund.

An Impact Fund is expected to co-invest with one or more other Impact Funds through partnerships, joint ventures or other entities. Such investments may involve risks not present in investments where a co-investor is not involved, including the possibility that an Impact Fund may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with that of the other Impact Funds, or may be in a position to take action contrary to the other Impact Funds' investment objectives. The Adviser will be responsible for allocating expenses between the Impact Funds and may have considerable latitude in doing so, and there can be no assurances that the Adviser will allocate such expenses in the manner most favorable to any Impact Fund. In addition, an Impact Fund may in certain circumstances be liable for the actions of another Impact Fund alongside which it has co-invested or had considered co-investing. Furthermore, differences in terms between one Impact Fund and another Impact Fund create a conflict of interest for the Adviser and its respective affiliates, as the compensation of the Adviser and its affiliates, as applicable, is impacted by the allocation of such expenses.

It is also possible that the companies in which one Impact Fund invests will provide services to investment funds and assets held or managed by another Impact Fund. In such cases, the Adviser could be subject to conflicts of interest in entering into, setting the terms of, and renewing or determining to cancel or modify contracts for the provision of such services. The Adviser could determine that it is in the best interests of one Impact Fund to cease having a portfolio company service one of another Impact Fund's assets. There is no obligation to make any such determination in the best interest of an Impact Fund or any of its portfolio companies, and such withdrawal or cessation of services may materially affect the value of the applicable portfolio company in which an Impact Fund is invested. The Adviser could also have an incentive to cause a portfolio company to accept lower rates for services performed in respect of such assets held by an Impact Fund than it otherwise would accept. Portfolio companies of an Impact Fund will generally be permitted to engage in transactions in the ordinary course of their respective businesses.

Conflicts would also arise in situations where the Adviser could potentially cause portfolio companies owned by the Impact Funds to merge in whole or part with each other or to be purchased or sold in whole or in part to each other. Such transactions may lead to a conflict of interest because the Adviser controls the investment vehicles and/or portfolio companies on each side of such transactions. Depending on the transaction structure, such transaction may disproportionately benefit the purchasing, selling, or merging entity (or the Adviser as a result of its interests in the investment vehicles), and the applicable Impact Fund may incur expenses or forego gains that would have been obtained had it not exited such company or companies. The Adviser's determination of consideration or other terms of such transactions may create a conflict of interest because the terms (including the fee, carried interest and Incentive Allocation terms) of one Impact Fund and another Impact Fund may create an incentive for the Adviser to cause an Impact Fund to overpay or to accept lesser consideration than it would otherwise accept. The acquisition or merger by an Impact Fund may also lead to such Impact Fund holding the remaining portion of

the company, if any, longer than it otherwise would have, which may increase the risk for loss. Generally, except as provided in the applicable Fund Agreement, such transactions would be subject to the approval of the Adviser's advisory board. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will not be adverse to any Impact Fund.

Investors in the Impact Funds include, directly or indirectly, persons or entities organized in various tax jurisdictions, which may have conflicting investment, tax and other interests with respect thereto. As a result, conflicts of interest may arise in connection with decisions made by the Adviser that likely will be more beneficial for one type of investor than for other types of investors, especially with respect to investors' individual tax situation (including with respect to the nature or structuring of investments). In making decisions, the Adviser intends to consider the investment objectives of each Impact Fund as a whole, and not the investment objectives of any investor of an Impact Fund individually. Because a significant portion of certain Impact Funds' capital commitments will be, directly or indirectly, committed by the Adviser's affiliates and certain of the founding members of the Adviser and its affiliates (collectively, the "Founder Investors"), conflicts may arise between the interests of the Founder Investors and those of an Impact Fund and its investors who are not Founder Investors in relation to certain decisions regarding, among other things, the nature of investments made by the Impact Fund, the structuring or the acquisition of investments and the timing of disposition of investments.

The fact that the Adviser's carried interest is based on a percentage of net profits may create an incentive for the Adviser to cause an Impact Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because the Impact Funds have a fixed investment period after which capital from investors generally may only be drawn down in limited circumstances, and because the management fee after the end of the investment period is calculated based upon the invested capital of the Impact Funds, the management fee structure may create an incentive for the Adviser to deploy capital when it might not otherwise have done so. The Adviser could also be incentivized to operate the activities of an Impact Fund, including decisions of when to acquire or dispose of investments, based on the tax treatment of its carried interests.

There is not expected to be an actively traded market or otherwise readily available market quotes for most of the securities owned by the Impact Fund. When estimating fair value, including in connection with an in-kind distribution, the Adviser will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold or the valuations given if evaluated by independent third parties. The exercise of discretion in valuation by the Adviser may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees. As a result, there will be circumstances where the Adviser is incentivized to determine valuations that are higher than the actual fair value of the Impact Fund's portfolio companies.

The Adviser may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Impact Funds and their respective

portfolio companies. The Adviser, in its sole discretion, will allocate fees and expenses in accordance with the applicable Fund Agreement and in a manner that it believes is fair and equitable to the Impact Funds under the circumstances over time and considering such factors as it deems relevant, which will vary depending on the type of expense and may include, without limitation, allocations based on assets under management, net asset value, holdings percentages, number of positions held by different funds and accounts, number of funds and accounts in a particular strategy, number of users of such resource within a strategy, relative trading volume and time spent. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size. An Impact Fund will bear certain fees and expenses related to unconsummated transactions that would have been borne by potential co-investors had such transaction been consummated. From time to time, the Adviser will be required to decide whether costs and expenses are to be borne by an Impact Fund, on the one hand, or an Impact Fund's general partner and/or the Adviser, on the other. A conflict of interest could arise in the Adviser's determination whether certain costs or expenses that are incurred in connection with the operation of an Impact Fund meet the definition of partnership expenses for which an Impact Fund is responsible, or whether such expenses should be borne by the Adviser. The Adviser will make such judgments in its discretion and in a manner that is fair and equitable under the circumstances, notwithstanding its interest in the outcome. Subject to applicable legal, contractual or similar restrictions, an Impact Fund will be reliant on the determinations of the Adviser in this regard, and also in regard to the allocation of investment expenses and any common operating expenses as among Impact Funds and the Adviser, including with respect to the determination of whether unconsummated transactions would have been allocated to an Impact Fund and therefore are properly allocable in whole or in part to such Impact Fund. Further, despite the Adviser's good faith judgment to arrive at a fair and equitable expense allocation methodology, the use of any particular methodology may lead an Impact Fund to bear relatively more expense in certain instances and relatively less in other instances compared to what an Impact Fund would have borne if a different methodology had been used. From time to time, the Adviser in its good faith judgment may implement corrective allocations, and revise or change previously determined allocation methodologies, in an effort to ensure that such expenses remain fairly and reasonably allocated among Impact Funds and the Adviser.

The management fee charged to investors in an Impact Fund will generally be reduced by an amount equal to 100% of the portion of any transaction fees, break-up, monitoring fees, directors' fees, financial consulting fees or advisory fees from portfolio companies (as previously defined, collectively, "Transaction Fees") allocable to non-affiliated investors to the extent received and retained by the Adviser; provided that certain amounts will be excluded from such reduction as described in an Impact Fund's Memorandum or otherwise as provided for in the applicable Fund Agreement. The amounts provided for by such exclusions, including the portion of Transaction Fees used to support the provision of Affiliate Services (as further described below), could be substantial and could have the potential to reduce or eliminate any amount of Transaction Fees that would otherwise offset the management fee. Any Transaction Fees with respect to an investment in a particular portfolio company will generally be allocated amongst Impact Funds and other investors in such portfolio company in proportion to the cost (typically the equity cost) of the investment in the portfolio company held by each (or the investment proposed to be held) by each. Subject to applicable legal, tax, contractual or similar restrictions, expense allocation

decisions will generally be made by the Adviser using its best judgment, considering such factors as it deems relevant, but in its sole discretion. As described in the applicable Memorandum and as set forth in the applicable Fund Agreement, an Impact Fund will only benefit from a management fee reduction with respect to the portion of any such Transaction Fees allocable to non-affiliated investors and not the portion of any fee allocable to any other investor in a portfolio company.

Additionally, an Impact Fund's portfolio companies are expected to reimburse the Adviser, FB Members or other service providers retained at the Adviser's discretion for expenses (including without limitation those associated with the purchase or license of data or other information and any travel or other out-of-pocket expenses) incurred by the Adviser, FB Members or such service providers in connection with its performance of services for such portfolio company. The Adviser will determine in its sole discretion whether any such expenses will be billed directly to a portfolio company as a standalone payment, incorporated as part of a master agreement for multiple services for the portfolio company, or otherwise paid by the Adviser. To the extent a master services or other agreement with a portfolio company provides for services to be provided that are excluded from Transaction Fees (i.e., those that would not reduce the management fee), the Adviser will determine the extent of such Affiliate Services performed for such portfolio company and the allocable cost of providing such services will reduce amounts paid by portfolio companies that would otherwise constitute Transaction Fees (i.e., Transaction Fees that would reduce the management fee will net out Affiliates Services). Such netting will reduce, or in some cases eliminate, any amount of Transaction Fees that would have otherwise resulted in a reduction of the management fee.

The Impact Funds expect to have controlling interests in many of their portfolio companies. With respect to such companies, the Adviser typically has the right to appoint portfolio company board members (including current or former the Adviser personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members may approve compensation and/or other amounts payable to the Adviser and/or its affiliates, and, except to the extent such amounts are subject to the applicable Fund Agreement's offset provision, are in addition to the management fee, carried interest and Incentive Allocation discussed herein. The Adviser's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the Adviser subjects the Adviser and any such portfolio company board appointees to potential conflicts of interest.

Expenses reimbursement subjects the Adviser and its affiliates to conflicts of interest because the Impact Funds are not expected to have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. The Adviser will typically determine the amount of these reimbursements for such services in its own discretion, subject to the applicable Fund Agreement and its internal reimbursement policies and practices.

Certain expenses are paid for by an Impact Fund and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by the Impact Fund and/or its portfolio companies. This subjects the Adviser to conflicts of interest because the Adviser will not necessarily seek out the lowest cost options when incurring (or causing the Impact Fund or its portfolio companies to incur) such expenses.

The Adviser will generally exercise its discretion to recommend to an Impact 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) the Adviser or a related person of the Adviser (which may include another portfolio company of an Impact Fund), (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where the Adviser personnel are seconded, or from which the Adviser receives secondees; or (iii) certain investors or their affiliates. These situations will subject the Adviser to conflicts of interest, because although the Adviser selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the Impact Funds, the Adviser has an incentive to recommend the related or other person (including an investor) because of its financial or other business interest. There is a possibility that the Adviser, 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 an Impact Fund or the Adviser), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Although the Adviser 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. In certain circumstances where the Adviser commits or has committed to seek “market” or “arms-length” rates or terms, the Adviser 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. The Adviser 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 “arms-length.” Consequently, the Adviser undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking relates specifically to the assets, services, geographics or comparable markets to which such rates or terms relate.

Whether or not the Adviser 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. Furthermore, certain amounts paid to the Adviser or its affiliates in respect of such services will not reduce the management fee. The Adviser 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 the Adviser 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 addition, subject to certain limitations described in a Fund Agreement, the Adviser will cause an Impact Fund, directly or indirectly (including through a reduction of the amount of Transaction Fees offsetting the management fee, the issuance of a profits or equity interest in an intermediate holding company of the fund, a reimbursement of the Adviser and/or a direct payment to such person), to bear the expenses of certain services provided by the Adviser and its operating affiliates and certain persons affiliated with, employed or retained by the Adviser (the “Affiliated Service Providers”, and such services, including services that may be similar in nature to those



provided by portfolio management teams, collectively, “Affiliate Services”). Examples of Affiliated Service Providers include, without limitation, any person serving (full-time or part-time) (i) as an operating partner or similarly titled person that is employed or retained by the Adviser, an Impact Fund, any portfolio company or any of their respective affiliates or successors to provide services to and/or support to a portfolio company with respect to the managerial, operational or policy making aspects of such portfolio company’s business, including value-added initiatives such as workforce impact measurement or improvement and data science services (“Operating Partners”), (ii) as a “senior advisor” or similarly titled person with respect to the Adviser, an Impact Fund or its affiliates (whether or not such person is an employee thereof) who serves as a consultant to a portfolio company’s management team (“Senior Advisor”), and (iii) any person (whether on a full- or part-time basis) serving in a role similar to, or supporting, Operating Partners or Senior Advisors. Operating partners and Senior Advisors are expected from time to time to include former employees of the Adviser or certain portfolio companies, and in some circumstances former Operating Partners and Senior Advisors are expected to become Adviser employees or employees of portfolio companies. Consequently, the determination of whether individuals are Operating Partners or Senior Advisors is expected to vary and/or be revisited from time to time. The Adviser will retain broad discretion as to the specific persons or types of persons that will be classified as any of the foregoing now or in the future, including whether they provide services on an exclusive or non-exclusive basis to an Impact Fund and/or its portfolio companies (including varying amounts of time devoted to an Impact Fund on either a temporary or interim basis) as well as whether or not they are designated employees of the Adviser.

The Adviser from time to time will receive payment or reimbursement for services provided to portfolio companies by the Adviser’s strategic data science personnel, Operating Partners, Senior Advisors or certain other Adviser employees and any such payment or reimbursement will not reduce an Impact Fund’s management fee to the extent permitted by the Fund Agreement, and the use of Operating Partners and Senior Advisors is expected to fluctuate and/or expand over time. Compensation for Operating Partners or Senior Advisors directly from portfolio companies or intermediate holding vehicles of an Impact Fund can include director’s fees, consultant fees, retainer fees, success fees and other fees, salary, cash bonuses, promotes, profit sharing, a percentage of the value of the relevant portfolio company, incentive equity, a profits or equity interest in an Impact Fund or an Impact Fund’s general partner, stock options, stock awards, co-investment rights and other non-cash compensation, benefits and incentives and reimbursement of expenses. 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 written work product generated by the Operating Partner or Senior Advisor. Any such compensation to an Operating Partner or Senior Advisor will not reduce an Impact Fund’s management fee or carried interest in respect of such Impact Fund, and compensation in the form of profits or equity interests in a portfolio company or intermediate holding company of an Impact Fund generally has a dilutive impact on an Impact Fund’s investment. However, the Adviser reserves the right in its sole discretion to elect to share a portion of Impact Fund’s management fee or carried interest with one or more Operating Partners, Senior Advisors or other persons providing Affiliate Services. The decision to permit any Operating Partner or Senior Advisor or other person providing Affiliate Services to share in any such management fees or carried interest or similar incentive equity arrangements will not affect an Impact Fund’s obligation to pay the other costs, fees and expenses described above (except to the extent required by the Fund Agreement). The cost of an Affiliated Service Provider’s

compensation and related expenses, including travel costs, temporary, semi-permanent or permanent housing or relocation costs and any applicable overhead, such as accounting, network, communications, administration and other support benefits and office space, as well as the purchase or licensing of any data or other information utilized for the benefit of a portfolio company or an Impact Fund all constitute “Affiliate Service Costs.” Personnel of the Adviser from time to time could be seconded to, or serve in a temporary or part-time capacity for, portfolio companies, which would be included within Affiliate Service Costs. Affiliate Service Costs are typically paid in exchange for services that an Impact Fund or the portfolio companies would otherwise need to engage third-party providers to perform (to the extent that such services were available by third-party providers) and there can be no assurance that a third-party provider is not more qualified to provide the applicable services or could provide such services at a lower cost. While such Affiliate Service Costs will be at such rates, or in such amounts, as the Adviser believes to be similar or less than those costs expected to be paid for similar services from third parties (to the extent they were available), there can be no guarantee that a portfolio company would retain a service provider or resource of similar quality and/or cost, and exclusive arrangements or other factors could result in particular Affiliate Service Costs not always being comparable to costs, fees and expenses charged by third parties. In addition, the Adviser will be required to exercise its own discretion as to the appropriate cost of services where there is not a third-party product or service that is directly or readily comparable to the products or services from Affiliated Service Providers, and there is no guarantee that every or any third-party would agree that such Affiliate Service Costs are what a third-party provider would charge and the Adviser will not be required to engage in third-party verification or benchmarking of estimated costs, rates or expenses in connection with any individualized service, task or function, and furthermore will generally only conduct benchmarking on the basis, and with such frequency, as it determines is reasonable under the circumstances. All investors should be aware that the Adviser is incentivized to use Affiliate Services instead of third-party providers, or may not have a choice as to provider where no similar service is available from a third-party, and that will lead to potential conflicts of interests. Subject to the terms of a Fund Agreement, Affiliate Service Costs received by the Affiliated Service Providers in connection with their services will from time to time be substantial, including any amounts paid in connection with particular transactions or investments, and in some instances will exceed the management fee paid by an Impact Fund for investment advisory services in one or more quarters. Subject to the terms of the applicable Fund Agreement and including any additional costs or expenses approved by an advisory board in the future, Affiliate Service Costs will not reduce the management fee paid by an Impact Fund.

Further, in connection with providing services to an Impact Fund or its portfolio companies, the Adviser and Affiliated Service Providers are expected to have access to and be granted the right to use certain data, business and financial information, operational know-how and other confidential and/or proprietary information of an Impact Fund’s portfolio companies and their affiliates (collectively, “Portfolio Company Data”). While neither the Adviser nor its affiliates intend to use any Portfolio Company Data to the direct detriment of any of an Impact Fund’s portfolio companies, certain Portfolio Company Data are expected to be used in the other business and investment activities of the Adviser or its affiliates, in each case subject to legal, contractual and other related obligations applicable to such party(ies), which could be beneficial to such other activities but have direct or indirect adverse effects on the business, financial conditions and results of operations of an Impact Fund’s portfolio companies. The Adviser or its affiliates may generate a profit through the use of Portfolio Company Data, including, but not

limited to, through the creation and sale and/or licensing of products and/or services to portfolio companies and/or third parties containing, or capitalizing on the use of, Portfolio Company Data, and the Adviser may recommend or encourage that an Impact Fund's portfolio companies, and/or third parties with whom such portfolio companies conduct business, purchase and/or license such products and/or services, whether directly from the Adviser or its affiliates or from unrelated third parties with whom the Adviser or its affiliates conducts business and receives fees for the sale and/or license of products and services. The Adviser or its affiliates may create, develop and/or modify Portfolio Company Data for their own benefit or for the benefit of a portfolio company of an Impact Fund other than where such Portfolio Company Data was derived. Although the Adviser believes that these activities improve the Adviser's investment management activities on behalf of an Impact Fund, Portfolio Company Data also provides material benefits to the Adviser or its affiliates without compensation or other benefit accruing to an Impact Fund and its investors. For example, information from a portfolio company owned by an Impact Fund may enable the Adviser or its affiliates to better understand a particular sector or industry or other vertical and execute investment and trading strategies in reliance on that understanding for the Adviser, without compensation or benefit to an Impact Fund or its portfolio companies. Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material nonpublic information, the Adviser and its affiliates are generally free to use data and information from an Impact Fund's activities to assist in the pursuit of the Adviser's and its affiliates' various other activities, including to trade for the benefit of the Adviser or its affiliates. Any confidentiality obligations in the applicable Fund Agreement do not limit the Adviser's ability to do so. For example, the Adviser's ability to trade in securities of an issuer or provide advice or recommendations relating to a specific sector or industry or other vertical may, subject to applicable law, be enhanced by information of a company in the same or related sector or industry or other vertical, as applicable. Such trading is expected to provide a material benefit to the Adviser or its affiliates without compensation or other benefit to an Impact Fund, its portfolio companies or its investors. The sharing and use of such data and other information, including aggregated data from multiple sources to which each supplying source does not receive such other data in return, presents potential conflicts of interest, and any benefits received by the Adviser or its affiliates (including fees (in cash or in kind), costs and expenses) will generally not be subject to management fee offset provisions or otherwise shared with an Impact Fund or its investors. As a result, the Adviser has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits the Adviser or its affiliates.

In the event that an Impact Fund or a portfolio company purchases or licenses a product or service (including data sets) directly from the Adviser or its affiliates or from a third party that has a business relationship with the Adviser or its affiliates pursuant to which such third party pays a portion of the sales or licensing fees it receives (including from an Impact Fund or its portfolio companies) to the Adviser or its affiliates, such person will receive such sales or licensing fees as additional compensation, whether directly from an Impact Fund or its portfolio companies or indirectly through payments made by an Impact Fund or its portfolio companies to such third parties. It is not expected that an Impact Fund or its portfolio companies will be compensated for any Portfolio Company Data, even if the Adviser or other persons would be willing to pay or compensate others for the same or similar types of information, and any profit, compensation or other benefit derived from such use of Portfolio Company Data will be retained by the Adviser or its affiliates and will not reduce the management fee paid by an Impact Fund.

The Adviser will generally appoint one or more investor representatives to an Advisory Board and certain investors will be entitled to weighted voting rights or the right to appoint more than one representative to such Advisory Board. From time to time, those representatives will have various business interests and relationships involving the Adviser, an Impact Fund, its portfolio companies, or their respective service providers and counterparties, as well as other interests outside of the foregoing. An Impact Fund partnership agreement may provide that to the fullest extent permitted by applicable law, none of the Advisory Board members shall owe any fiduciary duties to an Impact Fund or any other partner and therefore when making decisions, Advisory Board members may consider any or all of the foregoing interests, including their own interests, which may conflict with the interest of an Impact Fund or other investors.

The Adviser may appoint a board of individuals (the “Founders Board”) that have professional experiences or other qualifications to inform and make recommendations to the Adviser and its affiliates. The Founders Board will not provide investment advice or make investment decisions, but will, among other involvement, primarily inform and recommend areas of advancement, improvement or opportunity for positive workforce changes related to the investment focus of an Impact Fund. An Impact Fund’s partnership agreement will provide that to the fullest extent permitted by applicable law, none of the FB Members shall owe any fiduciary duties to an Impact Fund or to investors. The role of the Founders Board may give rise to certain conflicts of interest. For example, from time to time, the FB Members will have an incentive to recommend certain opportunities that could result in an Impact Fund investing in a portfolio company in which certain FB Members already hold existing material investments. The FB Members will in some cases also control, manage or hold investments that compete with an Impact Fund or the portfolio companies. In addition, the FB Members from time to time will have separate arrangements with the Adviser, an Impact Fund or its portfolio companies in addition to their service on the Founders Board, which may give rise to additional conflicts of interests not specifically described herein and there can be no assurance that such conflicts will be identified or resolved in the future, or if resolved, that such conflicts will be resolved in a manner that is favorable to or benefits an Impact Fund. Further, FB Members will have significant responsibilities outside of an Impact Fund, including with respect to other investment activities, and may choose to devote a significant amount of time and attention to those outside responsibilities, which could have a negative impact on an Impact Fund. FB Members are also permitted to serve as Senior Advisors.

The Adviser (on behalf of itself and an Impact Fund) and/or its affiliates, as applicable, will enter into side letters or other similar agreements with certain investors in connection with each such investor’s admission to an Impact Fund or parallel funds without the approval of any other investor, which would have the effect of establishing rights under or altering or supplementing the terms of a Fund Agreement or governing documents of a parallel fund, as applicable, with respect to such investors in a manner more favorable to such investors than those applicable to other investors. Such rights or terms in any such side letter or other similar agreement may include, without limitation, (i) excuse or exclusion rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments), (ii) the Adviser’s agreement to extend certain information rights or additional reporting to such investor, including, without limitation, to accommodate special tax, regulatory or other circumstances of such investor, (iii) waiver or modification of certain confidentiality obligations and/or documentation that might be requested

by the Adviser for the benefit of lenders or other persons extending credit to or arranging financing for an Impact Fund, (iv) consent of the Adviser to certain transfers by such investor or other exercises by the Adviser of its discretionary authority under a Fund Agreement for the benefit of such investor, (v) restrictions on, or special rights of such investor with respect to the activities of the Adviser, (vi) withdrawal rights (subject to consent of the Adviser) due to legal, regulatory, tax, accounting or policy matters, including matters related to political contributions, gifts and other such policies, (vii) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor, (viii) economic arrangements (including, for example, with respect to any carried interest, servicing fees and/or management fees to be charged to investors), (ix) acknowledgement of interest in co-investment opportunities and/or matters regarding such investor's right to participate in co-investment opportunities (including, without limitation, preferential allocation thereof and the terms and conditions related to such participation (including any carried interest and/or management fees to be charged with respect thereto)), (x) matters regarding such investor's (or its affiliates') interest in providing debt financing to an Impact Fund or its portfolio companies, (xi) additional obligations, and restrictions of an Impact Fund with respect to the structuring of any investment (including with respect to alternative investment vehicles), or (xii) any other matters described herein. While it is possible that an Impact Fund will, along with the Adviser itself, benefit from the existence of those side agreements, it is also possible that such side agreements may permit such investors to take actions on the basis of information not available to other investors that do not have the benefit of such agreements. Any rights or terms so established in a side letter with an investor will govern solely with respect to such investor (but not any of such investor's assignees or transferees unless so specified in such side letter) and will not require the approval of any other investor notwithstanding any other provision of a Fund Agreement.

The Adviser has, and it can be expected that the Adviser in the future will, enter into agreements with investors involving an investor's overall relationship with the Adviser, including one or more strategies in addition to an Impact Fund's strategy with terms and conditions applicable to such investor and its investment in multiple strategies that would not apply to an investor's investment in an Impact Fund. Such an agreement would often involve an investor agreeing to make a capital commitment to multiple Impact Funds managed or sponsored by the Adviser and/or its affiliates. Investors will not receive a copy of the agreement memorializing such an investment program and will be unable to elect any rights or benefits granted to such multi-strategy investor. It is expected that the Adviser (on behalf of itself and an Impact Fund) and/or its affiliates, as applicable, will enter into side letters or other similar agreements with investors that are FB Members. FB Members may receive preferential terms and economic arrangements that are not otherwise offered to other investors. Investors will not receive a copy of any side letters or other agreements with FB Members and will be unable to elect any rights or benefits granted to such FB Members.

It is also expected that the Adviser will from time to time confirm factual matters to incoming investors, make statements of intent or expectation to such investors or acknowledge statements by such incoming investors that relate to an Impact Fund and/or the Adviser's activities pertaining thereto in one or more respects. In addition, the Adviser is expected from time to time to agree to certain matters relating to knowledge transfer and/or secondments with one or more investors as part of an overall firm relationship. Additionally, it is expected that investors who designate representatives to participate on the Advisory Board or are FB Members will, by virtue

of such participation, have more information about an Impact Fund and investments in certain circumstances than other investors generally and will be provided information in advance of communication to other investors generally. Any such statements, confirmations agreements or acknowledgements, including those made in response to an investor's due diligence requests, will not involve the granting of any legal right or benefit, and therefore will not be subject to the "most favored nations" process or election by the investors, and investors generally will as a result not typically receive notice thereof or copies of the documentation (if any) in which they are contained. There can be no assurance that any such arrangements will not lead to conflicts of interest, have an adverse effect on an Impact Fund, or that such arrangements will not influence the Adviser's activities or the operation of an Impact Fund.

One or more parties are expected to act as placement agents (each, a "Placement Agent", and together, the "Placement Agents") for the interests of an Impact Fund and, in that capacity, act for the Adviser and not as investment advisers to potential investors in connection with the offering of such interests. Potential investors must independently evaluate the offering and make their own investment decisions. The Impact Funds generally pay each Placement Agent a placement fee based upon the amount of interests committed to by investors that each such Placement Agent introduces to the applicable Impact Fund. Potential investors should also note that at various times, the Placement Agents are expected to act as placement agents for other fund sponsors and funds, including unaffiliated fund sponsors and funds, which may offer interests that are similar to the interests and/or otherwise compete with the Impact Funds for investments. Those unaffiliated sponsors will in certain circumstances pay placement fees on terms different from the fees that the Placement Agents will receive from the Adviser in connection with an Impact Fund offering, and this difference in fees can influence the Placement Agents to introduce or not introduce potential investors to the applicable Impact Fund. Furthermore, certain Placement Agents are expected to, and other Adviser affiliates will, seek to do business with and earn fees or commissions from other investment funds and their portfolio companies and affiliates of the Adviser. Examples of such business may include, without limitation, provision of financing or other investment banking services; lending or arranging credit; and provision of prime brokerage. Each potential investor should consider these issues in making its investment decision.

Service providers often charge different rates or have different arrangements for services. For example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by an Impact Fund and/or a portfolio company are different from those used by the Adviser, such entities may pay different amounts or rates than those paid by an Impact Fund and/or a portfolio company. Similarly, the Adviser, an Impact Fund or its portfolio companies will enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with the Adviser) from time to time whereby such counterparty will charge lower rates (or no fee) and/or provide discounts or rebates for such counterparty's products and/or services depending on certain factors, including, without limitation, the volume of transactions entered into with such counterparty by the Adviser, an Impact Fund and its portfolio companies in the aggregate. The Adviser will not be under any duty to offer any discounts or lower rates it may receive to an Impact Fund.

The relevant liability standards under insurance coverage procured by the Adviser 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 of the relevant Impact Fund. Investors generally will be responsible for insurance premiums, as set forth in the governing documents of the relevant Impact Fund, regardless of whether the liability and/or indemnity standards in the Adviser's insurance coverage are higher or lower than that set forth in the governing documents of the relevant Impact Fund.

The Adviser may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by an Impact Fund; conversely, former personnel or executives of the Adviser may serve in significant management roles at such portfolio companies or service providers recommended by the Adviser. Similarly, the Adviser and/or its respective personnel maintain relationships (including family relationships) with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, law firms, consulting firms, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates, or in exchange for favorable terms, including with respect to fees and preferential co-investment allocation rights, in connection with an investment in an Impact Fund) to the Adviser or an Impact Fund. For example, lenders currently provide and are expected to continue to provide a number of services to an Impact Fund and portfolio entities. Further, the Adviser and/or its respective personnel (or their estate planning or other similar vehicles) currently are, and may in the future also be, an investor in certain investment funds sponsored by such lenders or their affiliates. 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 Adviser entities, whether or not relating to financing Adviser personnel obligations to fund general partner commitment obligations) to Adviser personnel and their estate planning vehicles. The Adviser will have a conflict of interest with an Impact Fund in recommending the retention or continuation of a third-party service provider (including the lenders identified above) to the Impact Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in the Impact Fund, will provide the Adviser information about markets and industries in which the Adviser or its respective affiliates operate (or is contemplating operations) or will continue to engage as a counterparty, manage investments for or otherwise provide other services in a way that is beneficial to the Adviser. The Adviser will have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and prospective portfolio companies for an Impact Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by an Impact Fund.

In borrowing on behalf of an Impact Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of an Impact Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than an Impact Fund's preferred return, is expected to have incentives to cause an Impact Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when an Impact Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and

returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the Adviser called capital, and thus could result in the Adviser receiving carried interest sooner than it would without borrowing. In addition, when the management fee is calculated as a percentage of invested capital, an investor may pay management fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

In connection with its services to the Impact Funds and their investments, the Adviser, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Adviser's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the Adviser and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Impact Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Adviser Information"). In many cases, Adviser Information will include tools, procedures and resources developed by the Adviser to organize or systematize Adviser Information for ongoing or future use. Although the Adviser expects the Impact Funds and their portfolio companies generally to benefit from the Adviser's possession of Adviser Information, it is possible that any benefits will be experienced solely by other or future Impact Funds or portfolio companies (or by the Adviser and its personnel) and not by the Impact Fund or portfolio company from which Adviser Information was originally received. Adviser Information will be the sole intellectual property of the Adviser and solely for the use of the Adviser. The Adviser reserves the right to use, share, license, sell or monetize Adviser Information, without offset to management fees, and the relevant Impact 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 Impact 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 Impact Funds or their respective investors; no such rewards will offset management fees.

Except to the extent prohibited by the Fund Agreements, the Adviser 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 Impact 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 Fund Agreements and "assignment" provisions of the Advisers Act, the Adviser and its personnel are also permitted to offer, restructure and monetize interests in the Adviser.



Any of the situations described above will subject the Adviser and/or its affiliates to potential conflicts of interest. To the extent that an investment or relationship raises particular conflicts of interest, the Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict.

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**Item 9. Disciplinary Information**

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

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

Certain related persons of the Adviser are affiliated with and/or own interests in the general partner entities of the Impact Funds. In each case, such persons are or are expected to be entitled to receive performance-based compensation from the applicable Impact Fund as discussed in Item 5 hereof.

The Adviser's affiliates (as well as their respective principals and certain personnel) engage in a wide range of investment and other financial activities, many of which are not offered to an Impact Fund (or investors therein). The growth of the Adviser may increase competition between and among Impact Funds, clients of any Adviser affiliates and any Adviser affiliates themselves, and may decrease the number of investment opportunities available to an Impact Fund and clients of any Adviser affiliates. Such competition creates inherent conflicts of interest among affiliates within the Adviser. The Adviser owes a fiduciary duty to its own clients.

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

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

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

A copy of the Code of Ethics is available to any client or prospective client upon written request.

The Adviser engages in principal transactions from time to time. When the Adviser and/or its affiliates engage in such transactions, the Adviser seeks to effect any such transaction in accordance with the requirements of Section 206(3) of the Advisers Act.

There are additional actual and potential conflicts of interest inherent in the organizational structure and operation of the Adviser and its affiliates, certain of which are described above under “Item 8. Methods of Analysis, Investment Strategies & Risk of Loss.”

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## Item 12. Brokerage Practices

The Adviser focuses primarily on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Adviser may also distribute securities to investors in an Impact Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Adviser does not regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If the Adviser sells publicly traded securities for an Impact Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser expects to consider a variety of factors, including, among other such factors that the Adviser deems relevant: (i) execution capabilities with respect to the relevant type of order, including the mechanics and speed of execution; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) margin required; and (v) responsiveness to requests for trade data and other financial information.

The Adviser 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 the Adviser generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

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

In connection with the Adviser’s private company securities transactions on behalf of an Impact Fund, the Adviser may retain one or more broker-dealers or investment banks, the costs of which will be borne by such Impact Fund and/or its portfolio companies. In determining to retain such parties, the Adviser expects to consider a variety of factors, including, among others: (i) execution 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 the Adviser generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and an Impact Fund may not pay the lowest commission or fee for such services.

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

The investments made by an Impact Fund 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. However, the Adviser closely monitors companies in which each Impact Fund invests, and such companies are subject to supervision and review by the Adviser's investment professionals.

An Impact Fund generally will provide to its investors annual audited financial statements prepared in accordance with GAAP and quarterly unaudited financial statements, as well as periodic (at least quarterly) reports concerning such Impact Fund and its investments. The Adviser and an Impact Fund is permitted to and has entered into agreements with certain investors to provide such investors with additional (or more frequent) reports, including detailed information regarding portfolio positions.

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

From time to time, the Adviser enters into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in an Impact Fund. Any fees payable to any such placement agents will be borne by the Adviser indirectly through an offset against the management fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, are typically borne by the relevant Impact Fund and are therefore in addition to applicable management fees and carry. In addition, in accordance with applicable law, the Adviser compensates certain third parties for assistance in connection with soliciting investors in one or more non-U.S. jurisdictions.

The Adviser has developed relationships with certain third-party investment consultants (“Investment Consultants”) that are neither affiliated with nor compensated by the Adviser. Investors and prospective investors in an Impact Fund retain these same Investment Consultants from time to time to advise them on the selection and review of investment managers and investment products, including in respect of the Adviser and an Impact Fund. Such Investment Consultants do not act on behalf of the Adviser, and their services are generally outside the scope of any offering of securities by the Adviser and/or an Impact Fund. Furthermore, the Adviser does not participate in the advisory services offered by such Investment Consultants to their clients and generally seeks to ensure that investors in an Impact Fund rely solely on the applicable offering memorandum, limited partnership or equivalent agreement, and other governing documents.

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**Item 15. Custody**

Item 15 is not applicable to the Adviser.



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**Item 16. Investment Discretion**

The Adviser generally has discretionary authority to manage investments on behalf of an Impact Fund, pursuant to the terms of the investment management agreement with such Impact Fund and the powers of attorney executed by an Impact Fund's limited partners. In certain circumstances an Impact Fund may be established where investors in the fund have initial discretionary authority over the investments made by such Impact Fund.

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## Item 17. Voting Client Securities

Where the Adviser votes proxies regarding an Impact Fund's investments, it does so in accordance with adopted policies and procedures and in what it believes is the best interest of an Impact Fund. Because few, if any, of an Impact Fund's investments are expected to be in publicly traded securities, the Adviser does not anticipate receiving a large number of proxy solicitations in connection with such securities, and the proxy solicitations it may receive should generally be of a bespoke nature.

In addition to proxy solicitations in connection with the equity securities of traditional public operating companies, "voting client securities" is deemed to include similar consents regarding private companies and consents requested in matters concerning a client's investment. This includes (but is not limited to) bankruptcy or insolvency, covenant waivers in connection with debt, approvals regarding the restructuring of debt and other rights and remedies with respect to securities. In such instances, the Adviser will vote proposals, as well as amendments, consents or resolutions relating to an Impact Fund's securities in a manner that it believes is in the best interest of the pertinent Impact Fund. In some circumstances, the Adviser will refrain from voting client securities where the Adviser believes that voting on such matters would not otherwise impact the value of the investment, or would not be consistent with the best interest of the particular Impact Fund. In such instances, the Adviser will take into consideration (among others) the cost of voting the securities, the anticipated benefit to an Impact Fund, and whether that Impact Fund continues to hold the securities on the voting date.

If a material conflict of interest between the Adviser and an Impact Fund exists regarding the voting of client securities, the Adviser will take reasonable steps to address the conflict, including consulting with outside counsel as the Adviser, in its sole discretion, determines necessary or advisable, to ensure that the conflict does not influence the decision to vote in a manner that is not in the best interest of such Impact Fund.

An investor may obtain (i) a copy of the Adviser's proxy voting policies and procedures and (ii) information on how the Adviser voted proxies for the pertinent Impact Fund by contacting the Adviser at (207) 210-0022.

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**Item 18. Financial Information**

Item 18 is not applicable to the Adviser.