



FORM ADV PART 2A BROCHURE FOR ALPINVEST US HOLDINGS, LLC

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Item 1. Cover Page

This brochure provides information about the qualifications and business practices of AlpInvest US Holdings, LLC (“AlpInvest” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at compliance@alpinvest.com. 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 AlpInvest also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

Not applicable.

Item 3. Table of Contents

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Item 4. Advisory Business

Background

AlpInvest is a limited liability company organized under the laws of the State of Delaware and is registered with the SEC as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Firm provides investment advisory services to pooled investment vehicles sponsored by AlpInvest (“Funds”) and customized separately managed accounts (“Separate Accounts” and together with Funds, “Advisory Clients”). An affiliated investment advisory entity of the Firm, AlpInvest Partners B.V. (“AlpInvest BV”), separately provides investment advisory services to funds sponsored by AlpInvest BV and customized separate accounts (together with Advisory Clients, “AlpInvest Clients”). The investors and other persons who invest in Funds or Separate Accounts, or the funds or separate accounts managed by the Firm’s affiliates including AlpInvest BV, are generally referred to herein as “investors.” Unless otherwise expressly stated herein, the terms “Advisory Clients” and “AlpInvest Clients” do not include such “investors.”

AlpInvest was established in 2001 by AlpInvest BV to augment its capabilities to source and make private equity investments in the United States on behalf of two large Dutch pension funds. In 2011, AlpInvest (including AlpInvest BV and its other affiliated investment advisory entities) was acquired by The Carlyle Group (“Carlyle”) to offer investors broader-based investment management services in private equity which complement Carlyle’s product set. AlpInvest is wholly-owned by Carlyle.

AlpInvest (including AlpInvest BV and its other affiliated investment advisory entities) operates globally with offices in Amsterdam, New York, Singapore, and Hong Kong and has approximately 220 staff members, which includes professionals based in Carlyle offices in London and Tokyo who are dedicated to AlpInvest.

As of June 30, 2023, AlpInvest BV and its other affiliated investment advisory entities managed approximately \$70 billion of AlpInvest Client assets in total, of which \$68 billion was managed on a discretionary basis and \$2 billion was managed on a non-discretionary basis. As of the date of this filing, the Firm does not manage any Advisory Client assets.

Much of the disclosure in this brochure is general in nature and, because all of the Firm’s Advisory Clients are large Separate Accounts and Funds, is subject to the specific terms and conditions of the investment management agreement relating to such Separate Account or the terms and conditions of such Fund’s organizational and offering documents (as the case may be). In addition, investors in the Funds are generally not clients of AlpInvest unless they have a separate advisory client relationship with AlpInvest.

Business Overview

AlpInvest invests globally across the private equity spectrum, including large and middle market buyout, growth capital, venture capital, distressed, and energy, as well as private subordinated or mezzanine debt primarily through investments in third-party managed private equity and private subordinated or mezzanine debt funds (such underlying funds are hereinafter referred to as

“Underlying Funds”), co-investments in single portfolio companies alongside Underlying Funds, and debt and debt-like financings of private equity portfolios.

AlpInvest’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of its Advisory Clients, managing and monitoring the performance of such investments and disposing of such investments, typically on a discretionary basis. AlpInvest manages the assets of each Advisory Client in accordance with the terms of the investment advisory agreement and any other governing documents (e.g., a Fund’s agreement of limited partnership) applicable to such Advisory Client. AlpInvest also provides non-discretionary advisory services to certain Separate Accounts.

The Carlyle Group

Carlyle, founded in 1987, is a global investment firm offering specialized investment funds and other investment vehicles that invest private capital across a range of industries, geographies, asset classes and investment strategies. Carlyle operates its business through separately registered investment advisers Carlyle Investment Management L.L.C. (“CIM”) and Carlyle Global Credit Investment Management L.L.C. (“CGCIM”), and several other Carlyle-affiliated investment advisers (including AlpInvest), across three segments: (i) Global Private Equity, (ii) Global Credit, and (iii) Global Investment Solutions.

AlpInvest (including AlpInvest BV and its other affiliated investment advisory entities) is the private equity arm of Carlyle’s Global Investment Solutions business segment (“Investment Solutions”). AlpInvest carries out its investment operations independently of Carlyle and its affiliated entities; however, AlpInvest shares or leverages certain operational functions and resources at Carlyle, such as corporate accounting, human resources, marketing, investor relations, information technology, legal and compliance. Carlyle maintains a one-way information barrier between Investment Solutions (which includes AlpInvest), on the one hand, and the other business segments of Carlyle, on the other hand. The Investment Solutions information barrier restricts the flow of certain non-public, commercially sensitive information from Investment Solutions to the other Carlyle business segments, other than for certain limited exceptions. While Carlyle maintains ultimate control over AlpInvest, the Firm’s senior management team continues to exercise independent investment authority for its Advisory Clients without involvement by Carlyle.

Various entities affiliated with The Carlyle Group, Inc. (the “Public Company”) (Nasdaq: CG) directly and indirectly own and control AlpInvest. Carlyle Group Management L.L.C., which is wholly-owned by Carlyle’s founders and other senior Carlyle professionals, holds an irrevocable voting proxy from certain senior Carlyle professionals and certain other stockholders of the Public Company that entitles Carlyle Group Management L.L.C. to vote their shares of common stock of the Public Company until the earlier of (i) such time as Carlyle Group Management L.L.C. ceases to have voting power over shares of common stock representing at least 20% of the total voting power of all the then outstanding shares of capital stock of the Public Company entitled to vote in the election of directors and (ii) January 1, 2025. As of December 31, 2022, Carlyle Group Management L.L.C. held voting power for approximately 42% of the Public Company’s outstanding common stock. A group of senior management professionals establishes the management structures and policies and procedures for the operation and development of Carlyle, guided by the strategic direction set by the Board of Directors of the Public Company. Harvey M.

Schwartz, Carlyle's Chief Executive Officer, John C. Redett, Carlyle's Chief Financial Officer, Jeffrey W. Ferguson, Carlyle's General Counsel, Christopher Finn, Carlyle's Chief Operating Officer, and Bruce Larson, Carlyle's Chief Human Resources Officer, comprise this group of executives.

Additional information about the Public Company is available in its current public filings with the SEC. Unless specifically stated otherwise, references in this brochure to CIM or CGCIM do not include Carlyle, the Public Company or any of Carlyle's other affiliated entities.

For purposes of this brochure, unless otherwise indicated, references to "AlpInvest" or the "Firm" (or its affiliates or its related entities) do not include references to Carlyle or any of its other affiliated entities, including CIM and CGCIM. Neither the term "Advisory Client" nor the term "investor" is intended to refer to any stockholders or debtholders of the Public Company.

AlpInvest and other Carlyle-affiliated advisers may each act as an investment adviser, or sub-adviser, to certain shared advisory clients within Investment Solutions (for example, AlpInvest and CIM co-advise a common Advisory Client and AlpInvest sub-advises a CGCIM advisory client). AlpInvest may also act as a sub-advisor to an advisory client of CIM or CGCIM. Advisory services include making recommendations to such Advisory Clients regarding overall investment strategy or allocation across the alternatives asset class, including recommended allocations of capital to certain investment vehicles sponsored by AlpInvest and/or Carlyle.

Item 5. Fees and Compensation

With respect to any Advisory Client, AlpInvest or one of its affiliates is typically paid a management fee. Further, AlpInvest typically receives performance-based fees or allocations (e.g., carried interest or similar profit allocations) from most Advisory Clients. Certain Advisory Clients also pay an administration fee to AlpInvest or one of its affiliates. The specific legal and/or organizational documents of the relevant Advisory Client (which may include limited partnership or other similar agreements, subscription agreements and side letters) or the investment advisory agreement between AlpInvest and such Advisory Client set forth the fee structure relevant to such Advisory Client.

Advisory Clients also typically bear certain out-of-pocket expenses incurred by AlpInvest and its affiliates in connection with the services provided to such Advisory Clients. The following sections discuss the most common fees and expenses in more detail.

For the purposes of this Item 5, references to "AlpInvest" and the "Firm" also include its advisory affiliates, including AlpInvest BV, AlpInvest HK and AlpInvest SG, but do not, unless otherwise noted, include APEIM, CIM, CGCIM, TCG Capital Markets, or Carlyle. For additional information regarding any of CIM or CGCIM, including persons related to such advisers that may act as investment advisers or sub-advisers or commodity pool operators please see Part 2 of Form ADV of such particular investment adviser, available at: <http://www.adviserinfo.sec.gov/>.

Common Types of Fees

Management Fees and Administration Fees

Typically, every Advisory Client is required to pay AlpInvest (or an affiliate) an asset management fee quarterly in advance. Management fees are generally calculated at an annual rate ranging from 0.1% to 1.6% of either available capital commitments or committed capital to investments for a period of one to five (or more) years, and thereafter the basis for the management fee typically changes to either net invested capital, fair market value, or the lower of cost and fair market value of underlying investments; however, certain Advisory Clients are charged a management fee for the entire duration of the Advisory Client relationship based on either the fair market value of underlying investments, the net invested capital of underlying investments or the sum of (i) net invested capital in respect of each underlying investment and (ii) any amounts committed to underlying investments but are not yet funded. Additionally, differing fee rates may be applied to different strategies employed within a single Advisory Client's mandate which will typically result in blended overall fee load. For certain Advisory Clients, borrowings will also be taken into account for purposes of calculating the management fee, as provided in the Advisory Client's governing documents. When a new investor is admitted to a Fund following the date on which the Fund first begins calling capital to pay management fees to AlpInvest, the new investor will generally be charged a management fee retroactive to such date. If management fees with respect to an Advisory Client are assessed in advance, they are generally required to be returned to such Advisory Client should AlpInvest's management services to the Advisory Client be terminated prior to the end of the period in respect of which the fees have been paid (unless otherwise agreed to by the requisite holders of interest in a Fund or Separate Account as set forth in such Advisory Client's governing agreements). In general, the amount of such fees to be returned is calculated based on the number of days remaining in the applicable period.

Management fees are generally paid by or on behalf of an Advisory Client by (i) requiring investors in such Advisory Client to make capital contributions in respect of such fees, or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to the investors of such Advisory Client. The management fee is typically deducted from an Advisory Client investor's capital account, although certain Advisory Clients pay their management fee directly to the Firm. In addition, AlpInvest or one of its affiliates often has the ability to cause an Advisory Client to borrow money to bridge capital drawdowns from investors. Such borrowed funds can then be used (in part) for the payment of such fees.

Certain Advisory Clients are also charged an administration fee by AlpInvest to cover a portion of the Firm's internal administration costs, which are paid (and rebated if necessary) in similar fashion as management fees. The amounts of any such fees are set forth in the agreements under which an Advisory Client was established (such as a Fund's limited partnership agreement). Administration fees are typically fixed at a dollar amount per annum, however in other cases the administration fee is calculated at an annual rate (*e.g.*, 0.1%) of net asset value of the Advisory Client's investment portfolio.

Management fees and administration fees are negotiable and, depending on the Advisory Client, will vary among Advisory Clients and/or investors in a Fund. Further, AlpInvest has offered (and may offer in the future) management fee discounts to third-party investors in a Fund if they are

able to make a commitment to the Fund early in the fundraising process for such Fund or if their aggregate commitment to the Fund (or to the Fund and other Advisory Clients) meets or exceeds a certain threshold.

Performance-Based Arrangements

Many Advisory Clients pay or otherwise provide some form of performance-based fee or allocation to or for the benefit of AlpInvest or an affiliate of AlpInvest (e.g., carried interest or similar profit allocations). Performance-based fees or profit allocations are applied upon returns to Advisory Clients in excess of a threshold of capital contributed (typically all capital contributed). Performance-based fees or profit allocations are typically subject to certain preferred return hurdles. The manner of calculation and application of performance-based fees or profit allocations are disclosed in the applicable agreements for an Advisory Client. See also Item 6 – “Performance-Based Fees and Side-by-Side Management.”

Performance-based fees or profit allocations paid or otherwise provided by Advisory Clients are subject to regulation under Section 205 of the Advisers Act and Rule 205-3 thereunder. Therefore, AlpInvest seeks to ensure that any Advisory Client or investors in an Advisory Client, including Advisory Clients relying on Section 3(c)(7) of 1940 Act (as defined below), that are directly or indirectly assessed performance-based fees or profit allocations satisfy the qualifications of Rule 205-3 under the Advisers Act and have been advised of such performance-based arrangements and their risks.

Management fees and performance-based arrangements are subject to modification, waiver or reduction in connection with an investment in one or multiple Advisory Clients. Furthermore, AlpInvest, its affiliates and equity owners (including Carlyle), and certain of their respective professionals (including any related entity established by any of the foregoing, such as trusts, charitable programs, endowments or related programs, family investment vehicles and other estate planning vehicles) invest in or alongside certain Advisory Clients. Other qualified individuals who generally are not employees of Carlyle, but who have business relationships with Carlyle (including, without limitation, strategic advisors, operating advisors, consultants, former employees, senior advisors, operating executives and other similar professionals, which may include former Carlyle employees), also invest in or alongside Advisory Clients. Management fees and performance-based allocations on such investments may be substantially reduced or, as is more typical, waived altogether for these investors.

Other

AlpInvest and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of Advisory Clients that will not be subject to the management fee offset or otherwise shared with the Advisory Clients, their investors and/or portfolio companies. For example, airline travel or hotel stays incurred as Advisory Client expenses typically result in “miles” or “points” or credit in loyalty/status programs, and such benefits will, whether or not *de minimis* or difficult to value, inure exclusively to AlpInvest and/or such personnel (and not the Advisory Clients or their investors) even though the cost of the underlying service is borne by the Advisory Clients and/or their investors. Any such benefits, rewards and/or amounts will not reduce any management fees or other compensation due

to AlpInvest or otherwise shared with such Advisory Client, its investors and/or the portfolio companies. In addition, airline travel incurred as an Advisory Client expense for AlpInvest personnel travelling for appropriate Advisory Client-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Advisory Client-related matter) may benefit such AlpInvest personnel to the extent the trip also serves a personal purpose. In addition, from time-to-time AlpInvest personnel will receive from third parties such as other private equity fund managers (“GPs”) and vendors (subject to the Firm’s policies and procedures) meals, refreshments, gifts, and entertainment arising or resulting from their activities on behalf of Advisory Clients, the value of which will not be subject to the management fee offset or otherwise shared with Advisory Clients or their investors.

Although very rare, AlpInvest will from time to time receive fees or other compensation from prospective and actual portfolio investments, purchasers, sellers or other parties as compensation for services, such as transaction fees, termination or break-up fees, directors’ fees, monitoring fees or other similar fees (“Fee Income”) in connection with the purchase, monitoring, or disposition of underlying investments or from unconsummated transactions. Nevertheless, all Fee Income relating to the investment activities of one or more AlpInvest Clients (including those funds and accounts managed by AlpInvest BV) will initially be allocated among such AlpInvest Clients on the basis of capital committed by each to the relevant investment, or on such other basis that AlpInvest determines to be fair and reasonable in its sole discretion. For the avoidance of doubt, there will be no reduction of an Advisory Client’s management fees in respect of any Fee Income paid or received in respect of any other AlpInvest Client, and to the extent any such other AlpInvest Client does not pay management fees, AlpInvest will be entitled to retain the portion of Fee Income allocable to such other AlpInvest Client. While an Advisory Client’s share of any such Fee Income will generally offset any management fees (typically 100%) that are otherwise payable by such Advisory Client to AlpInvest, there can be no assurance that such Advisory Client’s share of such Fee Income will be sufficient to fully offset the amount of management fees payable to AlpInvest. Fee Income may also be remitted to the applicable Advisory Client in lieu of applying an offset against management fees. The amount of such Fee Income will not (except in connection with the reductions described herein) be disclosed to investors in an Advisory Client. Generally, any unused portion of the Fee Income paid or received in respect of an Advisory Client will be carried forward to offset management fees otherwise payable by such Advisory Client in future periods. However, if upon dissolution of an Advisory Client there is unapplied Fee Income remaining after all applicable reductions in the management fee payable, then such Advisory Client, or its investors, may typically be able to elect whether to receive their *pro rata* share of such unapplied Fee Income, and AlpInvest will return a proportionate amount of such unapplied Fee Income for distribution to any such electing Advisory Client or its investors. AlpInvest will retain any remaining Fee Income attributable to non-electing Advisory Clients or investors. For the avoidance of doubt, to the extent that any fees or other remuneration is paid to AlpInvest or its personnel from or with respect to an issuer after an AlpInvest Client has exited (or is in the process of exiting) an investment in such issuer such amounts are not Fee Income and will not reduce the management fees.

Fee Income does not include any fees or compensation earned by any other Carlyle affiliate in respect of an Underlying Fund or portfolio company in which an Advisory Client has an interest, including capital markets fees earned by Carlyle (which includes broker-dealer affiliates of Carlyle that are U.S.-registered broker-dealers and other affiliates providing similar services with respect to loans) conducting a financial services, loan origination, structuring, placement or other similar

business as a broker, dealer, distributor, syndicator, arranger or originator of securities or loans. These capital markets fees include offering, placement, financing, syndication, capital markets advisory, turnaround, workout, underwriting, solicitation, currency, hedging, structuring, loan agent, loan servicing, rating advisory or similar fees, including with respect to an initial public offering or private placement, the arranging or provision of credit facilities, the placing of co-investment for Carlyle funds, the distribution or placement of loans or equity securities, or otherwise arranging or providing financing alone or with other lenders, which could include other vehicles managed or controlled by Carlyle.

Any fees that accrue to the benefit of former AlpInvest or Carlyle employees or other persons who are or become unaffiliated with AlpInvest or Carlyle, or any fees that accrue to the benefit of an AlpInvest or Carlyle employee prior to their association with AlpInvest or Carlyle (even if any fee received in kind is realized or otherwise converted to cash during their tenure with AlpInvest or Carlyle), will not benefit the Advisory Clients or their investors.

Common Types of Expenses

Organizational and Operational Expenses

Typically, all costs and expenses, including amounts payable in respect of value added tax (“VAT”) thereon, incurred in connection with (i) structuring, organizing, forming and establishing a Fund (including its general partner (or similar managing fiduciary), any parallel or feeder fund vehicles and their respective general partners (or similar managing fiduciaries), any entity established in connection with AlpInvest’s commitment to or alongside the Fund, any vehicle formed to directly or indirectly receive carried interest and its general partner or managing vehicle, as applicable), and the associated advisory arrangements with the Fund’s investment adviser and its subadvisors (if any), and (ii) the marketing and offering of interests in a Fund are borne by the investors in such Fund. Such costs and expenses will often include legal fees, travel costs (which can include, among other things, first/business class or chartered air travel, private car or taxi transportation, first class lodging, and meals, as appropriate and in accordance with the Firm’s travel policies), entertainment expenses, filing and registration fees and expenses (including all fees and expenses incurred in connection with any licensing, filing or registration requirements in a jurisdiction where the Fund’s interests may be offered and including reimbursements of any such fees and expenses to advisers, service providers and other third parties), costs of marketing material preparation experts (including outsourcing to third parties of marketing materials compliance reviews), expenses relating to preparing, reviewing, updating and producing marketing and offering materials (including responses to due diligence requests, as well as request-for-information and request-for-proposal submissions), costs of hosting due diligence events and sessions for prospective investors (which can also include video production costs), expenses incurred in connection with conducting “know-your-customer” due diligence and other investor onboarding procedures, and fees and expenses incurred in connection with negotiating the terms of a Fund’s limited partnership agreement or subscription agreement, or the terms of a side letter agreement with any Fund investor. Often, the organizational expenses borne by a Fund are capped in the governing documents for the Fund and any excess would offset future management fees. With respect to certain Funds, such expenses, up to the amount of any applicable limit, are borne solely by the third-party investors in such Funds that are not affiliated with AlpInvest and any excess is borne by AlpInvest. In addition, AlpInvest may engage placement agents and finders

(whether independent or employed by a Carlyle affiliate) in connection with the offer and sale of interests to certain investors, but the fees due to such placement agents and finders, either will be borne by AlpInvest or, to the extent paid by a Fund, will be treated as excess organizational expenses and subject to an offset against future management fees.

For the avoidance of doubt, fees paid to locally licensed intermediaries or distributors that an Advisory Client is required to engage in order to offer interests in such Advisory Client in particular jurisdictions or as otherwise disclosed to investors shall not be deemed to be placement fees.

In addition to the management fee, Fund investors will also typically bear all the costs and expenses incurred in connection with the operations of the Fund and its general partner (or similar managing fiduciary), except for certain overhead costs of such general partner (or similar managing fiduciary). These costs and expenses often include (i) fees and other expenses related to sourcing (including negotiating non-disclosure agreements to gain access to preliminary due diligence materials), developing, negotiating, investigating, diligencing, discovering, researching, structuring, trading (including certain trade errors), settling, monitoring, holding, and disposing of portfolio investments, including costs and expenses relating to the due diligence of investment opportunities and attendance at investor meetings of Underlying Fund GPs by one or more AlpInvest professionals (which can include, among other things, first/business class air travel, private car or taxi transportation, first class lodging, and meals, as appropriate and in accordance with the Firm's travel policies), foreign exchange or other currency transactions, and fees and commissions of third-party finders and brokers (whether or not engaged by AlpInvest); (ii) fees and other costs of third-party diligence software and service providers (including the information technology systems used to obtain such research and other information and subject/industry-matter research and experts); (iii) borrowing, financing, commitment, origination and similar fees and expenses; (iv) fees and expenses incurred in the course of and related to the organization, operation or maintenance of intermediate entities or similar administrative structures used to acquire, hold, administer, dispose of, or otherwise facilitate portfolio investments, joint venture arrangements and platform investments (including related travel and accommodation expenses, salaries and benefits of personnel reasonably necessary for the operation or maintenance of such intermediate entities and other related expenses); (iv) information technology system costs used to in connection with managing, monitoring (including monitoring for various risk indicia, for compliance with applicable law or regulations, and for measuring ESG standards), or valuing portfolio investments, including the cost of data subscription, management, or processing services and the costs of developing, acquiring, implementing and maintaining computer software and hardware and other technological systems for the benefit of a Fund, its investors, or a portfolio investment or potential investment; (v) fees and expenses of sub-advisers, administrators, custodians, depositories, paying and transfer agents, notaries, attorneys, accountants, auditors, tax advisers, tax preparers, consultants (including affiliated consultants), investment banks, valuation experts (or other appraisal or pricing service providers), brokers, finders and other professionals (including audit and certification fees); (vi) fees and expenses and other costs incurred in preparing, printing, distributing and otherwise furnishing reports and other financial or investment information inclusive of tax information, filings and reports, to investors in a Fund or other third parties, including costs of third-party service providers, consultants, and temporary (or seasonal) back-office staffing, and costs (inclusive of set-up and implementation costs) related to information technology management systems (*e.g.*, online reporting portals), data providers, data management

services, and data processing services (including Chronograph and Canoe Intelligence, each of which is a company in which AlpInvest or one of its affiliates holds a minority investment); (vii) costs relating to investor due diligence and ongoing monitoring pursuant to relevant anti-money laundering and know-your-customer regulations and standards applicable to AlpInvest, the Fund, or a counterparty, including fees and expenses of third-party service providers that perform anti-money laundering or “know your customer” diligence and monitoring services; (viii) costs of meetings with investors and the limited partner advisory committee of a Fund, regardless of whether all investors or committee members attend such meetings, including without limitation costs incurred to visit a particular investor and the costs of joint meetings with investors in other Funds and with other Separate Account investors (which meetings may also be attended by certain AlpInvest and Carlyle personnel, prospective investors and/or other third parties), which can include, among other things, set-up costs, video production costs, speaking fees or honoraria, first/business class air travel, private car or taxi transportation, first class lodging, and meals, as appropriate and in accordance with the Firm’s travel policies; (ix) costs of compliance with any Fund-related agreements and agreements with investors (*e.g.*, a Fund’s partnership agreement or side letter agreements with Fund investors requiring additional reporting, including “most favored nation” process and provisions) and expenses incurred in connection with any transfer of interests in a Fund; (x) costs associated with any amendments, modifications, revisions or restatements to the organizational documents of a Fund; (xi) fees, costs and expenses, if any, incurred in connection with legal, tax, regulatory and statutory compliance with U.S. federal, state, local, non-U.S. or other law or regulation (including, without limitation, tax and regulatory filings of AlpInvest and its affiliates relating to a Fund and its activities, such as reporting on and compliance with the European Union Alternative Investment Fund Managers Directive, the U.S. Foreign Account Tax Compliance Act, and the Organisation for Economic Cooperation and Development Common Reporting Standard for Automatic Exchange of Financial Account Information, and any comparable legislation or regulations published by any other relevant jurisdiction), and reports, disclosures, filings and notifications prepared in accordance with and with respect to the organization or maintenance of any entity used in connection with compliance by a Fund (or its related vehicles), which costs can include filing fees, registration fees, and other fees paid to local regulatory authorities (including the costs of registration or other compliance obligations related to, or arising as a result of, the offering and sale of interests in a Fund in any jurisdiction); (xii) costs incurred in connection with maintaining a local registered agent or representative of a Fund or its general partner (or similar local representative), any travel and accommodation expenses related to such entity, and the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, and other related overhead expenses; (xiii) insurance premiums for any errors or omissions or other liability insurance (including cybersecurity insurance, and including insurance the beneficiaries of which include AlpInvest and its affiliates) and insurance premiums of any director and officer liability insurance; (xiv) indemnity (including indemnification of a Fund’s general partner (or similar managing fiduciary), AlpInvest or one of its affiliates), litigation, arbitration and settlement costs (whether as a party or a witness), including related legal fees and expenses, judgments, awards, and settlements; (xv) costs incurred in connection with complying with and/or responding to any examination, inquiry or investigation by a regulatory authority or other governmental agency (whether as a party or a witness); (xvi) interest expense in respect of any borrowings and fees and expenses arising out of any borrowing facilities for the benefit of a Fund (whether or not ultimately completed or utilized), including original issue discount, interest on bridge loans, and outstanding billings from AlpInvest to a Fund

and agent servicing fees; (xvii) any out-of-pocket costs incurred by a Fund's limited partner advisory committee, including legal fees and fees of accountants, auditors, financial advisors or any other advisors or experts retained to assist the limited partner advisory committee and other expenses incurred in connection with limited partner advisory committee action; (xviii) certain taxes and any fees or other governmental charges levied against a Fund or payable by a Fund, including penalties and interest, and expenses incurred in connection with any tax audit, investigation, settlement or review of a Fund (including any fees, costs and other expenses incurred by the partnership representative and designated individual acting in such capacity); (xix) expenses incurred in connection with any third-party examination, inspection, or audit of the books and records of a Fund, its general partner or AlpInvest that are attributable to the operation of the Fund, or as may be requested by investors in such Fund; (xx) fees, costs or expenses approved by an Advisory Client's investors or investor advisory committee to be treated as expenses of a Fund; and (xxii) costs incurred in connection with the dissolution and termination of a Fund and its general partner (or similar managing fiduciary).

Certain Funds will also bear their allocable portion (as determined by AlpInvest in its good faith discretion) of the compensation (including salary, bonus, payroll taxes and benefits), expenses and overhead (including rent, property taxes and utilities allocable to the workspaces) attributable to certain employees and contract workers of AlpInvest, and its affiliates, including in-house accountants, legal and tax professionals, anti-money laundering/know-your-customer regulatory compliance professionals, information technology and system support professionals, administrators, valuation professionals, and ESG (environmental, social and governance) professionals whose functions include the preparation of financial statements, investor reports (including the costs associated with providing access to a database or other internet forum for distribution of such reports), tax returns, or the administration of assets and expenses of such Fund. AlpInvest may elect to bear any cost or expense that would otherwise be appropriately borne by a Fund. Any such election by AlpInvest does not constitute a waiver of its ability to recover all or any portion of such cost or expense in the future from the Fund. Please see Item 11 below for additional information relating to how conflicts of interest are generally addressed by AlpInvest, including allocation conflicts.

In addition, AlpInvest from time to time engages one or more fund administrators (some of which may be a portfolio company of an Underlying Fund or of a Carlyle fund) to perform certain functions in relation to certain Funds, including but not limited to, coordination of the Fund's legal entity management function, execution and recordkeeping associated with applicable tax elections and filings, support for the Fund's valuation process and support of certain investor correspondence, investor data management and reporting requests as well as data collection required for various regulatory reporting that the Fund is obligated to comply with. These expenses are borne by the investors in the Fund. In addition, certain Funds bear the expenses of all third-party administrator service providers even if there is some overlap in services performed by such third-party administrator and AlpInvest personnel.

Separate Accounts typically bear substantially the same types of costs and expenses as Fund investors as it relates to the organization, establishment and operation of the Separate Account, but will ultimately be subject to a final agreement as negotiated between AlpInvest and such Separate Account investor.

Broken Deal Expenses

Investors in certain Advisory Clients generally are required to bear out-of-pocket costs and expenses, if any, including any amounts payable in respect of VAT thereon, incurred in connection with investments (which may be Primary Investment, Secondary Investment or Co-Investment transactions) for which AlpInvest reasonably expected such Advisory Clients would participate but are not ultimately completed.

Typically, these expenses include (i) fees, costs and expenses (including retainer fees and other compensation) related to developing, negotiating and structuring such aborted investments, including due diligence costs and expenses (including travel and lodging costs); (ii) legal, accounting, advisory, consulting or other fees and expenses paid to third parties or AlpInvest or its affiliates in connection with making an investment that is not ultimately consummated and any related travel and accommodation expenses; (iii) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment that is not ultimately made (including all fees, costs and expenses incurred in connection with the offering of interests in any AlpInvest-affiliated investment vehicle formed for co-investors to participate in an Advisory Client's proposed investment that is not ultimately made); (iv) any break-up, reverse break-up, topping, termination and other similar fees payable by an Advisory Client; (v) extraordinary expenses such as litigation costs and judgments; and (vi) any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not ultimately made (in each case, to the extent such investment is not ultimately made by another Advisory Client).

In certain circumstances, third-party co-investors (*i.e.*, persons who are not an AlpInvest Client, but who may or may not be investors in a Fund or a Separate Account) that have been invited by AlpInvest to participate in an investment opportunity alongside one or more Advisory Clients that is not ultimately consummated will not be obligated to bear any portion of the out-of-pocket costs and expenses incurred. In such cases, all broken deal expenses will be borne by one or more Advisory Clients and not by such third-party co-investors.

Other Expenses

There are additional general categories of expenses that will typically be borne by Advisory Clients, depending on their structure and the terms of the applicable governing documents and investment advisory agreements. For example, Advisory Clients (and, indirectly, investors in a Fund) generally will bear a portion of the fees and expenses associated with the Advisory Client's investments in Underlying Funds, including (i) organizational costs of such Underlying Funds, (ii) management fees and carried interest paid or distributed by such Underlying Funds, and (iii) other fund expenses of such Underlying Funds which are often similar in nature to the costs and expenses borne by investors in a Fund or Separate Account as described above. In certain cases, Underlying Funds include private investment funds sponsored by Carlyle, in which case an Advisory Client will bear the fees, carried interest and other performance-based compensation charged by Carlyle or one of its affiliates to such Carlyle-sponsored Underlying Funds.

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

AlpInvest currently acts as an investment adviser to its Advisory Clients, and related persons of AlpInvest typically act as a general partner (or similar managing fiduciary) of such Advisory Clients that are Funds and Separate Accounts structured as a “fund of one.” AlpInvest accepts performance-based fees or allocations (*e.g.*, carried interest or similar profit allocation) from certain of its Advisory Clients. The amount and manner of calculation of such performance-based fee or allocation is negotiated with each Advisory Client.

In allocating investment opportunities, there could be incentives to favor Advisory Clients with higher potential performance-based allocations or fees over Advisory Clients with lower potential performance-based allocations or fees (including Advisory Clients that do not make performance-based allocations).¹ AlpInvest personnel are similarly incentivized in instances where they are providing services to other AlpInvest Clients, including funds and accounts advised by AlpInvest BV. In addition, performance-based allocations or fees may create an incentive for AlpInvest to recommend investments that may be riskier or more speculative than those that would be recommended under different compensatory arrangements. As a control, AlpInvest has adopted written policies and procedures pursuant to which it seeks to allocate investment opportunities that may be appropriate for more than one AlpInvest Clients in a fair and equitable manner. Each AlpInvest Client has its own investment guidelines that must be taken into account when making investment allocation determinations. Final allocation decisions are made in accordance with the Firm’s allocation policies and procedures.

Please also see Item 12 below regarding trade aggregation, as well as Item 11 below for additional information relating to how conflicts of interest are generally addressed by AlpInvest, including allocation conflicts.

Item 7. Types of Clients

AlpInvest currently provides investment advisory services for Separate Accounts in respect of sophisticated institutional investors, including government entities, pension funds, insurance companies, and large family offices. AlpInvest typically structures its Separate Accounts as a “fund of one” where there is a single third-party investor or small number of affiliated third-party investors as limited partners (or equivalent) in an investment vehicle organized and managed by AlpInvest or one of its controlled affiliates. AlpInvest also provides advisory services to Funds and other pooled investment vehicles that are organized or sponsored by AlpInvest. Interests in AlpInvest’s Funds are typically offered only to institutional and other sophisticated investors, such as government entities (*e.g.*, sovereign wealth funds), pension funds, insurance companies and large endowments, as well as ultra-high-net-worth individuals and family offices.

While AlpInvest does not impose a minimum amount for establishing a client account, generally a \$5,000,000 minimum commitment to a Fund or \$100,000,000 minimum commitment to a

¹ For example, if one Advisory Client is in a net loss position and another Advisory Client is in a net gain position, the Advisory Client in the net loss position will either (i) not generate a carried interest from such investment, or (ii) generate less carried interest from such investment to the extent profits are required to make up for previous losses.

Separate Account is required. However, AlpInvest, in its sole discretion, will accept commitments that are less than such minimum or require commitments in excess of such minimum.

Interests in Funds and Separate Accounts structured as a “fund of one” are offered to U.S. persons through private offerings limited to qualified investors pursuant to exemptions available under the Securities Act of 1933, as amended (the “Securities Act”), and the regulations promulgated thereunder. Such investment vehicles are not registered with the SEC as “investment companies” pursuant to specific exclusions from investment company status under the Investment Company Act of 1940, as amended (the “1940 Act”), and do not have the benefit of the protections afforded by the 1940 Act to investors in registered investment companies or more highly regulated investment funds. Accordingly, AlpInvest typically requires that each third-party investor in a Fund or Separate Account to be an “accredited investor” as defined in Regulation D under the Securities Act, and a “qualified purchaser” as defined in the 1940 Act. See also, “Item 5 – Fees and Compensation – Common Types of Fees”.

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

Methods of Analysis and Investment Strategies

General Investment Approach

AlpInvest specializes in investing globally across the private equity spectrum, including large and middle market buyout, growth capital, venture capital, distressed, and energy, as well as private subordinated or mezzanine debt. AlpInvest’s long-term objective for each Advisory Client is to provide attractive investment returns through carefully selected investment portfolios within the parameters of the investment mandates for each such Advisory Client. The core investment strategies employed by AlpInvest to meet this objective are primary fund investments, secondary investments, portfolio financings, and co-investments, as described in more detail below. AlpInvest’s Separate Accounts and Funds may employ a single investment strategy or multiple investment strategies, depending on the particular offering materials (or other governing documents) for the Separate Account mandate or Fund. The managed funds and accounts of AlpInvest’s affiliates, including those funds and accounts managed by AlpInvest BV, follow similar core investment strategies as those described in more detail below.

Primary Fund Investments

AlpInvest’s primary fund investments (“Primary Investments”) strategy seeks to construct private equity and/or private debt portfolios for its Advisory Clients through the subscription of interests in Underlying Funds. The Primary Investments strategy can also include “purchased primaries,” which are typically characterized by the purchase of an interest in an Underlying Fund from an existing investor in such Underlying Fund where such Underlying Fund has yet to invest a certain amount of its capital in portfolio investments but falls outside of AlpInvest’s Secondary Investment strategy (as defined and described below).

AlpInvest can make Primary Investments on a global basis across a broad range of investment strategies. Additionally, AlpInvest works with its Advisory Clients to develop tailored portfolio construction strategies that can target any combination of geographic exposure (e.g., North America, Europe, Asia-Pacific region, emerging markets and frontier markets) and strategy

segment exposure (e.g., large buyout, middle-market buyout, growth capital, venture capital, mezzanine debt and distressed debt for control).

AlpInvest follows a deliberate portfolio construction process: top-down segment analysis and bottom-up GP selection. Prior to the commencement of a new Primary Investments mandate and/or vintage for an Advisory Client (including multi-strategy mandates with a Primary Investments component), AlpInvest typically will conduct a market analysis and provide projections to the investment team in order to set targeted exposure for the Advisory Client across the applicable geographies and segments. While AlpInvest typically seeks to invest in line with the medium-term outlook on market size and opportunity by segment in order to remain broadly market-neutral, certain adjustments may be made over time in order to take advantage of opportunities for greater long-term performance. This top-down analysis is supplemented by a bottom-up analysis whereby the Primary Investments team seeks to identify high quality GPs that are expected to fundraise during the deployment period and/or vintage in the respective geographies and segment.

Secondary Investments

AlpInvest's secondary investments ("Secondary Investments") strategy seeks to build a high quality, diversified portfolio principally through both targeted investments in private equity assets and Underlying Funds other than at original issue (from time to time in combination with Primary Investments in Underlying Funds as part of such purchase) and portfolios of direct private equity investments through privately negotiated transactions (typically structured through new investment vehicles) in the secondaries market (mainly consisting of leveraged buyout, growth capital and special opportunity fund interests) in an effort to maximize risk-adjusted returns for its Advisory Clients. Sellers of Secondary Investments are typically banks, insurance companies, pension funds, endowments and family offices. The Secondary Investments team seeks to execute on many types of Secondary Investment transactions, including: the sale of limited partnership interests; spin-outs; combined (or stapled) secondary/primary transactions; portfolio restructuring, including securitizations and joint ventures; commitments to continuation funds; and secondary direct transactions; and on many underlying asset types, including buyout, venture capital, private debt, energy, infrastructure and natural resources, and other specialty fund assets. As part of its Secondary Investments strategy, AlpInvest may also make a limited number of strategic Primary Investments as well as direct investments in a GP, usually in exchange for a minority ownership equity stake or other revenue interest in its business. AlpInvest seeks to leverage its relationships with GPs and the knowledge of Underlying Fund portfolios from its Primary Investments business to better evaluate investment opportunities. There is often significant overlap in GP and Underlying Fund exposure in AlpInvest's Primary Investments and Secondary Investments portfolios.

In general, AlpInvest's Secondary Investments strategy is focused on building high-quality portfolios with clear value creation and liquidity potential in an effort to achieve attractive cash-on-cash returns with a reduced risk profile for its Advisory Clients. The Secondary Investments team targets Underlying Funds that have invested in portfolio companies that have clear value creation opportunities and identifiable exit potentials, with a preference for a balance between near-term liquidity and long-term value creation potential. AlpInvest generally seeks to build (i) a diversified Secondary Investments portfolio across multiple metrics (e.g., geographies, vintages, industries, GPs, and assets) and (ii) a balanced Secondary Investments portfolio with

approximately two-thirds funded assets and one-third remaining unfunded commitments. Historically, AlpInvest has limited the use of leverage utilized by its Advisory Clients in order to facilitate early cash generation returns from the portfolio, thereby shortening the average weighted duration of the underlying investments. However, AlpInvest will elect to use leverage for certain Advisory Clients as part of such Advisory Client's overall investment strategy. In general, Advisory Clients that make Secondary Investments participate in AlpInvest's global Secondaries Investments program and participate in all Secondary Investments selected for the program. Certain Advisory Clients that pursue investments in private equity portfolio financings will make investments in those opportunities (as applicable) to the extent they are not suitable for AlpInvest's Secondary Investments program.

Portfolio Finance Investments

AlpInvest's portfolio finance ("Portfolio Finance") strategy seeks to invest in various debt, preferred equity and structured equity securities directly or, in certain instances, through Secondary Investments in private credit funds to gain exposure to an underlying pool of quality assets with reduced downside risks. AlpInvest seeks to pursue investment opportunities, exclusively in portfolios, across the full spectrum of the private capital markets, including portfolios of direct investments and portfolios of private equity (*e.g.*, buyout funds, growth funds, credit, and infrastructure) as well as private capital GP holdings with underlying assets owned (directly or indirectly) by the GP.

AlpInvest primarily pursues its Portfolio Finance strategy through each of the following three types of financing transactions: (i) financings issued by a single fund issuer and collateralized by its portfolio of private companies; (ii) financings issued by a GP entity that are backed by a combination of assets, including the GP's commitment to its funds, management fees, and carried interest; and (iii) financings of an LP's portfolio of interests across various private equity and credit funds. Further, AlpInvest may seek to utilize a variety of investment structures and types of securities in its financing transactions, including preferred equity, structured equity, as well as more traditional subordinated debt instruments and loans. AlpInvest may also pursue certain financings in which a portfolio of assets is split into multiple tranches to create a customized risk and return exposure, in which the remaining tranches are acquired by other investors (which may be affiliates of AlpInvest, including Carlyle-managed funds or client accounts), and can include senior debt investors and/or equity investors.

Co-Investments

AlpInvest's co-investment ("Co-Investment") strategy seeks to create well-diversified private equity and/or private subordinated debt portfolios by co-investing alongside leading GPs in private equity leveraged buyouts, growth capital, and subordinated debt transactions across geographies and industry sectors. AlpInvest focuses on maximizing the number of investment opportunities and selecting the most attractive deals with qualified GPs from those investment opportunities. AlpInvest often has the flexibility to either come in early in a deal process to help underwrite a transaction alongside the lead GP or to participate in a broader Co-Investment syndication process. AlpInvest often makes Co-Investments alongside GPs with which it has developed a strong relationship through its Primary and Secondary Investments business. As part of its Co-Investments strategy, AlpInvest may also make a limited number of strategy-adjacent tactical

investments to the extent they do not conflict with AlpInvest's Primary Investments and Secondary Investments strategies, which investments may include strategic primary fund commitments, special situation investments (including equity recapitalizations and independent sponsor investments), and investments into a portfolio of assets, including blind pool commitments to multi-asset platforms. Additionally, AlpInvest makes Co-Investments for Separate Accounts that are sourced from such Separate Account investor's own proprietary private equity investment portfolio and GP relationships (such Separate Accounts, including similar separate accounts managed by AlpInvest BV, "LP Dealflow Accounts").

AlpInvest takes a two-tier approach to the selection and diligence of Co-Investment opportunities, focusing on both the assessment of the lead GP's ability to effectively execute its investment thesis and conducting primary diligence on the investment opportunity. AlpInvest will leverage its in-house knowledge about the lead GP gained from its relationship with such GP (if any) in order to assess if such GP is well-positioned to implement its value creation thesis. AlpInvest analyzes the strengths of the lead GP across multiple dimensions such as size, geography, industry, deal type and complexity of the value creation thesis. AlpInvest also conducts its own extensive due diligence on each Co-Investment opportunity, which includes financial modeling, financials and quality of earnings review, comparable company review, company strategy review, investment thesis review and reference calls. AlpInvest's own internal due diligence efforts also leverages the Firm's proprietary information on hundreds of Underlying Funds and thousands of underlying portfolio companies.

In general, Advisory Clients that make private equity Co-Investments participate in AlpInvest's global Co-Investment program and participate in all Co-Investments selected for the program; however, certain Advisory Clients will only make Co-Investments within certain geographic regions (e.g., North America or Europe). AlpInvest makes private subordinated debt Co-Investments primarily in the United States and Western Europe, and it is a standalone investment strategy from its global private equity Co-Investment program.

Investments in Marketable Securities

AlpInvest does not seek to regularly trade in listed or other freely marketable securities. However, from time to time an Advisory Client may receive in-kind distributions of marketable securities in respect of its Primary Investments and/or Secondary Investments. AlpInvest has engaged a third-party service provider to manage the divestiture of these positions, typically within 12 months as directed by AlpInvest. Further, from time-to-time AlpInvest will exit a Co-Investment by means of an initial public offering which can result in an Advisory Client holding public shares. In such cases where the Firm has full discretion over the stock position AlpInvest will generally seek to exit the position in an orderly manner.

Risks

Investing in securities, including interests in Underlying Funds and their portfolio companies, involves a substantial degree of risk (including the risk of loss of an investor's entire investment). These risks, as well as the risks described below, are also applicable to Fund investors. The risk factors and risk of loss described herein should not be considered to be an exhaustive list of all the risks which Advisory Clients or investors in a Fund or Separate Account should consider.

Advisory Clients and investors in a Fund or Separate Account should carefully review the applicable offering or organizational documents for additional information on risk factors and risk of loss.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for Advisory Clients, include the following:

No Assurance of Investment Return

An investment in an Advisory Client is a long-term commitment, with no certainty of return. AlpInvest cannot provide any assurance whatsoever that it will be able to choose, make and realize investments in any particular Underlying Fund, company or portfolio of investments for any Advisory Client. There can be no assurance that any investment made by an Advisory Client will be able to generate returns or that the returns will be commensurate with the risks of investing in the type of investments in which such Advisory Client participates. There can be no assurance that any Fund or Separate Account will make any distribution to its investors. Furthermore, distributions to such Advisory Client's investors may be subordinated in the event of a default under any credit facility of such Advisory Client or its related entities. Accordingly, an investment in an Advisory Client should only be considered by persons (i) for whom a speculative, illiquid and long-term investment is an appropriate component of a larger investment program, (ii) who can afford a loss of their entire investment and (iii) who are able to maintain sufficient capital over a significant period of time to support their capital commitment to a Fund or Separate Account. Past activities of investment entities associated with AlpInvest or any Advisory Client provides no assurance of future success. In addition, past performance is not necessarily indicative of future results, nor can there be any assurance that projected or targeted returns, or other investment objectives, for any Advisory Client will be achieved.

Investment Risk

AlpInvest's ability to source and execute quality investments depends on several factors. AlpInvest needs to attract, develop and retain professionals with the requisite investment experience. AlpInvest needs to optimize information sharing and synergy benefits across its investment teams. Furthermore, AlpInvest needs to undertake thorough assessments of each investment opportunity, using collective knowledge and experience.

The business of identifying and structuring investments of the types contemplated by AlpInvest's Advisory Clients and the Underlying Funds is competitive and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities is often limited by market conditions and competition from other groups as well as the prevailing regulatory or political climate. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by an Advisory Client and Underlying Funds or considered for prospective investment. There can be no assurance that AlpInvest will be able to identify and complete attractive investments in the future.

Suitable investments may not be available for Advisory Clients, and even if suitable investments are identified, there is a risk that an Advisory Client's investment objectives will not be achieved. The performance of an Advisory Client's portfolio depends on a range of factors, including the quality of the initial investment decision and the ability of a GP or portfolio company to drive performance and achieve its business strategy. The investment decisions of the Underlying Funds are made by their respective investment managers independently of each other so that, at any particular time, one Underlying Fund may be purchasing an interest in a portfolio company that at the same time is being sold by another Underlying Fund. Transactions of this sort could result in Underlying Funds directly or indirectly incurring certain transaction costs without accomplishing any net (or accomplishing only a limited) positive investment result. While investing with multiple investment managers may create the appearance of a well-diversified portfolio, the Underlying Funds may cooperate on investments or otherwise own the same assets, and independent investment decisions of various investment managers may result in an increase, rather than decrease, in the aggregate risk associated with an Advisory Client's portfolio.

Advisory Clients may commit to making an investment that is larger than what AlpInvest deems to be desirable with an expectation to offer the excess or co-investment portion of the investment opportunity to other investors (including investors in an Advisory Client). There can be no assurance that AlpInvest will be successful in offering a co-investment opportunity to any potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for an Advisory Client or that expenses incurred by an Advisory Client with respect to the syndication of the co-investment will not be substantial, and the Advisory Clients bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. As a consequence, the relevant Advisory Client may bear the entire portion of any fees, costs and expenses related to such investment including, but not limited to, broken deal expenses. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of an Advisory Client and as a result, may take a different view from AlpInvest as to the appropriate strategy for an investment or may be in a position to take a contrary action to an Advisory Client's investment objective. In the event that AlpInvest is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, an Advisory Client may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended, which could make an Advisory Client more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce an Advisory Client's overall investment returns and capacity to make future investments. Therefore, it is possible that an Advisory Client that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

Underlying Fund Strategy Risks

Within the private equity and private debt investment spheres, there are a number of significant risks, any one of which could cause an Advisory Client to lose all or part of the value of their investment. Such risks include, but are not limited to, those set forth below. Investors in Underlying Funds generally do not have an opportunity to evaluate for themselves the relevant

economic, financial, and other information regarding the investments to be made by an Underlying Fund and, accordingly, will be dependent upon the judgment and ability of the GP and AlpInvest. No assurance can be given that an Advisory Client will be successful in obtaining suitable investments.

- Buyout Strategies. Underlying Funds that pursue a buyout strategy often invest in leveraged buyouts. Leveraged buyouts by their nature require companies to undertake a high ratio of leverage to available income. Leveraged investments are inherently more sensitive to declines in revenues and cash flows and to increases in interest rates and expenses than non-leveraged transactions. Increases in interest rates could also make it more difficult for private equity funds to access and consummate acquisitions because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher relative price due to a lower overall cost of capital or because the minimum targeted return on investment of such private equity fund is unachievable on such acquisition given the cost of the leverage that would be required. Limitations on the availability of certain types of capital in the credit markets may also have a similarly adverse effect on the ability of such Underlying Funds to invest in leveraged buyouts, or to invest in such buyouts on attractive terms. The exercise of control over a company, which often results from a leveraged buyout, imposes additional risks of liability for environmental damage, product defects, failure to supervise and other types of related liability. If such liabilities were to arise, such Underlying Fund would likely suffer a loss, which may be complete, on its investment.

Further, investments in middle-market companies such as those that an Advisory Client may invest in, while often presenting greater opportunities for growth, may also entail larger risks than are customarily associated with investments in large companies. Middle-market companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Furthermore, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors. In addition, the relative illiquidity of investments in private investment funds generally, and the somewhat greater illiquidity of private investments in middle-market companies, could make it difficult for an Advisory Client to react quickly to negative economic or political developments.

- Venture Capital and Growth Equity Strategies. Underlying Funds that pursue venture capital and growth equity investments involve a high degree of business and financial risk that can result in substantial losses. Their portfolio companies may have shorter operating histories on which to judge future performance and, if operating, may have negative cash flow. In the case of start-up enterprises, these portfolio companies may not have significant or any operating revenues. Such portfolio companies also may have a lower capitalization and fewer resources (including cash) and be more vulnerable to failure, which could result in the loss of the entire investment. The directors and officers of such companies may lack any meaningful managerial experience, particularly of cash-flow management and

budgeting. Additionally, such portfolio companies may face strong competition or need substantial additional capital to support or to achieve a competitive position. The availability of capital is often generally a function of capital market conditions that are beyond our control or the control of the GPs or portfolio companies in which Advisory Clients, directly or indirectly, invest. There can be no assurance that any portfolio company will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. There can be no assurance that any such losses will be offset by gains (if any) realized on an Advisory Client's other investments. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which an Advisory Client invests, such Advisory Client may suffer a partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on such Advisory Client's other assets.

- Senior Secured Debt Strategies. When an Underlying Fund acquires a senior secured loan made to a portfolio company, it generally shall take a security interest in the available assets of the portfolio company, which should mitigate the risk that the Underlying Fund will not be repaid. However, there is a risk that the collateral securing the Underlying Fund's loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise, and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. In some circumstances, an Underlying Fund's lien could be subordinated to claims of other creditors. In addition, deterioration in a portfolio company's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that an Underlying Fund will receive principal and interest payments according to the loan's terms, or at all, or that such Underlying Fund will be able to collect on the loan should it be forced to enforce its remedies.
- Subordinated Debt Strategies. Although private subordinated debt securities are typically senior to common stock and other equity securities in the capital structure, they are typically subordinated to large amounts of senior debt and are often unsecured. Advisory Clients and the Underlying Funds may not be able to take steps that would be required to protect an investment in a timely manner or at all and there can be no assurance that the rate of return objectives on any particular subordinated debt investment will be achieved. As debt, subordinated investments are generally subject to various creditor risks, including the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, so-called lender liability claims by the issuer of the obligations and environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any investee company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of an investment in any such company.
- Unsecured Debt Strategy. An Underlying Fund may invest in unsecured loans which are not secured by collateral. In the event of default on an unsecured loan, the first priority lien holder has first claim to the underlying collateral of the loan. It is possible that no collateral

value would remain for an unsecured holder and therefore result in a loss of investment to the Underlying Fund. Because unsecured loans are lower in priority of payment to secured loans, they are subject to the additional risk that the cash flow of the borrower may be insufficient to meet scheduled payments after giving effect to the secured obligations of the borrower. Unsecured loans generally have greater price volatility than secured loans and may be less liquid.

- Special Situation, Recapitalization, and Distressed Debt Strategies. Certain Underlying Funds invest in securities of financially troubled companies or companies involved in work-outs, liquidations, reorganizations, recapitalizations, bankruptcies and similar transactions and securities of highly leveraged companies. While these investments may offer the potential for high returns, they also bring with them correspondingly greater risks when compared to other investments. Such investments involve companies that are experiencing or are expected to experience financial difficulties, which may never be overcome. Such investments could, in certain circumstances, subject Advisory Clients or the Underlying Funds to certain additional potential liabilities. For example, under certain circumstances, a payment by such a company could be required to be returned if such payment is later determined to have been a fraudulent conveyance or a preferential payment. In addition, such strategies may cause different Underlying Funds to be in conflict, such as when they hold positions of different levels of a distressed issuer's capital structure.
- Sub-investment Grade Debt Strategies. An Underlying Fund may invest in sub-investment grade debt obligations. Investments in the sub-investment grade categories are subject to greater risk of loss of principal and interest than higher-rated securities and may be considered to be predominantly speculative with respect to the obligor's capacity to pay interest and repay principal. They may also be considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with non-investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment grade securities may be smaller and less active than that for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the Underlying Fund.
- General Credit Risks. An Underlying Fund may be exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien are each of great importance. An Underlying Fund cannot guarantee the adequacy of the protection of an Underlying Fund's interests, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, an Underlying Fund cannot assure that claims may not be asserted that might interfere with enforcement of the Underlying Fund's rights. In the event of a foreclosure, an Underlying Fund may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in a loss to the Underlying Fund. Any costs or delays involved in the effectuation of a foreclosure of the loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

- Interest Rate Risks. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen and the frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. There can be no guarantee that any Underlying Fund will be successful in fully mitigating the impact of interest rate changes, and declines in market value may ultimately reduce earnings or result in losses to the Underlying Fund.
- Energy Strategies. In addition to the leverage risks described above under “Buyout Strategies,” Underlying Funds that make private energy investments are subject to additional risks that are particularly relevant to this asset sub-class of private equity. The performance of these investments will be substantially dependent upon prevailing prices of oil, electricity, natural gas and potentially other commodities (e.g., corn and sugar), which have been (and are likely to continue to be) volatile and subject to wide fluctuations and may adversely impact returns. The energy industry is subject to both non-U.S. and U.S. federal, state and local laws and regulations, including environmental rules and regulations. Changes in law or regulatory requirements, or enforcement actions resulting from a failure to comply with applicable laws and regulations, may have a negative impact on the businesses and are subject to such rules and regulations and their investors.

The foregoing risks are also applicable to Co-Investments alongside Underlying Funds in specific portfolio companies as well as investments in GPs that pursue these strategies.

Due Diligence Risk

AlpInvest seeks to conduct reasonable and appropriate analysis and due diligence in connection with investment opportunities. When conducting due diligence and making an assessment regarding an investment opportunity, AlpInvest relies on available resources, including information provided by the GP and, in some circumstances, third-party investigations. Further, AlpInvest’s due diligence process may not reveal all facts that may be relevant in connection with an investment made by an Advisory Client. In some cases, only limited information is available about an Underlying Fund or company in which AlpInvest is considering making an investment. There can be no assurance that the due diligence investigations undertaken by AlpInvest will reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating a particular investment opportunity, or that AlpInvest’s due diligence will result in an investment being successful. This risk is further exacerbated by the impact of any outbreak of a novel and highly contagious form of coronavirus or other pandemics, which have historically caused commercial disruption on a global scale and disrupted the manner in which due diligence investigations have been conducted. In circumstances where AlpInvest accesses non-public confidential information, there is a possibility that certain trading restrictions would apply to AlpInvest and its affiliates, which may affect an Advisory Client’s ability to transact.

Third-Party Management Risk

The performance of Advisory Clients is largely dependent in part on the performance results achieved by the unrelated GPs of the Underlying Funds (and in some cases Underlying Funds sponsored by Carlyle) in which Advisory Clients invest. Neither AlpInvest nor its Advisory Clients generally will have an active role in the day-to-day management of the Underlying Funds, the negotiation or implementation of service provider agreements or the ability to direct the specific investment decisions made by the managers of the Underlying Funds. The failure of such unrelated investment managers to make profitable investments may have a negative impact on an Advisory Client's ability to achieve its investment goals. Advisory Clients may sustain losses with respect to their investments despite AlpInvest's efforts to monitor the investment activities of Underlying Funds.

Additionally, Advisory Clients typically invest in or alongside Underlying Funds managed by GPs that are independent of AlpInvest and its affiliates and that invest primarily, directly or indirectly, in the private securities of operating companies. Although AlpInvest will evaluate the performance of each GP, the past performance of GP may not be a reliable indicator of future results. Many non-U.S. GPs and venture capital GPs are not registered as investment advisers with the SEC, which may make it more difficult for AlpInvest to scrutinize such GPs' credentials. Further, many of the material risks described in this brochure are also applicable to an investment in an Underlying Fund or GP.

The success of an Underlying Fund will to a great degree rely on the skill and experience of the related GP's investment personnel and their ability to manage a franchise successfully, generate attractive returns and retain key talent. A GP is likely to rely on a limited number of "key personnel," the departure of which could adversely impact the performance of a GP and its Underlying Funds.

Leverage Risk

Underlying Funds, and the entities in which Underlying Funds invest, may utilize leverage in connection with implementing their respective investment strategies. Although leverage will increase investment returns if an Underlying Fund earns a greater return on the investments purchased with borrowed funds than it pays for the use of those funds, the use of leverage will decrease the returns of an Underlying Fund if it fails to earn as much on investments purchased with borrowed funds as it pays for the use of those funds. An Underlying Fund may need to liquidate certain positions when it may not be advantageous to do so to satisfy its borrowing obligations.

The use of leverage will magnify the volatility of changes in the value of portfolio investments. Any gain in the value of assets in excess of the cost of the amount borrowed to acquire such assets would cause the borrower's net asset value to increase more than if the assets had been bought without utilizing leverage. Conversely, any decline in the value of its assets to below the cost of the borrowing utilized to fund their purchase would cause the net asset value to decline more than would be the case if debt had not been used to purchase such assets. While the use of leverage may increase a borrower's returns, it will also increase its exposure to risk. This risk is more

concentrated in Underlying Funds which focus on making leveraged buyout investments. Leverage risk also is applicable to equity Co-Investments in leveraged buyout and similar transactions.

In addition, Advisory Clients will from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses and liabilities, to pay management fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, or to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital from its investors to fund the acquisition of an investment, the borrowing would be used for all investors in such Fund on a pro-rata basis, including the general partner of the Fund.

To the extent an Advisory Client uses borrowed funds in advance or in lieu of capital contributions, the Advisory Client's investors generally make correspondingly later capital contributions, but Advisory Clients will bear the interest expense on such borrowed funds. As a result, the Advisory Client's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and generally make net IRR calculations higher than it otherwise would be without fund-level borrowing and can impact the carried interest that the Advisory Client distributes to AlpInvest or one of its affiliates (e.g., the general partner of a Fund), as these calculations generally depend on the amount and timing of capital contributions as well as the level of the organizational structure at which such borrowed funds are borrowed or deployed. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Advisory Client.

Borrowing by an Advisory Client will generally be secured by capital commitments made by the limited partners to an Advisory Client and/or by an Advisory Client's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Advisory Client-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by an Advisory Client may cause the realization of unrelated business taxable income.

In addition, there may be occasions where an Advisory Client procures borrowing through a subscription line or credit facility in order to make an investment, syndicating out a portion of the investment to another Advisory Client. Subject to the organizational documents, the borrowing Advisory Client will bear the entire cost of interest from the borrowing, even though the investment may ultimately be made by other Advisory Clients. Similarly, certain Advisory Clients will also utilize subscription facilities to benefit co-investment parties. For example, an Advisory Client will borrow to fund a co-investment party's allocable share of an investment or expense related to an investment. Though the co-investment party will bear its share of the interest expenses (but not necessarily origination and other costs) allocable to the extension of credit, the Advisory Client will bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties.

Follow-On Investment Risk

An Underlying Fund's direct and indirect investments in operating companies may require follow-on investments. An Underlying Fund may be required to provide follow-on funding for its portfolio companies or have the opportunity to make additional investments in such portfolio companies. There can be no assurance that the Underlying Fund will have sufficient funds to make any such additional investments. Any decision by an Underlying Fund not to make follow-on investments or its inability to make them may have a negative impact on a portfolio company in need of such an investment, which could, in turn, have a negative effect on an Advisory Client's returns. Similar issues may arise with respect to an Advisory Client's portfolio investments. To the extent that an Advisory Client does not participate in a follow-on investment (which may be due to a number of factors, including not having sufficient uncommitted capital reserves to make the investment), then the Advisory Client's interest in the portfolio investment may be diluted or subordinated to the new capital be invested (which may include capital from other Advisory Clients).

Minority Investor Risk

An Underlying Fund's or an Advisory Client's minority direct or indirect investments in operating companies (including an interest in a GP) will subject the Underlying Fund or Advisory Client to actions taken by the holders a majority in interest of such companies that may not be aligned with the Advisory Client's goals. An Underlying Fund or an Advisory Client may make minority equity investments in portfolio companies where the Underlying Fund or the Advisory Client likely will not be able to control or influence such entities. In such cases, the Underlying Fund or Advisory Client will be reliant on the existing management and boards of directors of such companies, which may include representatives of other investors with whom the Underlying Fund or Advisory Client is not affiliated and whose interests may at times conflict with the Advisory Client's interests. The Underlying Fund and/or Advisory Client could therefore be adversely affected by actions taken by management or any holders of a majority in interest of the portfolio companies in which they invest.

Competition Risk

The activity of identifying, managing, monitoring, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that AlpInvest on behalf of an Advisory Client will be able to locate, consummate and exit investments that satisfy its rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital.

Holding Period Risk

Funds and Separate Accounts may make investments which cannot be advantageously disposed of prior to the date such Fund will be dissolved or the date on which such Separate Account mandate ends, either by expiration of its term or otherwise. Funds (as well as Separate Accounts structured as "funds-of-one") may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of the commencement of the winding up of the Fund. Upon the commencement of a winding up, the Fund will need to liquidate its assets by reducing such assets to cash and cash equivalents. In discharging the obligations that arise as a result of the

commencement of the winding up, the Fund's general partner or liquidator will be required to exercise its judgment to balance its obligation to ensure the expeditious liquidation of the Fund assets against the interest of the Fund's investors to obtain fair value for such assets taking into account any contractual, tax, market, legal or other considerations (including legal restrictions on the ability of an investor to hold any assets to be distributed in kind). Such winding-up and final distribution may occur several years after the investment vehicle enters into dissolution. Consequently, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to investors will occur.

Risks Relating to the Disposition of Investments

In connection with the disposition of an investment in a portfolio company, an Advisory Client or an Underlying Fund may be required to make representations and warranties about the business and financial affairs of such portfolio company typical of those made in connection with the sale of any business. The Advisory Client or Underlying Fund may also be required to indemnify the purchasers of such portfolio company to the extent that any such representations or warranties turn out to be inaccurate or misleading. Exit strategies that initially appear to be viable may be precluded over time due to economic, legal, political or other factors. As a result, the sale of an Advisory Client's or Underlying Fund's investments may be at substantial discounts and/or otherwise disadvantageous terms.

Risk of Limited Number of Investments

An Advisory Client typically will often participate in a limited number of investments and since the Advisory Client's investments generally will involve a high degree of risk, poor performance by a few of the investments could materially and adversely impact the total returns of such Advisory Client (which may be exacerbated by the use of leverage). In addition, other than as set forth in the applicable Advisory Client's governing documents or investment management agreement (as the case may be or as required by applicable law), investors have no assurance as to the degree of diversification of an Advisory Client's investments, either by geographic region, industry or transaction type. To the extent an Advisory Client concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. Moreover, there are no assurances that all of an Advisory Client's investments will perform well or even return capital. Therefore, if certain investments perform unfavorably, for an Advisory Client to achieve above-average returns, one or a few of its investments must perform exceptionally well. There are no assurances that this will be the case. Further, an Underlying Fund may also make a limited number of investments and/or concentrate its investment portfolio in a particular industry or region. As a result, the aggregate returns realized may be significantly adversely affected if a small number of investments perform poorly or if the Advisory Client needs to write down the value of one or more investments. Additionally, a downturn in any particular industry in which the Advisory Client is invested could also significantly impact the aggregate returns realized.

Geographic Concentration Risks

Certain Advisory Clients require that AlpInvest focus their investments in a particular geographic region and therefore will be particularly vulnerable to events affecting companies in such region. The economy of a particular country in which a geographically-focused Advisory Client may invest is influenced by economic and market considerations in other countries in the relevant region, and sometimes by events in unrelated regions. Investors' reactions to events in one country can have adverse effects on the securities of companies and the value of property and related assets in other countries in which a geographically-focused fund may invest. The performance of a geographically focused Advisory Client may be worse than the performance of other Advisory Clients that invest more broadly geographically.

Vintage Year Concentration Risks

Due to their long-term nature, private equity funds are exposed to market cycles that can result in final returns that vary substantially over vintage years. Additionally, fundraising by GPs and volume of investment activity frequently follow counter-cyclical patterns, which can impede proper diversification over time. There can be no assurance that AlpInvest can adequately diversify a private equity or subordinated debt portfolio over vintage years and, as a result, an Advisory Client's investment portfolio may become overly concentrated in one or more vintage years, which may adversely affect performance. Further, diversification does not eliminate the risk of loss.

Access to Information Risks

Due in part to the fact that potential investors in a Fund or a Co-Investment opportunity (see below) may ask different questions and request different information, AlpInvest may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners in the Fund. Investors' rights to information regarding certain Funds will be specified, and strictly limited, in such Fund's governing or offering documents (which may be supplemented for a particular investor in a side letter agreement). Additionally, as an investor in Underlying Funds and Co-Investments, AlpInvest may be provided information by a GP that is different than information provided to other investors, and AlpInvest's right to information in respect of an Underlying Fund or Co-Investment will typically be specified and strictly limited in the applicable agreements (including side letters) of such investment.

Risks of Limitation by Confidential or Material, Non-Public Information

By reason of their responsibilities in connection with their other activities, Carlyle or its other affiliates may acquire confidential or material, non-public information or be otherwise restricted from initiating transactions in certain securities, which restrictions may also apply to AlpInvest and its Advisory Clients. In such cases, an Advisory Client may not be free to act upon any such information. Due to these restrictions, an Advisory Client may not be able to initiate a purchase or sale transaction that it otherwise might.

Management Risk

Advisory Clients depend on the diligence, skill, and business contacts of AlpInvest's investment professionals, and the information and deal flow they generate during the normal course of their

activities. The success of an Advisory Client's investments will depend in substantial part on AlpInvest's ability to attract and retain talented local professionals and the skills and expertise of the Firm's investment professionals who manage the Advisory Client's investment program. There can be no assurance that AlpInvest's professionals will continue to be associated with AlpInvest during the full term of an Advisory Client's engagement. The loss of one or more of AlpInvest's key individuals could have a material adverse effect on an Advisory Client's ability to achieve its investment objectives. Should one or more of these professionals become incapacitated or in some other way cease to participate in the investment activities of an Advisory Client, the Advisory Client's performance could be adversely affected. Moreover, there can be no assurances that such professionals will remain in the same roles at AlpInvest whether as officers, employees, consultants or otherwise throughout the life of an Advisory Client. The roles and responsibilities within AlpInvest of certain investment advisory professionals are likely to be modified during the life of any Advisory Client, including modifications that result in less time devoted to such Advisory Client. Any fiduciary duties owed by such professionals to an Advisory Client would be modified accordingly.

Separately, there is ever-increasing competition among alternative asset firms, financial institutions, private equity firms, investment managers and other industry participants for hiring and retaining qualified investment professionals. There can be no assurance that AlpInvest personnel will not be solicited by and join competitors or other firms, or other segments within Carlyle, or that AlpInvest will be able to hire and retain any new personnel that it seeks to maintain or add to its roster of investment professionals. In addition, members of the investment team or investment of a particular Advisory Client will work on other projects for AlpInvest. Conflicts of interest are expected to arise in allocating time, services or functions, and AlpInvest's ability to access other professionals and resources within AlpInvest (or Carlyle) for the benefit of a particular Advisory Client may be limited. Such access may also be limited by the internal compliance policies of AlpInvest and Carlyle, including, without limitation, information barrier policies, or other legal or business considerations.

In general, AlpInvest and/or a Fund's general partner will have exclusive responsibility for an Advisory Client's activities, and, other than as may be set forth in the Advisory Client's governing documents or investment management agreement, investors in a Fund and other Advisory Clients will lack discretion to make investment or any other decisions concerning the management of an Advisory Client. In order to safeguard their limited liability for the liabilities and obligations of an Advisory Client, investors must rely entirely on the general partner and the investment adviser to conduct and manage the affairs of an Advisory Client.

Liquidity Risk

There most likely will be little or no near-term cash flow available to the investors. Private equity and private subordinated debt investments are generally illiquid. Advisory Clients' and Underlying Funds' investments in private equity and private debt funds or portfolio investments are typically illiquid and require a long-term commitment of capital with no certainty of return. Interests in Underlying Funds held by Advisory Clients are also often subject to legal and other restrictions on resale or otherwise may be less liquid than other types of securities, such as publicly traded securities. These investments typically are difficult to dispose of and an Advisory Client may realize a substantial loss on the sale of an illiquid investment. In addition, in some cases an

Advisory Client or an Underlying Fund may be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time. To the extent that there is no liquid trading market for an investment, the Advisory Client or Underlying Funds (as applicable) may be unable to liquidate that investment in a timely manner, or at all, and may be unable to do so at a profit. Moreover, there can be no assurances that private purchasers of an Advisory Client's or Underlying Fund's investment will be found.

Additionally, the interests in Funds (and Separate Accounts), and the interests in Underlying Funds, have not been (and are not expected to be) registered under the Securities Act, or applicable securities laws of any U.S. state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and any other applicable securities laws or an exemption from such registration is available. There is no public market for the interests in such Funds (or Separate Accounts) or Underlying Funds, and one is not expected to develop. An investor in a Fund (or Separate Account) or Underlying Fund will not be permitted to directly or indirectly assign, sell, pledge, exchange or transfer any of its interests or any of its rights or obligations with respect to its interests without the prior written consent of the general partner (or other similar managing fiduciary) of such applicable investment vehicle, which consent may be given (with or without conditions) or withheld in accordance with the governing documents of such applicable investment vehicle, and any such transfers are also subject to the other terms and conditions of the governing documents of the Advisory Client. Except in extremely limited circumstances, withdrawals from an Advisory Client will not be permitted. Investors therein must be prepared to bear the risks of owning interests in an Advisory Client for an indefinite period of time. In extraordinary and very limited circumstances that are set out in the governing documents of such Advisory Client, generally where the continued involvement of the investor with the Advisory Client creates a material adverse effect in respect of the Advisory Client, the general partner, the investment advisor, any portfolio company, or any of their affiliates or for the investor in certain limited circumstances, an investor may be required to withdraw, or may be permitted to withdraw, in respect of some or all of its interest in such Advisory Client.

Currency Risk

An Advisory Client's investments, and the income received by the Advisory Client with respect to such investments, may be denominated in a currency other than the Advisory Client's base currency (EUR, USD, etc.). The Advisory Client's books, however, will be maintained, and contributions to and distributions from the Advisory Client's account will generally be made, in the base currency. Accordingly, changes in currency exchange rates, costs of conversion and exchange control regulations can adversely affect the base currency value of the Advisory Client's investments. Currency exchange rates may fluctuate significantly over short periods of time and can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments in one or more jurisdictions. In addition, certain countries in which AlpInvest invests may have implemented or may implement strict controls on foreign exchange which could result in artificially pegged exchange rates that distort the results of returns on investments in such countries. An Advisory Client may incur costs or experience substantial delays when converting one currency into another, or it may be prohibited from converting a currency altogether. An Advisory Client may also experience gains attributable solely, or in large part, to favorable movements in exchange rates as of any date of valuation or

realization of an investment, even despite relatively adverse performance of one or more portfolio investments.

As noted above, interests in Advisory Clients may be denominated in different currencies. For example, a U.S. dollar-denominated Advisory Client and a Euro-denominated Advisory Client may invest in the same investment. Because currency-exchange rates can be volatile and fluctuate sharply, one Advisory Client may benefit from an exchange rate fluctuation, while another may not, creating the potential that one Advisory Client may benefit more from the same investment relative to another Advisory Client denominated in a different currency. Similar considerations apply in respect of a parallel or feeder fund of an Advisory Client that is denominated in a different currency than the main fund of an Advisory Client. Further, to the extent that an Advisory Client's base currency is different from an investor's home currency, the investor in such Advisory Client will be exposed to a degree of currency risk which may adversely affect an investor's investment in an Advisory Client, including increasing the investor's cost of capital committed to such Advisory Client. Fluctuations in exchange rates between various currencies can result in changes to the relative values of an investor's investment in an Advisory Client and the Advisory Client's investment portfolio. Fluctuations may be significant in light of political events such as elections and referenda, as well as other regulatory, monetary or fiscal policy or market events that are outside of AlpInvest's ability to control or predict. AlpInvest may, but is not obligated to, seek to mitigate the effect of such currency fluctuations by engaging in currency hedging activities, but it does not expect to eliminate any investor's or Advisory Client's exposure to exchange rate fluctuations.

Layered Expenses

Because AlpInvest's strategy includes investing in Underlying Funds, Advisory Clients typically will bear expenses and pay management fees and performance-based allocations (*i.e.*, carried interest) at the Underlying Fund level and with respect to AlpInvest. As a result, an Advisory Client's fees and expenses will be higher than if the Advisory Client (or investor in a Fund) invested directly in an Underlying Fund. Additionally, if permitted by an Advisory Client's agreements, AlpInvest will from time to time cause an Advisory Client to invest into an investment vehicle (*i.e.*, a fund) that is managed by AlpInvest or Carlyle (or one of their related persons, as the case may be), and in such case any management fees and performance based allocation at the Underlying Fund level will accrue to the benefit of AlpInvest or Carlyle (or one of their related persons, as the case may be) and will not reduce any management fees or performance-based allocations payable by the Advisory Client.

Furthermore, the determination of whether the GP of an Underlying Fund is entitled to carried interest distributions is made on a fund-by-fund basis and not in the aggregate. Therefore, carried interest in respect of one Underlying Fund is calculated and distributed without regard to the fees or performance (including negative performance) of any other Underlying Fund in which an Advisory Client has an interest. Therefore, it is possible that an Advisory Client, as a limited partner of Underlying Funds, would be required to bear carried interest in respect of one or more Underlying Funds even if the performance of the Advisory Client's investments in Underlying Funds in the aggregate (and therefore the performance of the Advisory Client) is negative.

Limited Operating History Risks

Although AlpInvest personnel have extensive experience managing investments in the private equity and subordinated debt markets, many of the Funds as well as the Underlying Funds in which Advisory Clients expect to invest will be newly- or recently-formed entities with no significant operating history upon which to evaluate their likely performance or the likely effectiveness of their investment strategy. There can be no assurance that any such Fund or Underlying Fund will be able to implement its investment strategy and investment approach or achieve its investment objective or that an investor will receive a return of its capital. Moreover, an investment in a Fund or an Underlying Fund is therefore subject to all of the risks and uncertainties associated with any new business, including the risk that a Fund or an Underlying Fund (as applicable) will not achieve its investment objectives and that the value of an investment could decline substantially. Accordingly, investors should draw no conclusions from the prior experience of AlpInvest, its investment professionals or the performance of any other Advisory Client or AlpInvest investments and should not expect to achieve similar results.

Valuation Risks

There is no established market for the interests in the Underlying Funds held by Advisory Clients. Additionally, the Co-Investments and interests in GPs held by Advisory Clients are typically also privately held securities for which no established market exists. Generally, AlpInvest relies on the valuation provided by a GP with respect to an Advisory Client's interest in the related Underlying Fund. With respect to Co-Investments, the valuation of these securities by AlpInvest will be difficult, may be based on imperfect information and is subject to inherent uncertainties, and it may differ from the valuation reported by the relevant GP. Furthermore, third-party pricing information may at times not be available regarding certain Advisory Clients' interests. The net asset value of an Underlying Fund or specific portfolio company as of a particular date may be materially greater than or less than its net asset value that would be determined if such Underlying Fund or portfolio company were to be actually liquidated as of such date.

Because there is significant uncertainty as to the valuation of illiquid investments, the values of such investments may not necessarily reflect the values that could actually be realized by an Advisory Client. Under certain conditions, an Advisory Client may be forced to sell investments at lower prices than it had expected to realize or defer, potentially for a considerable period of time, sales that it had planned to make. In addition, under limited circumstances, the general partner of such Advisory Client may not have access to all material information relevant to a valuation analysis with respect to an investment. As a result, the valuation of such Advisory Client's investments, and as a result the valuation of the interests themselves, may be based on imperfect information and is subject to inherent uncertainties.

Indemnification Risks

Each AlpInvest-sponsored investment vehicle and each Underlying Fund generally will be required to indemnify its general partner (or similar managing fiduciary), its investment adviser, certain service providers and their respective affiliates and each of their respective members, officers, directors, employees, consultants, advisors, senior advisors, stockholders, shareholders, partners and other persons who serve at the request of its general partner on behalf of such investment vehicle for liabilities incurred in connection with the affairs of such AlpInvest-sponsored investment vehicle or Underlying Fund, as applicable. AlpInvest, as well as other GPs,

typically engage placement agents and other similar finders and consultants in connection with the offering of interests in an Advisory Client or Underlying Fund (as applicable) and, to the extent permitted by such Advisory Client's or Underlying Fund's governing agreements, causes such Advisory Client or Underlying Funds to indemnify such agents, finder or consultants. Where applicable, members of a limited partner advisory committee of a Fund or Underlying Fund will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the Fund's or Underlying Fund's governing documents. As a result of the provisions contained in the governing agreement of an Advisory Client or Underlying Fund, investors in such Advisory Client or Underlying Fund may in certain cases have a more limited right of action against the general partner than it would in the absence of such limitations.

An Advisory Client may be required, at its expense, to purchase insurance for such Advisory Client, its general partner, AlpInvest and their respective employees, agents and representatives. In addition, because an Advisory Client may advance the costs and expenses of an indemnitee pending outcome of the particular matter (including determination as to whether or not the person was entitled to indemnification or engaged in conduct that negated such person's entitlement to indemnification), there may be periods where an Advisory Client is advancing expenses to an individual or entity with whom such Advisory Client is not aligned or is otherwise an adverse party in a dispute. Moreover, in its capacity as general partner of an Advisory Client, such general partner will, notwithstanding any actual or perceived conflict of interest, be the beneficiary of any decision by it to provide indemnification (including advancement of expenses). This may be the case even with respect to settlement of actions where any indemnitee was alleged to have engaged in conduct that disqualifies any such person from indemnification or exculpation so long as such general partner (and/or its legal counsel) has determined that such person is entitled to indemnification. For the avoidance of doubt, the termination of any proceeding by settlement shall not, of itself, create a presumption that any claims, liabilities, damages, losses, costs and expenses relating to such settlement or otherwise relating to such proceeding arose primarily from conduct that is not eligible for indemnification by an Advisory Client.

Risks Related to Hedging

While AlpInvest does not typically engage in any long-term hedging transactions on behalf of its Advisory Clients, it will elect to do so from time to time. Additionally, an Underlying Fund may engage in hedging transactions. There can be no assurance that a particular hedge will be appropriate or effective. Further, while both an Advisory Client and/or an Underlying Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Advisory Client's investment portfolios than if the Advisory Client or such Underlying Fund did not engage in any such hedging transactions. These arrangements may also require the posting of cash collateral at a time when the Advisory Client has insufficient cash or illiquid assets such that the posting of the cash is either impossible or requires the sale of assets at prices that do not reflect their underlying value. Moreover, these hedging arrangements may generate significant transaction costs, including potential tax costs, which may reduce the returns generated by the Advisory Client. An Advisory Client may not hedge against a particular risk because AlpInvest does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills that are different than the skills used in selecting and monitoring

investments. There can be no assurance that any risk management procedure will be effective in reducing risks associated with the use of hedging techniques or that the use of such techniques by an Advisory Client will not result in poorer overall performance for an Advisory Client than if it had not utilized such techniques.

Risks Related to Presentation of Performance

For most Advisory Clients, especially those that are Funds, net performance is calculated on an aggregate basis after taking into account all fees and expenses actually borne by investors in the Advisory Client as a group, but does not take into account any taxes borne or deemed to be borne by investors (such as taxes resulting from the investors' domicile or taxes paid or payable by vehicles designed to address certain investors' tax, regulatory or other similar issues). With respect to any particular investment vehicle, differences in timing of an investor's commitment to the investment vehicle and the economic and other terms applicable to certain investors therein may increase or decrease the net performance information realized by such investors and, accordingly, the actual net performance information of a particular investor may differ from the net performance information disclosed to such investors.

Certain Advisory Clients utilize subscription lines of credit to fund investments prior to the receipt of capital contributions from investors. Because the capital contributions from investors are delayed when using a subscription line of credit, the investment period of such investor capital is shortened, which may increase the net internal rate of return of an Advisory Client. However, because interest expense and other costs of borrowings under subscription lines of credit are typically an expense of the Advisory Client, the Advisory Client's net multiple of invested capital will be reduced.

Cybersecurity Breaches, Identity Theft, Privacy Breaches and Other Threats

Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. There has been an increase in the frequency and sophistication of the cyber and security threats that AlpInvest faces, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target AlpInvest because it processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Advisory Clients and personally identifiable information of investors (and their ultimate beneficial owners, control persons and authorized representatives), employees, GPs, and portfolio companies. Similarly, service providers of AlpInvest or an Advisory Client, especially an administrator, may process, store and transmit such information. As a result, AlpInvest may face a heightened risk of a security breach, online extortion attempt, or disruption with respect to this information resulting from an attack by computer hackers, foreign governments, cyber extortionists or cyber terrorists. If successful, these types of attacks on the AlpInvest network or other systems could have a material adverse effect on its business and results of operations, due to, among other things, the loss of investor or proprietary data, interruptions or delays in our business and damage to AlpInvest's reputation. Suppliers, contractors, investors, and other third parties with whom AlpInvest does business also experience cyber threats and attacks that are similar in frequency and sophistication. In many cases, AlpInvest has to rely on the controls and safeguards put in place by their suppliers, contractors, investors and other third parties to defend against, respond to, and report these attacks.

The information and technology systems of AlpInvest, its and its Advisory Clients' service providers, and other market participants may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, security threats (including ongoing cyber security threats to and attacks on our information technology infrastructure), infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, typhoons, earthquakes, wars, terrorist attacks and other similar events. Measures designed to manage risks relating to these types of events cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, an Advisory Client and/or a portfolio investment may have to make a significant investment to fix or replace them. These systems are subject to a number of different threats or risks that could adversely affect an Advisory Client and its investors (including their ultimate beneficial owners, control persons and authorized representatives), despite the efforts of AlpInvest and service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the security, confidentiality, integrity and availability of information belonging to an Advisory Client and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, encrypt or otherwise prevent access to these systems of AlpInvest, the Advisory Clients' service providers and counterparties, as well as the data stored by these systems. Third parties may also attempt to fraudulently induce employees, third-party service providers, or other users of AlpInvest's systems to disclose sensitive information in order to gain access to AlpInvest's data or that of the Advisory Clients' investors. A successful penetration or circumvention of the security of AlpInvest's systems by unauthorized third parties could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause Advisory Clients, AlpInvest, or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, AlpInvest may incur substantial costs related to investigation of the origin and scope of a cybersecurity incident, increasing and upgrading cybersecurity protections including its administrative, technical, organizational and physical controls, acts of identity theft, unauthorized use or loss of proprietary information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions or other legal risks.

The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in AlpInvest's and its Advisory Clients' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors in a Fund or Separate Account (as well as their ultimate beneficial owners, control persons and authorized representatives), employees, GPs, and portfolio companies.

A cybersecurity incident or data privacy breach could have numerous material adverse effects, including on the operations, liquidity and financial condition of an Advisory Client. Cyber threats and/or incidents could cause financial costs from the theft of Advisory Client assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to: regulatory intervention or fines (including under proposed SEC rules and the

GDPR as discussed below), litigation costs, preventative and protective costs, remediation costs, costs of responding to regulatory inquiries settlement costs, compliance costs, and costs associated with reputational damage, any one of which could be materially adverse to an Advisory Client. In addition, AlpInvest may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction or litigation. Such an incident could harm AlpInvest's or an Advisory Client's reputation, or that of an Underlying Fund or portfolio company, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and performance. The costs related to cyber or other security threats or disruptions or data privacy breaches may not be fully insured or indemnified by other means.

Similar types of operational and technology risks are also present for GPs and their Underlying Funds and portfolio companies, as well as service providers to AlpInvest, Advisory Client, GPs, and Underlying Funds and portfolio companies, which could have material adverse consequences for such entities, and may cause them to lose value. If such party fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of any Advisory Client and personally identifiable information of the investors (and beneficial owners thereof) may be lost or improperly accessed, used or disclosed.

An Advisory Client and its portfolio investments cannot make any prediction of specific scenarios with respect to COVID-19, and risk management and contingency plans such Advisory Client and its portfolio investments have implemented may not adequately protect its business from such events. An extended period of remote work arrangements could strain an Advisory Client's or its portfolio investments' business continuity plans, introduce operational risk, including but not limited to cybersecurity risks, and impair an Advisory Client's or the portfolio investments' ability to manage its business. The business operations of an Advisory Client and its portfolio investments could be significantly disrupted if its critical workforce, key vendors, third-party suppliers or counterparties with whom an Advisory Client or its portfolio investments, as applicable, transact are unable to work effectively, including because of illness, quarantines, government actions in response to COVID-19, disruptions in access to remote working capabilities, including as a result of internet service outages, or other reasons. An Advisory Client and its portfolio investments may outsource certain critical business activities to third parties. As a result, an Advisory Client and its portfolio investments may rely upon the successful implementation and execution of the business continuity planning of such entities in the current environment. Successful implementation and execution of business continuity strategies by these third parties are largely outside an Advisory Client's and its portfolio investments' control. If one or more of the third parties to whom an Advisory Client or its portfolio investments outsource certain critical business activities experience operational failures as a result of the impacts from the spread of COVID-19 or due to other pandemics, or claim that they cannot perform due to a force majeure, it could cause a material adverse effect on the business, financial condition, results of operations and cash flows of an Advisory Client and its portfolio investments.

Political Activities

A GP or a portfolio company of an Underlying Fund may, in the ordinary course of its business, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists or engage in other permissible political activities in the U.S. and/or

non-U.S. jurisdictions with the intent of furthering its business interests or otherwise. GPs and such portfolio companies are generally not considered affiliates of AlpInvest (and are not controlled by AlpInvest), and therefore such activities are not subject to relevant policies of AlpInvest and may be undertaken by a GP or portfolio company without the knowledge or direction of AlpInvest. In other circumstances, there may be initiatives where such activities are coordinated by AlpInvest for the benefit of certain portfolio companies. The interests advanced by a GP or portfolio company through such activities may, in certain circumstances, not align with or be adverse to the interests of other GPs and other portfolio companies, the Advisory Client and/or its investors. While the costs of such activities will typically be borne by the portfolio companies undertaking such activities (and indirectly their investors such as an Advisory Client), such activities may also directly or indirectly benefit other portfolio companies, other Advisory Clients and/or AlpInvest. There can be no assurance that any such activities will be successful in advancing the interests of a GP, portfolio company or otherwise benefit such GP, portfolio company or the Advisory Client (as the case may be).

Social Unrest

Recent events concerning discrimination, race relations and inequality have led to protests, demonstrations, marches and other forms of political and social activism on a local, regional, national and international level as well as rioting in some instances. Such activism, which has ranged from peaceful to in some instances, violent, has resulted in curfews, the deployment of the national guard and other local and national interference, and could lead to increased political and social volatility and uncertainty, which was already heightened in wake of COVID-19. While the overall effect of such activism remains unknown, investors should note that this type of volatility and uncertainty could materially and adversely impact an Advisory Client's investments.

Risks Relating Environmental, Social and Governance Matters

AlpInvest has integrated environmental, social or governance (“ESG”) into its responsible investment (“RI”) standards; however, ESG are only one of the many factors AlpInvest will consider in making an investment. Considering ESG qualities when evaluating a GP or portfolio company may result in the selection or exclusion of certain investments based on AlpInvest's view of certain ESG-related and other factors, and carries the risk that AlpInvest may underperform relative to those private equity investors that do not take ESG-related factors into account because the market may ultimately have a different view of a particular Underlying Fund's or portfolio company's performance than that anticipated by AlpInvest. Further, the application of RI standards for a particular Advisory Client will be subject to the requirements of the agreements governing such Advisory Client and may vary across Advisory Clients. Terms such as “Responsible Investment,” “ESG,” “impact,” and “sustainability” can be subjective in nature, and there is no assurance that these terms, as used by AlpInvest, or judgment exercised by AlpInvest or its affiliates or advisors in the application of these terms, will reflect the beliefs or values, policies, principles, frameworks, or preferred practices of any particular investor or other third-party, or reflect market trends. Accordingly, RI standards can vary and AlpInvest's application of RI standards may be different from those of a GP, portfolio company, or investor.

AlpInvest primarily engages with GPs and portfolio companies to promote improved responsible investment standards and adoption of responsible investment policies (including the incorporation

of ESG into the GP's investment standards, as well as its reporting to investors). There is no assurance that AlpInvest's efforts will assist GPs and portfolio companies in successfully implementing policies and standards that create positive ESG impact while enhancing long-term value and achieving desired financial returns for investors. Successful engagement efforts on the part of AlpInvest will depend on AlpInvest's skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful.

Consideration of ESG factors may affect AlpInvest's exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact the Adviser's performance depending on whether such investments are in or out of favor. Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by AlpInvest or any judgment exercised by AlpInvest will reflect the beliefs or values of any particular investor. In evaluating a GP, an Underlying Fund or company, AlpInvest is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause AlpInvest to incorrectly assess a GP's or company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a GP's or company's ESG-related practices or AlpInvest's assessment of such practices may change over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. AlpInvest's ESG policies could become subject to additional regulation in the future, and AlpInvest cannot guarantee that its current approach will meet future regulatory requirements.

Climate Change Risk

An Advisory Client 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 business and operations of an Advisory Client's portfolio investments. 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, the portfolio investments of an Advisory Client may be vulnerable to the following, which can adversely impact its value: (i) risks of property damage; (ii) indirect financial and operational impacts from disruptions to the operations from severe weather; (iii) 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 a business is located, resulting in lower than expected demand for the products and services of such business; (iv) increased insurance claims and liabilities; increase in energy costs impacting operational returns; (v) changes in the availability or quality of water, food or other natural resources on a business depends; (vi) 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); (vii) incorrect long-term valuation of a business due to changing conditions not previously anticipated at the time of the investment; and (viii) other economic disruptions

arising from the foregoing. Further, Underlying Funds are generally expected to be subject to similar risks with respect to their own portfolio investments.

AlpInvest and issuers in which Advisory Clients invest face a number of risks associated with climate change, including both transition and physical risks. The transition risks that could impact AlpInvest and the issuers include those risks related to the impact of U.S. and foreign climate and ESG-related legislation and regulation, as well as risks arising from climate-related business trends. Moreover, Advisory Clients' portfolio investments are subject to risks stemming from the physical impacts of climate change.

New climate change-related regulations or interpretations of existing laws may result in enhanced disclosure obligations that could negatively affect AlpInvest and issuers in which an Advisory Client invest companies and also materially increase AlpInvest's regulatory burden. Increased regulations generally increase the costs to AlpInvest, an Advisory Client and the issuers, and those higher costs may continue to increase if new laws require additional resources, including spending more time, hiring additional personnel or investing in new technologies. Moreover, significant increases in regulatory compliance expenses may negatively impact an Advisory Client and the issuers. In particular, compliance with climate- and other ESG-related rules in the European Union (the "EU") is expected to result in increased legal and compliance costs and expenses, which would be borne by AlpInvest and an Advisory Client and/or the issuers. In addition, the issuers could face transition risk if carbon-related regulations or taxes are implemented.

Risks of Third-Party Service Providers

Certain of AlpInvest's or an Advisory Client's operations interface with and/or depend on third parties selected by AlpInvest, including an Advisory Client's administrator or other service providers, and AlpInvest may not be in a position to verify the risks or reliability of such third parties. An Advisory Client may suffer adverse consequences from actions, errors or failure to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them. The costs, fees and expenses associated with the provision of such services by third-party service providers will generally be borne by an Advisory Client instead of its general partner or AlpInvest, thereby increasing the expenses borne by such Advisory Client's investors. GPs and their Underlying Funds and portfolio companies are subject to similar risks, which could have material adverse consequences for such entities, and may cause them to lose value.

Risk of Misconduct of AlpInvest Personnel or Third-Party Service Providers

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and there is a risk that employee misconduct could occur with respect to AlpInvest. Misconduct by personnel or by third-party service providers could cause significant losses to an Advisory Client. Such misconduct could include, among other things, binding an Advisory Client to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses), or otherwise charging (or seeking to charge) inappropriate expenses to an Advisory Client or AlpInvest. In addition, personnel and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including

limiting the Advisory Client's business prospects or future activities. Furthermore, because of AlpInvest's diverse businesses and the regulatory regimes under which they operate, misdeeds by an AlpInvest entity (or its personnel) may result in foreclosing an Advisory Client's ability to conduct its activities in the manner otherwise intended. It is not always possible to deter misconduct by personnel or service providers, and the precautions AlpInvest takes to detect and prevent this activity may not be effective in all cases.

GPs and their Underlying Funds and portfolio companies are subject to similar risks, which could have material adverse consequences for such entities, and may cause them to lose value.

Risks Resulting from a Failure to Make Capital Contributions

If an investor fails to pay when due installments of its commitment or other of its payment obligations to an AlpInvest-sponsored investment vehicle when due, and the capital contributions and/or other payments made by non-defaulting investors and borrowings by such investment vehicle are inadequate to cover the defaulted capital contribution, an AlpInvest-sponsored investment vehicle may be unable to pay its obligations when due. As a result, such investment vehicle may be subjected to significant penalties that could materially adversely affect the returns to the investors (including non-defaulting investors). If an investor defaults, it may be subject to various remedies as provided in the governing documents of an Advisory Client, including, without limitation, a forfeiture of its interests therein, preclusion from further investment in the Advisory Client and participation in further investments by the Advisory Client, reductions in its capital account balance and a forced sale of its interest therein at a discount. The general partner of the Advisory Client may, subject to certain limitations, require an additional funding of capital contributions from the non-defaulting investors to fund the shortfall caused by a defaulting investor. A default by an investor may also limit the Advisory Client's ability to incur borrowings and avail itself of what would otherwise have been available credit. Investors in an Advisory Client may be controlled by AlpInvest, to the effect that AlpInvest controls whether the investor funds required capital contributions or other payments to an Advisory Client. To the extent such an investor does not so fund required capital contributions or other payments, AlpInvest may elect not to impose default remedies under the governing documents of the Advisory Client. If any failure to fund relates to the actions or inactions of a third-party investor in such investor, AlpInvest may elect to impose default remedies under the governing documents of such investor in lieu of at the Advisory Client.

Investors in an Advisory Client may include other AlpInvest-sponsored or Carlyle-sponsored investment vehicles. It is not expected that any default remedies under such Advisory Client's governing agreement will be imposed on any such other AlpInvest or Carlyle-sponsored investment vehicle where AlpInvest or Carlyle is in control of whether such other investment vehicle funds the required capital contributions and/or other payments.

Market Risks

The success of an Advisory Client's activities will be affected by the continued economic volatility as well as general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in tax and applicable laws and regulations (including laws relating to taxation of an Advisory Client's investments), trade barriers

consumer spending patterns, currency exchange controls, continued technology disruption, tax reform or other significant policy changes as well as national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts, security operations or public health considerations). In addition, there exists material uncertainty in the global banking markets, and there can be no assurance that banks (including banks with which AlpInvest, the Advisory Client or portfolio companies have business relationships) will not suffer adverse effects.

AlpInvest invests in developed and emerging/frontier markets so its investments are affected by macroeconomic and geopolitical developments, such as changes in interest rates, exchange rates, availability of credit, inflation rates, and economic uncertainty, as well as changes in government policies and regulations. These factors may affect the level and volatility of prices and liquidity of the securities and other assets held by Advisory Clients and the Underlying Funds. Unexpected volatility or liquidity could impair a Fund's or an Underlying Fund's profitability or result in losses to an Advisory Client.

Market turmoil such as that recently experienced by the United States and global financial markets as a result of the COVID-19 pandemic, and such as markets endured during the global financial crisis of 2008 and recent collapses of financial companies including crypto-currency companies, illustrates the risk that the financial markets can experience uncertainty, volatility and instability, potentially for protracted periods of time. Lending and the global credit markets continue to experience substantial volatility, disruption, liquidity shortages and, to some extent, financial instability. Global financial markets have experienced considerable and prolonged declines in the valuations of equity and debt securities and periodic acute contraction in the availability of credit. There can be no assurances that conditions in the United States and global financial markets will not worsen and/or adversely affect one or more of an Advisory Client's investments, its access to capital or leverage (including such portfolio companies' ability to access cash for immediate needs including payroll and expenses), its ability to effectively deploy its capital or realize investments on favorable terms or its overall performance.

Recent events in the U.S. and European banking sectors have caused uncertainty for financial services companies, and fear of instability in the global financial system generally. On March 10, 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation and the Federal Deposit Insurance Corporation ("FDIC") was appointed as receiver. On March 12, 2023, Signature Bank ("Signature") was closed by New York State Department of Financial Services and the FDIC was appointed as receiver. On the evening of March 12, 2023, Secretary of the Treasury Janet L. Yellen, Federal Reserve Board Chair Jerome H. Powell, and FDIC Chairman Martin J. Gruenberg released a joint statement (the "Joint Statement") assuring that depositors at SVB and Signature will be made whole, and any losses to the FDIC's Deposit Insurance Fund used to support depositors above the FDIC-insured limit will be recovered by a special assessment on banks.

Notwithstanding the Joint Statement, there is no guarantee that all uninsured depositors at SVB and/or Signature will be made whole or, even if made whole, the timing in which deposits will be available for withdrawal. In addition, other financial institutions – in particular smaller and/or regional banks – have experienced volatile stock prices and significant losses in their equity value, and there is a fear that depositors at these institutions have withdrawn, or may withdraw in the

future, significant sums from their accounts at these institutions. Should that or similar extraordinary events occur, there is risk that one or more of these smaller and/or regional banks, or other financial institutions, may be similarly impacted. Should additional banks be seized by U.S. bank regulators, there is no assurance that the FDIC will guarantee uninsured depositors at any other financial institution. Even without additional bank closures, uncertainty caused by recent bank failures – and general concern regarding the financial health and outlook for other financial institutions – could have an overall negative effect on banking systems and financial markets generally. The recent developments may also have other implications for broader economic and monetary policy, including interest rate policy.

SVB and Signature provide significant banking services to the private equity and real estate industries. It is not currently known whether, and to what extent, SVB or Signature are able to honor new draw requests under their existing credit facilities in which they are the sole or syndicate lender. While SVB and Signature have funded certain of their outstanding loan commitments, there can be no assurance that this will continue. To the extent SVB, Signature and/or any other financial institution default on their obligation to fund their loan commitments, in the short term the business operations of their borrowers may be limited or suspending due to the lack of liquidity. And in the longer term, such borrowers may look to refinance away from defaulting lenders, which may introduce additional or new risks to these institutions. Given the magnitude of SVB's and Signature's loan portfolios, there can be no guarantee that other financial institutions have the capacity to provide replacement financing in a timely manner, if at all.

Simultaneously with the recent events in the U.S. banking sector, as a result of depositary outflows and other existential issues, the Swiss Financial Market Supervisory Authority intervened in the collapse of Credit Suisse Group AG ("Credit Suisse"), one of the global systemically important banks, brokering its partial sale to UBS Group AG on March 19, 2023. There is a risk that other financial institutions could undergo significant depositary outflows as a result of contagion disconnected from market fundamentals or for other reasons, and it is unclear what steps regulators would take, if any, in the event of further bank closures or continuing (or increasing) market distress.

In addition, some of an Advisory Client's investors, Underlying Funds, portfolio companies, and/or transaction counterparties may bank with, or otherwise have exposure to, SVB, Signature, Credit Suisse, or other smaller and/or regional banks. To the extent any such parties' operations are impacted by SVB, Signature, Credit Suisse, or any other financial institution that may be seized or fail, their ability to conduct their business activities in the ordinary course may be significantly restricted. For example, Underlying Funds or portfolio companies may be delayed or prevented from making any required payments under their own debt or other contractual obligations, and for limited partners their ability to honor capital calls and/or receive distributions may be similarly impacted. Any such events, in turn, may impact an Advisory Client's operations.

Interest Rate Risks

Changes in interest rates may adversely affect an Advisory Client's underlying investments and changes in the general level of interest rates can affect such Advisory Client's income by affecting the spread between the income on its assets and the expense of its interest-bearing liabilities, as well as, among other things, the value of its interest-earning assets, the capitalization rate at which

its assets are valued in the market and its ability to realize gains from the sale of assets. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the general partner of the Advisory Client or AlpInvest. Any deterioration of the global debt markets, any possible future failures of financial services companies and/or a significant rise in market perception of counterparty default risk, interest rates and/or taxes may adversely affect the Advisory Client's ability to generate attractive risk-adjusted investment returns. In order to seek to reduce the interest rate risk inherent in an Underlying Fund's investment portfolio and capital structure, an Underlying Fund may enter into interest rate transactions, including but not limited to, interest rate swaps and caps. Depending on the state of interest rates in general, an Underlying Fund's use of interest rate transactions could enhance or harm the overall performance of the Underlying Fund, which in turn may impact the overall performance of an Advisory Client.

The London Inter-Bank Offered Rate ("LIBOR") and certain other interest rate "benchmarks" are the subject of recent national, international, and other regulatory guidance and proposals for reform. Most LIBOR settings are now transitioned to alternative near risk-free rates ("RFRs") (but not all). This followed an announcement in 2017 by the UK Financial Conduct Authority that the sustaining of LIBOR by the expert judgement of panel banks could not continue indefinitely, initiating the process to transition LIBOR to the RFRs.

Beginning January 1, 2022, most LIBOR settings ceased to be published. The remaining, most liquid US dollar LIBOR settings are no longer published following June 30, 2023 (though use of US dollar LIBOR in most contracts entered into after December 31, 2021, is also restricted). On November 16, 2021, the Financial Conduct Authority ("FCA") confirmed it will allow the temporary use of 'synthetic' sterling and yen LIBOR rates in all legacy LIBOR contracts (other than cleared derivatives) denominated in the relevant currencies until the end of 2022. This followed the announcement by the FCA on September 29, 2021, of its decision relating to a fair, transparent and appropriate way of calculating synthetic LIBOR, for the purposes of approximating what LIBOR might have been had it not been subject to permanent cessation and therefore remained available for use by market participants in their contracts.

For the most part, it is expected that many new financing arrangements entered into by an Advisory Client, its affiliates or its portfolio companies will therefore likely reference an RFR as the applicable interest rate. The RFRs are conceptually and operationally different from LIBOR: for example, overnight rate RFRs may only be determinable on a 'backward' looking basis and therefore are only known at the end of an interest period, whereas LIBOR is a 'forward' looking rate. Moreover, certain RFRs (such as SOFR for U.S. dollar debt) are not well established in the market, and all RFRs remain novel in comparison to LIBOR, which has only recently been discontinued as described above. As a consequence, there remains some uncertainty as to what the economic, accounting, commercial, tax and legal implications of the use of RFRs will be and how they will perform over significant time periods, particularly as market participants are still becoming accustomed to the use of such benchmarks. Accordingly, it is still possible that the use of RFRs may have an adverse effect on Advisory Clients (and their investors).

AlpInvest anticipates that credit facilities of its Advisory Clients to have transitioned to refer only to RFRs and would expect any portfolio company an Advisory Client invests in to do the same

prior to June 30, 2023, in relation to its own financing arrangements. Advisory Clients may continue to have exposures to LIBOR either directly through amounts it borrows under their credit facilities or indirectly through their investments in portfolio companies.

There may be difficulties with transitioning an existing financing arrangement from LIBOR to the applicable RFR. Such difficulties could adversely impact an Advisory Client and therefore its investors. The potential impact of wider conceptual and operational differences between LIBOR and RFRs, as described above, would also likely apply to remediation of these contracts in due course. In addition, higher borrowing costs may apply to an Advisory Client's and/or its Portfolio Company's (as applicable) financing arrangements following the transition to RFRs.

Therefore, prospective investors should be aware that the Advisory Client is likely to bear (directly and, through the exposures of its portfolio companies, indirectly) additional costs and expenses in relation to LIBOR discontinuation and the use of RFRs. Given the relative novelty of the use of RFRs in financial markets (as discussed in further detail above), the exact impact of the use of the RFRs remains to be seen. Further, to the extent that an Advisory Client, an affiliate or a portfolio company does enter into a LIBOR-linked financing arrangement, there may be further costs or other adverse effects incurred by the Advisory Client in relation to remediation of these to RFRs in due course.

Coronavirus and Public Health Emergencies

The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global ramifications of the outbreak have been rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, vaccine mandates, prohibitions on travel, the closure of offices, businesses, factories, schools, retail stores, restaurants, hotels, courts and other public venues, vaccine mandates (*e.g.*, for certain public sector employees) and other restrictive measures designed to help slow the spread of COVID-19. Certain countries and regions have at times implemented a “dynamic COVID zero” or strict containment policy, and may continue to, impose and lift lockdown measures with limited notice and with uncertain durations (such as the lockdowns of Beijing and Shanghai). Such measures have at times been, and may continue to be, imposed and lifted with limited notice and with uncertain durations. Businesses have at different times and to different degrees also implemented similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, have created and may continue to create significant disruption in the global public and private markets, supply chains and economic activity and are especially impactful on transportation, hospitality, tourism, entertainment, healthcare, consumer and other industries. In particular in certain nations and localities, governments and businesses have taken, and may continue to take increasingly aggressive measures to help slow the spread of COVID-19. For this reason, among others, as COVID-19 has and could in the future continue to spread throughout the world, resulting in adverse market impacts, including a global, regional or other economic recession, the likelihood of an ongoing and/or exacerbated impact is uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, respiratory syncytial virus, other coronavirus, Ebola virus, or other existing or new epidemic

diseases, or the threat thereof, could negatively impact an Advisory Client and its portfolio companies and could meaningfully affect an Advisory Client's ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on an Advisory Client and its portfolio investments' operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency (as well as the availability of effective treatment and/or vaccination), the extent of any related travel advisories and voluntary or mandatory government or private restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that has come as a result of COVID-19 has and may continue to contribute to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands. The impact of these global supply chain constraints may not fully be reflected until future periods and may have an adverse impact on an Advisory Client and its portfolio companies at a future point when COVID-19 may not be as prevalent in the public. For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may negatively impact the value and performance of portfolio investments, Advisory Client's ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and the Advisory Client's ability to achieve its investment objectives, all of which could result in significant losses to the Advisory Client. In particular, a public health emergency like COVID-19 may have a greater impact on leveraged assets. Any such disruptions may continue for an extended period of time. The full impacts of the pandemic on markets, business activity and the global economy, as well as the effects of changes in economic, monetary and fiscal policies of the U.S. and/or other countries that have been adopted and may in the future be adopted to address the current pandemic or the possibility of a similar future event, price shocks and related externalities, are not yet fully identified or understood and the situation continues to evolve. In implementing an Advisory Client's investment strategy, AlpInvest will make a number of assumptions, including as to the severity of the consequences of COVID-19 to the economies in Asia and the global economy as well as prospective portfolio companies. There can be no assurances that such assumptions will be correct and unexpected events and developments, including the severity of the pandemic on economies and specific portfolio companies, may be detrimental to an Advisory Client and its investments.

The operations of an Advisory Client, the portfolio investments, and AlpInvest may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings (including office attendance), forwarding of and otherwise delayed receipt of mail, and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity, and other factors related to a public health emergency, including its potential

adverse impact on the health of the personnel of any such entity, including possibly the key executives, or the personnel of any such entity's key service providers and the volatility in the labor, transport, energy and other markets resulting from or otherwise linked to the relaxation of related quarantine measures, meeting and travel restrictions. Additionally, restrictions on immigration and processing of visas and other work permits may affect the work force of an Advisory Client's portfolio companies, some of which may rely on foreign talent as an important part of its work force and which could have a material adverse impact on their ability to implement their business plans. The impact to businesses in such circumstances has been and is expected to continue to be substantial. In addition, multiple jurisdictions have adopted, or are considering to adopt, vaccine mandate legislation or regulations that require certain public sector employees and/or private sector employees to obtain vaccines (subject to certain exceptions, which vary per jurisdiction). Employee attrition and turnover resulting from such mandates could adversely affect, both directly and indirectly, the business operations of an Advisory Client's portfolio companies that operate within those jurisdictions (e.g., by requiring them to discontinue their employment of critical personnel who are not vaccinated).

In connection with the impacts of any future such public health crisis, an Advisory Client is expected to incur heightened legal expenses which could similarly have an adverse impact to such Advisory Client's returns. For example, but not by limitation, an Advisory Client or its portfolio investments may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by an Advisory Client and/or its portfolio investments. There is also a heightened risk of cyber and other security vulnerabilities during any future public health emergency, which could result in adverse effects to an Advisory Client or the portfolio investments in the form of economic harm, data loss or other negative outcomes.

While the U.S. Food and Drug Administration and other similar regulators globally have approved COVID-19 vaccines and these vaccines are currently available to the general public in the United States and in many non-U.S. jurisdictions, a substantial proportion of the U.S. population and other jurisdictions has, despite the availability of vaccines, not been vaccinated, which could prolong the global the effects of COVID-19. In addition, the vaccines have been found to be less than 100 percent effective and to have waning effectiveness within an extended period of time following inoculation, which means a portion of the population that receives such vaccinations is less than fully protected against the disease and may still experience symptoms, hospitalization, or death (and be contagious to others even if asymptomatic). Furthermore, such vaccines (even among individuals who have received one or more "booster" vaccinations) have shown the vaccines appear to have reduced efficacy against certain existing and emerging variants of COVID-19, and emerging variants may continue to be more transmissible or deadly than existing variants of COVID-19. Other jurisdictions have and may in the future encounter similar issues with respect to COVID-19 vaccines, including with respect to the "delta" and "omicron" variants, and emerging variants may continue to be more transmissible or deadly than existing variants of COVID-19. COVID-19 is likely to continue to affect the economy generally, and its economic impact may affect an Advisory Client and such Advisory Client's ability to achieve its investment objectives to a degree that is not currently known, given the situation continues to evolve.

Market Conditions and Opportunities

An Advisory Client's strategy may in some investments be based, in part, upon the premise that businesses and assets will be available for purchase by the Advisory Client at prices that the general partner of the Advisory Client considers favorable. Furthermore, the Advisory Client's strategy relies, in part, upon the availability of investment opportunities, the continuation of existing market conditions or, in some circumstances, upon more favorable market conditions or anticipated investment opportunities existing prior to the termination of the term of such Advisory Client.

These conditions and opportunities may include, among others, continued growth in gross domestic product or foreign investment in or privatizations by a particular country, the existence of consolidation opportunities in a particular industry, the continuation of certain existing laws, regulations or government policies, divestiture by or other restructurings of conglomerates in certain countries or the continuation of certain unemployment, inflation, demographic and other trends. No assurance can be given that such conditions or opportunities will arise or continue, as applicable, or that businesses and assets can be acquired or disposed of at favorable prices or that the market for such assets will either remain stable or, as applicable, recover or improve, since this will depend upon events and factors outside the control of the general partner of the Advisory Client. Growth rates and other trends do not imply, forecast or predict future results.

Uncertain Geopolitical Events

International and/or local geopolitical events are likely to influence the issuers of, and markets for, instruments traded by Advisory Clients. Geopolitical events, including, without limitation, national referenda, political elections, international violent and non-violent conflicts, political movements and reactions to national and international emergencies, can affect monetary policy, fiscal policy, international relations, currency valuations, legal systems and regulatory regimes, among numerous other things, in ways that could impact the Advisory Clients and/or their ability to operate and/or pursue their respective investment strategy.

On February 21, 2022, Russian President Vladimir Putin ordered the Russian military to invade two regions in eastern Ukraine (the Donetsk People's Republic and Luhansk People's Republic regions). On February 22, 2022, the United States, the United Kingdom, and the European Union announced sanctions against Russia. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine, including Russia's forces pre-positioned in Belarus. In response, the United States, United Kingdom, European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus, as well as a number of Russian oligarchs. Additional sanctions, export controls, and other measures continue to be adopted as the conflict continues. For example, in September and October of 2022, following the purported annexation by Russia of four territories of Ukraine, several nations imposed additional sanctions, export controls, and other measures against Russia and those outside of Russia that provided political or economic support for the purported annexation. Russia's invasion of Ukraine, the resulting displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on the economy and business activity globally (including in the countries in which an Advisory Client's capital is invested), and

therefore could adversely affect the performance of an Advisory Client's investments. Furthermore, given the ongoing nature of the conflict between the two nations and its ongoing escalation (such as Russia's recent decision to place its nuclear forces on high alert and the possibility of significant cyberwarfare against military and civilian targets globally), it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to Advisory Clients and the performance of their investments or operations, and the ability of Advisory Clients to achieve their investment objectives.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes (including new interpretations of existing laws and regulations) could occur during the term of a Fund or an Advisory Client's managed account mandate that may adversely affect such Fund or other Advisory Client. The regulatory environment for private investment funds continues to evolve, and changes in the regulation of private investment funds may adversely affect the value of investments held by an Advisory Client and the ability of such Advisory Client to effectively employ its investment and trading strategies. Increased scrutiny and proposed legislation applicable to private investment funds and their sponsors may also impose significant administrative burdens on AlpInvest and may divert time and attention from portfolio management activities. Prospective investors in any Advisory Client should note that the outcome of the presidential and other elections creates uncertainty with respect to legal, tax and regulatory regimes in which an Advisory Client and its portfolio investments, as well as AlpInvest and its affiliates, will operate. In addition to the proposed legislation and regulations described below, any significant changes in, among other things, economic policy (including with respect to interest rates), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on an Advisory Client and its investments. Litigation in the United States regarding whether broadly syndicated loans are subject to U.S. state and federal securities laws could have a material impact on loans, syndicated loans, securities, and related markets, which in turn could have a material adverse impact on an Advisory Client's investment portfolio.

There is a material risk that regulatory agencies in the United States, Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity industry (including public or private markets), or other changes that could adversely affect investment firms and the funds they sponsor, including an Advisory Client. For example, the interest payments on the indebtedness used to finance investments by Underlying Funds have historically been deductible expenses for income tax purposes, subject to limitations under applicable tax law and policy. Any change in such tax law or policy to eliminate or substantially limit these income tax deductions, as has been discussed from time to time in various jurisdictions, would reduce the after-tax rates of return on the affected investments, which may have an adverse impact on the financial results of affected Advisory Client investments. In addition, and in particular in light of the changing global regulatory climate, Advisory Clients may be required to register under certain foreign laws and regulations, and need to engage distributors or other agents in certain non-U.S. jurisdictions in order to market to potential investors, which may generally limit an Advisory Client's ability to raise capital and/or increase the costs and expenses borne by the investors in such Advisory Clients. Furthermore, the OECD, as defined below, has proposed

changes to numerous long-standing principles through its base erosion and profit shifting project (“BEPS”). Several of the proposed measures, including measures covering treaty abuse, the deductibility of interest expense, local nexus requirements, transfer pricing and hybrid mismatch arrangements are potentially relevant to investment structures and could have an adverse impact on an Advisory Client and its investors. In addition to BEPS, the European Union has adopted the Anti-Tax Avoidance Directive that addresses many of the items of BEPS, including hybrid mismatch rules and interest deduction limitations, which such rules could have an adverse tax impact on Advisory Clients and their investors. The OECD is also leading work on proposals based on two “pillars” involving the reallocation of taxing rights and a new global minimum corporate tax which, if implemented, could fundamentally change the international tax system.

As an SEC-registered investment adviser, AlpInvest is required to comply with a variety of periodic reporting and compliance-related obligations under applicable federal and state securities laws (including, without limitation, the obligation of AlpInvest and its affiliates to make regulatory filings with respect to the Advisory Clients and its activities under the Advisers Act (including, without limitation, Form ADV or Form PF)). Relatedly, Carlyle may be required to provide certain information regarding some of the investors in the Advisory Clients to regulatory agencies and bodies in order to comply with applicable laws and regulations. In light of the heightened regulatory environment in which AlpInvest and the Advisory Clients operate and the ever-increasing regulations applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for AlpInvest and its affiliates and the Advisory Clients to comply with such regulatory reporting and compliance-related obligations.

These changes and any further increases in the regulations applicable to private investment funds generally, or an Advisory Client and/or AlpInvest in particular, some of which are further described below, may result in increased expenses, which may be material, associated with the Advisory Client’s activities and additional resources of AlpInvest being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for such Advisory Client’s investors and/or have an adverse effect on the ability of such Advisory Client to effectively achieve its investment objective.

On August 23, 2023, the SEC adopted previously proposed new rules and amendments to existing rules (collectively, the “Private Funds Rules”) under the Advisers Act specifically related to advisers of private funds. The Private Funds Rules will impose new and substantial requirements on advisers and the private funds they advise, including with respect to quarterly reporting, restricted activities, preferential treatment of investors, audit requirements, adviser-led secondaries and annual compliance reviews. The Private Funds Rules, in addition to any other new rules adopted by the SEC, are expected to significantly impact the business of AlpInvest and its affiliates, Advisory Clients and/or Advisory Client investments. Considering the Private Funds Rules and under certain circumstances, AlpInvest may be restricted or refrain from providing information regarding an Advisory Client in response to investor requests, and AlpInvest may be required to circulate to all investors in a Fund any preferential treatment terms (*e.g.*, side letter terms) without regard to any most favored nation provision. This may ultimately impact AlpInvest’s decisions with respect to agreeing to certain preferential rights.

The Private Fund Rules include certain audit requirements, which may require AlpInvest to select a different auditor or obtain an additional audit, even if AlpInvest does not believe it is in the best

interest of the relevant Fund or its investors to do so. Further, many provisions of the Private Funds Rules require AlpInvest to make a variety of subjective determinations as to whether and how such rules apply to Advisory Clients and AlpInvest's related obligations. AlpInvest will face conflicts of interest in making such determinations, including with respect to whether certain fees and expenses may be charged to a Fund, whether certain provisions may have a material negative impact on certain investors and whether certain allocations are fair and equitable. AlpInvest's and a Fund's compliance burdens and associated costs including, without limitation, insurance expenses are also expected to increase. AlpInvest also will be subject to increased risk of exposure to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance as a result of the Private Fund Rules, and any noncompliance or perceived noncompliance with such rules may negatively impact an Advisory Client's reputation as well as its investment activities, thereby materially reducing returns to investors.

Several trade groups representing private fund managers have filed a legal challenge to the Private Fund Rules and other legal challenges to the Private Fund Rules may be forthcoming. Regardless of the outcome of these lawsuits, the implementation of these new rules is expected to create additional burdens for advisers to private funds. There can be no assurance that the Private Fund Rules and any other new SEC rules and amendments will not have a material adverse effect on AlpInvest and its affiliates, Advisory Clients, Advisory Client investments and/or investors.

The SEC has also recently proposed other new rules and rule amendments under the Advisers Act in relation to: ESG categorization and reporting for private fund advisers; the safeguarding of client assets (which would amend and redesignate the existing Custody Rule); the outsourcing of certain functions by advisers to service providers; cybersecurity risk governance for advisers and broker-dealers; changes to Regulation S-P, which addresses privacy and breach notification requirements for certain covered institutions, including advisers (collectively, the "SEC Proposals").

The SEC Proposals, if adopted, may result in material alterations to how AlpInvest operates its business, as well as AlpInvest's implementation of the Advisory Client's investment strategy, and there can be no assurance that such alterations will not have a material adverse effect on AlpInvest, its Advisory Clients and Advisory Clients' general partners, investments and/or investors. In particular, the SEC Proposals, including with modifications, could have a significant effect on registered investment advisers, including those to private funds, such as AlpInvest, and their operations, including increasing compliance burdens and associated regulatory costs; increasing litigation risk; increasing the risk of regulatory action, including public regulatory sanctions; increasing the cost and availability of reporting; and reducing the availability of service providers and/or increasing the costs associated with obtaining and maintaining relationships with service providers for AlpInvest and its Advisory Clients. Further, we note that in connection with the Private Funds Rules and the SEC Proposals, if such proposals were to be enacted, they could also significantly increase the cost of insurance, specifically D&O and E&O insurance, or may even make such insurance coverage unavailable, and reduce the number of service providers and counterparties available to AlpInvest and its Advisory Clients. To the extent permitted under the governing documents of an Advisory Client, the incremental costs of compliance by AlpInvest, the general partner of such Advisory Client and/or such Advisory Client with any new SEC rules, including without limitation the SEC Proposals, may be borne by the Advisory Client, which may be significant.

Additionally, in light of controversies and highly publicized incidents involving money managers, a number of states and municipal pension plans adopted so-called “pay-to-play” laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation with respect to a government plan investor for two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. AlpInvest is subject to Carlyle’s policies and procedures to account for these pay-to-play laws, regulations or policies, and to comply with the New York Attorney General’s Public Pension Fund Reform Code of Conduct (the “Pension Fund Reform Code”), which governs Carlyle’s interactions with U.S. public pension funds. If AlpInvest, the general partner of an Advisory Client or their associated employees or affiliates fail to comply with the Pension Fund Reform Code or such pay-to-play laws, regulations or policies, such non-compliance could have an adverse effect on an Advisory Client by, for example, providing the basis for the withdrawal of the affected government plan investor.

Impact of Certain Tax Legislation and Potential Tax Reform

Changes in tax laws or interpretation of such laws, which changes may be significant, may be adverse to an Advisory Client and its investors.

AlpInvest’s ability to achieve the investment objectives of each Advisory Client depends to a substantial degree on its ability to retain and motivate its investment professionals and other key personnel, and to recruit talented new personnel. AlpInvest’s ability to recruit, retain and motivate its professionals is dependent on its ability to offer highly attractive incentive compensation, and such compensation may be impacted by changes in tax legislation. U.S. federal income tax law currently imposes a three-year holding period requirement for carried interest to be treated as long-term capital gain. This carried interest holding period requirement may result in some carried interest being treated as ordinary income, which would increase the amount of taxes that AlpInvest’s employees and other key personnel could be required to pay. Further, Congress has previously considered legislation that would treat carried interest as ordinary income for U.S. federal income tax purposes. Enactment of this legislation could cause AlpInvest’s investment professionals to incur a material increase in their tax liability with respect to their entitlement to carried interest. In addition, other countries could clarify or modify their tax treatment of carried interest. This might make it more difficult for AlpInvest to incentivize, attract and retain these professionals, which may have an adverse effect on AlpInvest’s ability to achieve the investment objectives of the Advisory Clients. In addition, this can create a conflict of interest as the tax position of AlpInvest may differ from the tax positions of the Advisory Clients and/or the investors and therefore, these rules may have an additional impact on the investment decisions made by the Advisory Clients, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions. For example, AlpInvest has an incentive to cause an Advisory Client to hold an investment for at least three years in order to obtain lower tax rates on carried interest gains even if there are attractive realization opportunities earlier than three years.

Risks Relating to Non-U.S. and Non-EU Investments

With any investment outside the United States or the EU, there exists the risk of adverse political developments, including nationalization, confiscation without fair compensation or war. For an Advisory Client that invests in a non-U.S. or non-EU country, investments involve certain factors not typically associated with investing in companies that are organized, headquartered and principally operating in the United States or the EU, including risks relating to (i) differences between the securities and credit markets, including potential price volatility in and relative illiquidity of some non-U.S. and non-EU securities markets; (ii) certain economic and political risks, including potential exchange-control regulations and restrictions on non-U.S. and non-EU investments and repatriation of capital, the risks associated with political, economic or social instability and the possibility of expropriation or confiscatory taxation; (iii) the possible imposition of non-U.S. and/or non-EU taxes on income and gains recognized with respect to such securities or instruments; (iv) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and differences in government supervision and regulation; and (v) less developed laws regarding corporate governance, fiduciary duties, insolvency, and the protection of investors.

Accounting, auditing, financial and other reporting standards, practices and disclosure requirements in certain of the countries in which an Advisory Client may invest are not equivalent to those in the United States and certain Western European countries and may differ in fundamental ways. Accordingly, information available to an Advisory Client, including both general economic and commercial information and information concerning specific enterprises or assets, may be less reliable and less detailed than information available in more economically sophisticated countries and less information may be available to investors. As a result, an Advisory Client's due diligence activities may provide less information than due diligence reviews conducted in more developed countries. The lower standards of due diligence in certain countries will increase the risk related to the investments in these countries. While an Advisory Client will endeavor to conduct appropriate due diligence in connection with each of its investments, no guarantee can be given that they will obtain the information or assurances that an investor in a more sophisticated economy would obtain before proceeding with an investment.

AlpInvest's investments in emerging markets may be subject to a greater risk of loss than investments in more developed and traditional markets (such as the United States and the EU). Emerging markets are more likely to experience inflation, currency and liquidity risks, geopolitical turmoil, policy changes and rapid changes in economic conditions than more developed and traditional markets. Emerging markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities. Predictions about general economic and market conditions are uncertain and the impact of such factors will be larger or smaller depending on the types of investments and the markets in which they trade.

International Trade and Foreign Investment Risks

Political leaders in the United States and certain European nations have recently been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to

renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. For example, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of an Advisory Client and its portfolio investments. Although the United States and China signed the phase I Economic and Trade Agreement relating to the trade disputes between the United States and China, there are still ongoing trade disputes, which if they remain unresolved, are expected to be an ongoing source of instability, potentially resulting in significant currency fluctuations and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). While these disputes have already had negative economic consequences on U.S. markets, to the extent that such trade disputes escalate into a “trade war” between the United States and China, there could be additional significant impacts on the industries in which the Advisory Client participates and other adverse impacts on the Advisory Client’s investments.

Increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of AlpInvest and may furthermore place AlpInvest or its Advisory Clients at a competitive disadvantage to the extent that AlpInvest is required to disclose sensitive business information. A number of jurisdictions have restrictions on foreign direct investment pursuant to which their respective heads of state and/or regulatory bodies have the authority to block or impose conditions with respect to certain transactions, such as investments, acquisitions and divestitures, if such transaction threatens to impair national security. In addition, many jurisdictions restrict foreign investment in assets important to national security by taking steps including, but not limited to, placing limitations on foreign equity investment, implementing investment screening or approval mechanisms, and restricting the employment of foreigners as key personnel. These U.S. and other laws could limit an Advisory Client’s ability to invest in certain businesses or entities or impose burdensome notification requirements, operational restrictions or delays in pursuing and consummating transactions. For example, the actions of the Committee on Foreign Investment in the United States (“CFIUS”), an inter-agency committee authorized to review transactions that could result in control of a U.S. business by a non-U.S. person and certain “other investments” by a non-U.S. person in a U.S. business, may adversely impact the prospects of an Advisory Client’s portfolio investments in the context of mergers with, or acquisitions by, a non-U.S. person. CFIUS may recommend that the President block such transactions or request a divestiture, or CFIUS may impose conditions on such transactions, including restrictions on the ownership, management, and operation of assets or companies by non-U.S. persons, certain of which may materially and adversely affect an Advisory Client’s ability to execute its investment strategy. In addition, the CFIUS process will continue to evolve. In particular, a set of reform measures known as the Foreign Investment Risk Review Modernization Act (“FIRRMA”) was enacted in 2018, which broadens the jurisdiction of CFIUS with respect to certain investments. Such legislation could impact the ability of non-U.S. investors to participate in an Advisory Client’s investments, which may impair such Advisory Client’s ability to execute its investment strategy. FIRRMA expands the ability of CFIUS to review an

Advisory Client's acquisition or disposition of certain investments including certain non-controlling investments by non-U.S. persons over certain U.S. businesses, including those that do not convey potential control if the U.S. business (i) owns, operates, manufactures, supplies, or services; (ii) produces, designs, tests, manufactures, fabricates, or develops one or more critical technologies; (iii) maintains or collects sensitive personal data of U.S. citizens that may be exploited in a manner that threatens national security; and (iv) acquisitions of real estate and leaseholds near U.S. military or other sensitive government facilities. Following the conclusion of the formal FIRRMA regulatory rule-making process in February 2020, parties are required to notify CFIUS at least 45 days before the closing of transactions that would result in transactions that would result in a foreign ownership of a "substantial interest" in a U.S. business where (i) the U.S. business involves critical infrastructure, critical technology, or sensitive personal data of U.S. citizens, and (ii) a foreign government has a "substantial interest" in a foreign party to the transaction. CFIUS implemented a mandatory filing requirement (the "Mandatory Regime") authorized by FIRRMA, that expanded CFIUS's jurisdiction by granting it the authority to review controlling and non-controlling "other investments" made by a foreign government, whether or not controlled by a foreign person, in a company involved in critical technologies for which a U.S. regulatory authorization would be required to transfer that critical technology to a foreign investor or a non-U.S. person in the investor's ownership chain and which affords the non-U.S. person (i) access to any material non-public technical information in the possession of the U.S. business; (ii) membership or observer rights on or the right to nominate an individual to a position on the board of directors or equivalent governing body of the U.S. business; or (iii) any involvement, other than through voting of shares, in substantive decision-making of the U.S. business regarding the use, development, acquisition or release of critical technology. Transactions subject to the Mandatory Regime are subject to mandatory declaration requirements. Although FIRRMA and the Mandatory Regime include certain exceptions for U.S. national managed investment funds, FIRRMA may increase the number of transactions involving any Advisory Client that would be subject to CFIUS review and investigation and the timing and substantive risks described above. The outcome of CFIUS's process may be difficult to predict, and there is no guarantee that, if applicable to a portfolio company, the decisions of CFIUS would not adversely impact the Advisory Client's investment in such company. An Advisory Client's governing document may include certain provisions that may require investors that are, or are instrumentalities of, a non-U.S. government to be excluded from participating in an investment that may be deemed sensitive from a national security perspective.

An Advisory Client's investments outside of the United States may also face delays, limitations, or restrictions as a result of notifications made under and/or compliance with these legal regimes and rapidly changing agency practices. Other countries continue to establish and/or strengthen their own national security investment clearance regimes, which could have a corresponding effect of limiting an Advisory Client's ability to make investments in such countries. Heightened scrutiny of foreign direct investment worldwide may also make it more difficult for an Advisory Client to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for an investment in a portfolio company. As a result of such regimes, an Advisory Client may incur significant delays and costs, be altogether prohibited from making a particular investment or impede or restrict syndication or sale of certain assets to certain buyers, all of which could adversely affect the performance of such Advisory Client and in turn, materially reduce such Advisory Client's revenues and cash flow.

Risks Relating to the European Union Alternative Investment Fund Managers Directive and the Markets in Financial Instruments Directive

The European Union (“EU”) Alternative Investment Fund Managers Directive (the “AIFMD”), as transposed into national law within the member states of the European Economic Area (the “EEA”), regulates and imposes regulatory obligations on alternative investment fund managers (“AIFMs”) that market alternative investment funds (“AIFs”) to professional investors within the EEA. The AIFMD has been retained and transposed within the national law of the UK pursuant to the Alternative Investment Fund Managers Regulation 2013, as amended, including by the European Union (Withdrawal) Act 2019 and the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2018 (“UK AIFM Law”). The UK AIFM Law regulates AIFMs established in the UK that manage or market AIFs, and non-UK AIFMs that market AIFs within the UK. AlpInvest BV, an affiliate of AlpInvest organized in the Netherlands, acts as an EEA AIFM with respect to certain AIFs, and AlpInvest (or other affiliated entities) will act as a non-EEA/non-UK AIFM with respect to other Funds. Both the AlpInvest BV and the AlpInvest entities that act as non-EEA/non-UK AIFMs are in scope of the AIFMD’s requirements and the requirements of the UK AIFM Law to varying degrees.

The AIFMD and the UK AIFM Law could have an adverse effect on AlpInvest and any Advisory Client by, among other things, increasing the regulatory burden and costs of doing business in the EEA and the UK. Except in limited circumstances, a non-EEA AIFM marketing its AIF to prospective EEA and UK investors will be required to satisfy extensive disclosure obligations, including periodic disclosures to EEA regulators and the FCA. The AIFMD and the UK AIFM Law could also limit AlpInvest’s operating flexibility and the Advisory Client’s investment opportunities.

The general partner of certain Advisory Clients has formed parallel AIFs in Luxembourg primarily to facilitate the participation of investors in the EEA (and prior to its departure from the EU, the UK) under the AIFMD.

AlpInvest BV is subject to the requirements of the AIFMD, such as rules relating to remuneration, minimum regulatory capital requirements, restrictions on the use of leverage, requirements in relation to liquidity, risk management, valuation of assets, etc. As a delegate undertaking portfolio management for an authorized AIFM, AlpInvest is also subject to certain remuneration requirements similar to those applicable to AlpInvest BV. Any required changes to compensation structures and practices could make it harder for AlpInvest to recruit and retain key personnel.

Where an AIF pursues a strategy of acquiring control of non-listed companies and issuers established in the EEA or in the UK, the AIFMD and the UK AIFM Law restricts any distribution, capital reduction, share redemption and/or acquisition of shares for a period of 24 months following the acquisition of the company (these are the so-called “asset stripping” rules). These rules apply to AlpInvest BV and to a non-EEA / non-UK AIFM marketing under the EEA / UK national private placement regimes.

Under the UK AIFM Law, a non-UK AIFM marketing an AIF in the UK is subject to the minimum requirements of article 42 of the UK AIFM Law. This includes certain initial and on-going disclosure and reporting obligations.

To the extent that AlpInvest relies on a non-EEA / non-UK AIFM marketing an AIF under national private placement regimes, certain member states of the EEA apply more stringent measures, such as requiring a depositary; while other member states have chosen not to allow non-EEA AIFMs to market AIFs in their territory at all. The AIFMD could adversely impact Advisory Clients in these circumstances by, among other things: (i) limiting the territories in the EEA in which Carlyle is able to market its funds to investors; (ii) limiting an Advisory Client's investment opportunities and Carlyle's operating flexibility both internally and with respect to investments made by the Advisory Client; (iii) exposing an Advisory Client and/or its manager to conflicting regulatory requirements in the United States and one or more member states of the EEA or the UK; (iv) constraining an Advisory Client's ability to carry out its investment approach, which may make it more difficult to achieve its investment objectives; and (v) materially increasing the costs of doing business in the EEA and the UK.

In November 2021, the European Commission published draft legislation, commonly referred to as "AIFMD II." The European Commission's draft legislation proposed a number of amendments to the AIFMD, including more onerous delegation requirements, enhanced substance requirements, additional liquidity management provisions for AIFMs to the extent that they manage open-ended AIFs, and revised regulatory reporting and investor disclosures requirements. The draft proposed significant new requirements relating to the activities of funds that originate loans including new restrictions on the structure that such funds may take. In addition, the draft proposed to introduce new conditions for non-EEA AIFMs, such as certain of our US affiliates, to be able to make use of the national private placement regimes of EEA states, including a condition that the jurisdiction of neither of the AIFM and AIF have been identified as non-cooperative third countries for tax purposes nor deemed by the EU not to comply fully with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and thereby to ensure an effective exchange of information in tax matters. This gives rise to a risk that certain of our AIFs may not be able to take advantage of such regimes to raise capital from EEA investors, potentially with little notice. AIFMD II is currently passing through the EU ordinary legislative process, involving scrutiny and amendment by the European Council and the European Parliament. Agreement on the legislation between the European Commission, European Council and European Parliament is expected to be reached during 2023, after which the final shape of the new regime, and any impact on us or our subsidiaries, will be clearer. The new regime will come into force two years after this final agreement is reached and fully approved with implementation currently expected in 2025.

Many GPs and Underlying Funds will be subject to the Directive requirements as AIFMs and AIFs, respectively. In addition to the risks directly applicable to AlpInvest and its Advisory Clients discussed above, GPs and Underlying Funds may also be subject to other various compliance obligations in connection with the Directive, including portfolio company asset stripping restrictions and deal-related notifications. These and other Directive obligations can have an adverse effect on GPs and Underlying Funds by, among other things, increasing their regulatory burden and costs of raising money and doing business in EEA jurisdictions, imposing extensive disclosure obligations on certain of their investment funds and portfolio companies, and disadvantaging them as bidders for and potential owners of private companies located in the EEA when compared to non-AIF/AIFM competitors which may not be subject to the requirements of the Directive.

The EU Markets in Financial Instruments Directive II (“MiFID II”) is an extensive package of reforms that entered into force in January 2018, in the form of a directive, a regulation, an implementing directive, numerous delegated regulations and extensive guidelines. MiFID II applies to certain investment firms, including AlpInvest BV. MiFID II requires investment firms to comply with more prescriptive and onerous transparency and record keeping obligations and enhanced obligations. Compliance with the additional requirements of MiFID II is likely to result in greater overall complexity, and higher compliance and administration costs with respect to certain Advisory Client.

Risks Relating to the United Kingdom Exit from the European Union

As part of the process of the United Kingdom leaving the EU, the EU and the United Kingdom agreed an EU-UK Trade and Cooperation Agreement (“TCA”) that governs the trading relationship between the United Kingdom and the member states of the EU from and after January 1, 2021. Broadly, the TCA provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin, but is subject to the both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid, and tax transparency.

Firms that conduct or depend on the provision of cross-border services, including UK regulated firms in the financial sector are adversely affected by these arrangements because the TCA does not provide for continued access by UK firms to the EU single market – although there is the possibility that in time, the United Kingdom may obtain a recognition of equivalence from the EU in certain financial sectors which would enable varying degrees of access to the EU market. Similarly, notwithstanding zero tariffs and zero quotas on goods, market access for those firms that conduct cross-border trade in goods will fall below what the single market previously allowed. Non-tariff barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognized professional qualifications, changes in the status of the United Kingdom vis-à-vis the EU for tax and VAT purposes, and other sources of friction have the potential to impair the profitability of a business, require it to adapt, or even relocate to operate through an establishment in the EU.

It will take some time to observe the many and varied effects on UK businesses of the consequences of leaving the single market and customs union (taking into account the flow of goods and services in both directions). Given the size and global significance of the UK’s economy, uncertainty, at least in the near term, about the effect of the TCA on the day-to-day operations of those businesses that engage in the cross-border trade of goods or services between member states of the EU and the United Kingdom may be a continued source of currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements. The present uncertainty could therefore adversely affect Advisory Clients, the performance of their investments and the ability to achieve their investment objectives (especially if their investments include, or expose them to, businesses that have historically relied on access to the single market for their trade or that have historically relied on sourcing goods, materials or labor from the single market).

The UK government and the EU have ongoing disagreements regarding the Northern Ireland Protocol (“NIP”). The NIP is part of arrangements put in place as part of the TCA to address cross-

border trade in goods between Great Britain, Northern Ireland, and the EU. The United Kingdom government has subsequently raised concerns as to the manner in which the NIP has been interpreted and implemented, and has indicated that it may take action to suspend and/or override aspects of the NIP. The European Commission has stated that it reserves the right to take retaliatory measures in response to actions taken by the UK government.

Any prolonged dispute regarding the TCA and/or NIP may have a material adverse effect on cross-border trade between the United Kingdom and the EEA which could prove disruptive to their respective economies. Negative impacts on investments that are exposed to the economies of the United Kingdom and/or the EEA may therefore arise, which could cause a material adverse effect on the business, financial condition, results of operations and cash flows of an Advisory Client and its investments.

Generally, the withdrawal of the UK from the EU may increase the compliance and regulatory burden of an Advisory Client. The UK legal and regulatory framework may, with time, increasingly differ from EU laws and regulations and an Advisory Client's general partner will need to consider both systems to ensure compliance with applicable laws and regulations.

European Regulation of ESG

The European regulatory environment for alternative investment fund managers and financial services firms continues to evolve and increase in complexity, making compliance more costly and time-consuming. In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the "Action Plan") setting up a sustainable finance strategy for the EU to transform the entire financial system and reorient capital flows towards sustainable investment. The reorientation of capital flows toward sustainable investment is to be achieved through the selection of appropriate investments by well-informed, or suitably advised, investors who may themselves be under an obligation to disclose to their own stakeholders how they integrate sustainability into their own decision-making. The Action Plan was updated in August 2020, and the European Commission published a strategy for financing the transition to a sustainable economy in July 2021.

It is difficult to predict whether measures introduced by the EU will succeed in reorienting capital flows in the manner intended and, if successful, the extent of the impact it will have on the investment strategy and the returns to investors in the Advisory Clients. There is a risk that the value of investments made by an Advisory Client in pursuing its investment strategy could be adversely affected over the life of such Advisory Client by changes to economic conditions brought about by the EU's sustainable finance initiatives.

As part of the original Action Plan, the European legislators have adopted the Sustainable Finance Disclosure Regulation (2019/2088) (the "SFDR"), which took effect from March 10, 2021, and the Regulation on the establishment of a framework to facilitate sustainable investment (2020/852) (the "Taxonomy Regulation") which took effect from January 2022. Both the SFDR and the Taxonomy Regulation have since been supplemented by delegated legislation specifying detailed implementing and regulatory technical standards, including Commission Delegated Regulation (EU) 2022/1288 (commonly referred to as the "RTS").

The SFDR introduced measures that clarify asset managers' duties to integrate ESG factors and risks into investments decision making, and standardizes transparency duties and ESG reporting requirements. In addition, the Taxonomy Regulation contains criteria for determining whether economic activities qualify as environmentally sustainable for the purpose of establishing the degree to which an investment is environmentally sustainable. AlpInvest will need to comply with these regulations to the extent applicable and provide certain sustainability related disclosures in respect of certain Advisory Clients, which include: (i) publishing information on its website about its policies on the integration of sustainability risks in its investment decision-making process; (ii) publishing on its website either: (A) a detailed statement on its due diligence policies with respect to principal adverse impacts of investment decisions on sustainability factors, taking into account its size, the nature and scale of their activities, or (B) clear reasons for why it does not consider adverse impacts, including, where relevant, information as to whether and when it intends to consider adverse impacts; (iii) publishing on its website and include in its remuneration policy information on how the policy is consistent with the integration of sustainability risks; and (iv) ensuring that its marketing communications do not contradict any of the foregoing. The SFDR also requires AlpInvest to include sustainability related information in an AIF's pre-contractual disclosures and periodic reports and, depending on the strategy of its AIF(s), on its websites.

As of the date hereof, the full impact of the SFDR, the Taxonomy Regulation and the RTS on AlpInvest and relevant Advisory Clients remains unclear as there is still uncertainty as to how their requirements must be applied in practice, and further detailed guidance and clarifications are expected from the European Commission and the European Supervisory Authorities. There could also be divergent interpretations of the requirements at the EU member state-level, and national guidance has already emerged in certain member states. Carlyle will therefore have to continue to monitor any developments to these regulations. Without legal certainty regarding the application of the above regulations, it is also difficult to assess the costs of compliance with the SFDR and the Taxonomy Regulation by the Advisory Clients. Resources will need to be allocated to determine the impact of the new regulatory framework and, to the extent applicable, creating an additional compliance burden and reporting costs. Moreover, there is also a risk that an Advisory Client's SFDR classification will affect the pool of investors the Advisory Client will be able to target.

On August 2, 2021, a number of delegated regulations that are part of the Action Plan were published in the Official Journal of the EU, which amend, amongst others, the Commission Delegated Regulation 2017/565 ("MiFID II Org Regulation") and Commission Delegated Directive (EU) 2017/593 ("MiFID II Delegated Directive"). The amended MiFID II Org Regulation (from August 1, 2022) requires EU investment firms to integrate a consideration of sustainability risks into their general organizational requirements and risk management processes, and provides that when EU investment firms undertake investment advisory or portfolio management services for clients that they must take into account their clients' "sustainability preferences". The amended MiFID II Delegated Directive (from November 22, 2022) requires EU investment firms that manufacture or distribute investment products to consider the sustainability preferences of potential end-investors and to consider and disclose sustainability factors in product approval and governance arrangements. The changes introduced to the delegated regulations could have an impact of the ability of third-party distributors or third party investment managers in the EU to recommend or to invest in an Advisory Client on behalf of their clients.

The Advisory Clients may also be impacted by ESG related developments to the UK legislative framework. The United Kingdom has announced that it will not implement SFDR into national law following the UK withdrawal from the EU but will instead introduce a new legislative framework focused on implementing the recommendations of the Financial Stability Board Taskforce on Climate-related Financial Disclosures (“TCFD”), in particular by introducing mandatory TCFD-aligned disclosure requirements for firms based in the United Kingdom. Reporting requirements under this framework are yet to fully apply and there is still uncertainty as to the potential indirect impacts of this new regime on the Advisory Clients and AlpInvest.

The FCA is developing its own rules on sustainability disclosures and investment labels for consumer-focused funds. Final rules are expected to come into force during 2023 and into 2024. It is as yet unclear whether, and if so how, these rules, when finalized, will impact an Advisory Client. If the rules are applicable to an Advisory Client this may mean additional regulatory costs are incurred by the Advisory Client.

Compliance with the SFDR, Taxonomy Regulation and other EU or UK ESG-related rules could expose AlpInvest and/or the Advisory Clients to conflicting regulatory requirements in other jurisdictions.

The Advisory Clients will bear the costs and expenses of compliance with the SFDR, the Taxonomy Regulation and any regulations or legislative initiatives relating to the Action Plan or, more generally, sustainable finance, including costs and expenses of collecting data and the preparation of any notices, disclosures, reports and/or filings. In addition, AlpInvest may decide to re-classify an AIF to fall within the scope of Article 8 of the SFDR or other classifications. Such a re-classification may bring certain obligations and associated costs. It is difficult to predict the full extent of the impact of the SFDR and the EU Action Plan on the AlpInvest and/or the Advisory Clients. AlpInvest will reserve the right to adopt such arrangements as deemed necessary or desirable to comply with any applicable requirements of the SFDR and any other applicable legislation or regulations related to the EU Action Plan.

Risks Relating to the use of Shell Entities

In December 2021, the European Commission issued a proposal for a Council Directive laying down rules to prevent the misuse of shell entities for tax purposes within the EU (the “Unshell Proposal”). While the Unshell Proposal is expected to be adopted and published into EU member states’ national laws by June 30, 2023, and to come into effect as of January 1, 2024, there is considerable uncertainty surrounding the development of the proposal and its implementation. The proposal could result in additional reporting and disclosure obligations for an Advisory Client and/or its subsidiaries (which may require an Advisory Client or its subsidiaries to share with applicable taxing or other governmental authorities information concerning an Advisory Client’s investors) and/or additional tax being suffered by an Advisory Client or its subsidiaries or its investors.

DEBRA Proposal

A proposal published by the European Commission on May 11, 2022, for a Council Directive seeks to reduce the difference in tax treatment between equity and debt financing (the “DEBRA”).

Proposal”). There is considerable uncertainty surrounding the development and implementation of the proposal (including as a result of a series of non-binding amendments put forward by the European Parliament during 2022 in respect of the Unshell Proposal). If implemented, the proposal could, among other things, impose additional taxes on AlpInvest, an Advisory Client and their affiliates (including by imposing additional limitations on the deductibility of interest payments) and/or impact AlpInvest, an Advisory Client and their affiliates ability to repatriate investment returns and/or international profits in a tax efficient way resulting in additional tax costs and/or reporting and, disclosure and computation obligations (which could result in increased administrative and compliance costs).

Risks Relating to the Foreign Account Tax Compliance Act and Common Reporting Standard

The Foreign Account Tax Compliance Act (“FATCA”) requires all entities in a broadly defined class of foreign financial institutions (“FFIs”) to comply with a complicated and expansive reporting regime or be subject to a 30% U.S. withholding tax on certain U.S.-sourced payments (and a 30% U.S. withholding tax on gross proceeds from the sale of certain U.S. stocks and securities, with respect to which withholding has been indefinitely deferred pursuant to recent guidance) and requires non-U.S. entities which are not FFIs to either certify they have no substantial U.S. beneficial ownership or to report certain information with respect to their substantial U.S. beneficial ownership or be subject to a 30% U.S. withholding tax on certain U.S.-sourced payments (and a 30% U.S. withholding tax on gross proceeds from the sale of certain U.S. stocks and securities, with respect to which withholding has been indefinitely deferred pursuant to recent guidance). FATCA also contains complex provisions requiring participating FFIs to withhold on certain “foreign passthru payments” made to nonparticipating FFIs and to holders that fail to provide the required information. The definition of a “foreign passthru payment” is still reserved under current regulations, however the term generally refers to payments that are from non-U.S. sources but that are “attributable to” certain U.S. payments and gross proceeds described above. Withholding on “foreign passthru payments” will not be applicable any earlier than two years after final regulations are issued defining the term “foreign passthru payment.” In general, non-U.S. investment funds are expected to be considered FFIs. In general, these requirements apply to non-U.S. investment funds, such as any non-U.S. AlpInvest-sponsored investment vehicle advised by AlpInvest. Among other things, FATCA compliance requires FFIs to obtain and review appropriate due diligence information with respect to certain existing and prospective investors. The reporting obligations imposed under FATCA require FFIs to enter into agreements with the U.S. Internal Revenue Service (the “IRS”) to obtain and disclose information about certain investors to the IRS or, if subject to an intergovernmental agreement, register with the IRS. Failure to comply with the preceding requirements, could expose AlpInvest and its investors to a 30% U.S. withholding tax, which may discourage certain investors from investing in U.S. investment funds. Prospective investors in any AlpInvest-sponsored investment vehicle should consult their own tax advisors regarding all aspects of FATCA as it affects their particular circumstances.

In addition, the Organisation for Economic Cooperation and Development (“OECD”) has developed Common Reporting Standard (“CRS”) rules for the automatic exchange of FATCA-like financial account information among OECD member states. Like FATCA, CRS imposes certain due diligence, documentation and reporting requirements on various AlpInvest entities. While CRS does not contain a potential withholding requirement, non-compliance could subject AlpInvest to certain reputational harm. Moreover, reporting under CRS commenced in 2017 in

countries that have signed on as “early adopters.” Compliance with such regimes could result in increased administrative and compliance costs and could subject certain AlpInvest-sponsored investment entities to increased non-U.S. withholding taxes.

Risks Relating to Taxation in Other Jurisdictions

If an Advisory Client makes investments in a jurisdiction outside the jurisdiction where such Advisory Client (or its investors, as applicable) is domiciled, such Advisory Client (or its investors, as applicable) may be subject to income or other tax in that jurisdiction and may be subject to additional reporting requirements. Additionally, withholding tax or branch tax may be imposed on earnings from investments in such jurisdictions. In addition, local tax incurred in such other jurisdictions by an Advisory Client or vehicles through which it invests may not be creditable to or deductible by investors in their respective jurisdictions. Income or gains of an Advisory Client may be subject to withholding, income, net wealth or other tax in the jurisdictions where its investments are located. Moreover, various rules and measures have been proposed and/or implemented in jurisdictions outside of the United States to address global tax issues, including perceived treaty abuse, the deductibility of interest expense, local nexus requirements, transfer pricing and hybrid mismatch arrangements. Such rules could impact the structures used by an Advisory Client and may have an adverse effect on such Advisory Client’s investors and/or investments.

Partnership Audit Legislation

Under legislation enacted in 2015, U.S. federal income tax audits of partnerships will be conducted at the partnership level, and, unless a partnership qualifies for and affirmatively elects an alternative procedure, any adjustments to the amount of tax due (including interest and penalties) will be payable by the partnership. There can be no assurance that an AlpInvest-sponsored investment vehicle will be eligible to, or will, make an election under the alternative procedure, and if such vehicle does not or is not able to make such an election, then (i) its then-current investors, in the aggregate, could indirectly bear income tax liabilities in excess of the aggregate amount of taxes that would have been due had such vehicle elected the alternative procedure, and (ii) a given investor may indirectly bear taxes attributable to income allocable to other investors or former investors, including taxes (as well as interest and penalties) with respect to periods prior to such investor’s ownership of interests. Amounts available for distribution to investors may be reduced as a result of an AlpInvest-sponsored investment vehicle’s obligations to pay any taxes associated with an adjustment.

Risks relating to Anti-Money Laundering and Know Your Customer Requirements

In response to increased regulatory concerns with respect to the sources of funds used in investments and other activities, the general partner and/or administrator of an Underlying Fund may request additional information regarding an investor in a Fund or Separate Account, including documentation verifying, among other things, such investors’ identity and source of funds used to acquire the interests of such Advisory Client. The amount and types of such information requested may vary, and complying with such requests may be burdensome, inconvenient, and intrusive. The amount and types of information requested may also vary depending on (among other things) the domicile of the Advisory Client and its substantial investors and ultimate beneficial owners, and

the underlying source of wealth of such person. For example, certain GPs and administrators based in Europe may apply enhanced due diligence measures on an Advisory Client established in the Cayman Islands because they consider it to be a high-risk jurisdiction. The GP and/or administrator of an Underlying Fund may decline to accept a subscription or other investment commitment on the basis that such information that is provided is inadequate or if this information is not provided. The general partner of an Advisory Client may also refuse the transfer of interests in such Advisory Client if the person to whom the interests are to be transferred fails to meet the criteria and/or provide all documentation and information recommended or prescribed by anti-money laundering and so-called “Know-Your-Customer” laws, regulations and policies applicable to such Advisory Client. Requests for documentation and additional information may be made at any time during which an investor holds an interest in an Advisory Client, and if such information is not provided or the GP and/or administrator of the Underlying Fund believes there is a reasonable risk that an investor in an Advisory Client is involved in money laundering or other illicit activities or is subject to governmental sanctions then the Advisory Client’s interest in an Underlying Fund may be frozen and/or terminated. Such GP and/or administrator may be required to provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying AlpInvest that the information has been provided. Such risks are also relevant to an investor’s interest in any Fund or Separate Account. AlpInvest and its affiliates will take such steps as it determines in its sole discretion are necessary to comply with applicable law, regulation, orders, directives, or special measures. These steps may include prohibiting an investor from making further contributions of capital to an Advisory Client, depositing distributions or other funds or assets to which an investor would otherwise be entitled to in an escrow account or causing the exclusion of an investor from the Advisory Client.

Cayman Islands Placed on FATF Watch List

In February 2021, the Financial Action Task Force (“FATF”), a global money laundering and terrorist financing watchdog whose membership includes the United States, the Netherlands, and several other countries (including most European countries and the UK) and which sets international standards that aim to prevent these illegal activities, added the Cayman Islands to the ‘grey list’ of jurisdictions that are subject to increased monitoring due to strategic deficiencies in its anti-money laundering system. It is unclear as to whether the Cayman Islands being placed on such list will have a significant, or any, effect on an Advisory Client, an Underlying Fund, or their respective investments. Certain investors may be restricted from dealing with Advisory Clients or their affiliates domiciled in countries identified as high-risk from a money laundering perspective and different alternative investment vehicles or structures may have to be used. There can be no assurance that the Cayman Islands will be delisted, or that being placed on such list (and any subsequent legislative actions related thereto) will not have a materially adverse effect on an Advisory Client, an Underlying Fund, or their respective investments or investors, particularly those Advisory Clients and Underlying Funds that are domiciled in the Cayman Islands (e.g., as Cayman Island exempted limited partnerships).

Privacy and Data Protection Regulatory Risks

Cyber security incidents, data protection and regulations related to privacy, data protection and information security could increase costs, and a failure to comply could result in fines, sanctions or other penalties. Investments of the Advisory Clients are subject to regulations related to privacy,

data protection and information security in jurisdictions in which they conduct business. As these regulations are implemented, interpreted and applied, compliance costs may increase for the Advisory Clients and their investments.

In May 2018, the GDPR replaced the then-existing data protection directive and, as a regulation, has direct effect in all EU member states. Although a number of the existing principles for the protection of personal data will remain, the GDPR was designed to harmonize data privacy laws across Europe and change the way organizations approach data privacy. The UK has retained and transposed the GDPR into the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”) (the body of law retained in the UK is referred to as the “UK DPA”).

The GDPR introduced new obligations and expanded its territorial reach. It applies to (i) all organizations that process personal data of ‘data subjects’ in the context of the activities of an establishment in the EEA (which may include processing that takes place outside the EEA) and (ii) organizations outside the EEA that offer goods or services to data subjects in the EEA, or that monitor the behavior of EU data subjects. The UK DPA applies to (i) organizations that process the personal data of data subjects (natural persons) in the context of the activities of an establishment in the United Kingdom (which may include processing that takes place outside the United Kingdom) and (ii) organizations outside the United Kingdom that offer goods or services to data subjects in the United Kingdom, or that monitor the behavior of data subjects in the United Kingdom. Personal data is information that can be used to identify a natural person, including a name, a photo, an email address, or a computer IP address. For those subject to it, the GDPR and UK DPA impose a number of obligations to comply with that are aimed at greater protection for data subjects (including obligations and restrictions relating to the manner in which and purposes for which personal data is processed, and measures to ensure personal data security and to be able to respond appropriately to a number of rights held by data subjects under the GDPR and UK DPA). This may require organizations to analyze and evaluate how they handle data in the ordinary course of their business. The costs of compliance and the potential for fines and penalties in the event of a breach may have an adverse impact on an Advisory Client, particularly because penalties for non-compliance are material. The more serious breaches of these data protection laws could incur significant administrative penalties, for example, in the case of the GDPR, a fine of up to the greater of €20 million or 4% of aggregate global turnover for the preceding year (whichever is higher).

In addition to the data protection laws in Europe, the United States and other jurisdictions are going through a period of active consideration of additional data privacy and cybersecurity laws. These include the California Consumer Privacy Act (“CCPA”), effective January 1, 2020; the Cayman Islands Data Protection Act, which came into force on September 30, 2019; the Stop Hacks and Improve Electronic Data Security (SHIELD) Act, aspects of which took effect on October 23, 2019, and other aspects of which took effect on March 21, 2020; a range of proposed additional laws in California, New York, Texas, Virginia, Washington and other states; and a range of proposed additional laws at the federal level. The cumulative effects of CCPA and other recently adopted laws include an increased ability of individuals, relative to companies, to control the use of their personal data; increased obligations of companies to maintain the security of data; and increased exposure to fines or damages for companies that do not accord individuals their specified privacy rights, that experience data breaches or that do not maintain cybersecurity at certain levels

of quality. There can be no assurance that these systems will be effective in mitigating the business impact of individuals' increased privacy rights or in avoiding fines or damages.

In February 2022, the SEC proposed new cybersecurity rules and amendments to existing rules under the Advisers Act and the 40 Act specifically related to registered investment advisers, investment companies and BDCs ("SEC Cyber Proposed Rule"). The proposed rules would require advisers and funds to adopt, implement and annually test written cybersecurity policies and procedures designed to address cybersecurity risks, promptly report significant cybersecurity incidents to the SEC using a proposed form and within a prescribed time period and Advisory Clients, and keep enumerated cybersecurity-related books and records.

If adopted, including with modifications, the SEC Cyber Proposed Rule could have a significant effect on registered advisers and funds and their operations, including increasing compliance burden and associated regulatory costs and increasing the risk of regulatory action. Increased reporting, registration and compliance requirements may divert the attention of Advisory Client personnel and may furthermore place an Advisory Client at a competitive disadvantage to the extent that AlpInvest is required to disclose sensitive business information, including about its information systems. In March 2023, the SEC reopened the comment period for the SEC Cyber Proposed Rule to additional comments. It is unclear what affect this will have, if any, on any adopted rule.

While AlpInvest and its Advisory Clients intend to comply with their privacy and data protection obligations under GDPR, CCPA and other applicable privacy and data protection laws, they may not be able to accurately anticipate the ways in which regulators and the courts will apply or interpret the law. The failure by AlpInvest or an Advisory Client to comply with applicable privacy and data protection laws could result in negative publicity and may subject them to significant costs associated with litigation, settlements, regulatory action, judgments, liabilities, or (actual or contingent) fines and penalties. An assessment by a competent regulatory authority of failure to comply with the requirements of the applicable privacy law could result in serious financial and reputational damage to AlpInvest or an Advisory Client.

These new laws also could cause AlpInvest, its Advisory Clients' and their investments' costs to increase and result in further administrative costs as part of their compliance efforts, which is likely to reduce capital that can be deployed for making investments. If the current trend in the development of such laws continues in other relevant jurisdictions, such costs may be exacerbated further as new or different compliance obligations arise. Similarly, if privacy or data protection laws are implemented, interpreted, or applied in a manner inconsistent with AlpInvest's or its Advisory Clients' expectations, that may result in business practices changing in a manner that adversely impacts AlpInvest or its Advisory Clients. Moreover, if AlpInvest or its Advisory Clients suffer a security breach impacting personal data, there may be obligations to notify government authorities or data subjects, which may divert AlpInvest's or its Advisory Clients' time and effort and entail substantial expense.

The provisions of GDPR, CCPA and other existing or new privacy and data protection laws also apply to a number of GPs, Underlying Funds and portfolio companies. On the basis that global data protection laws are constantly evolving GPs, Underlying Funds and portfolio companies may be continually subject to new laws, regulations or standards or new interpretations of existing laws,

regulations, or standards. These laws could affect the value of Underlying Funds and portfolio companies if they incur additional costs and restrict business operations. Further, failure by GPs, Underlying Funds and portfolio companies to comply with applicable requirements may result in governmental enforcement actions, litigation, (actual or contingent) fines and penalties or adverse publicity, which could have an adverse effect on their and the Advisory Clients' reputation and adversely affect the business and the value of the Advisory Clients' investments.

Item 9. Disciplinary Information

None of AlpInvest, its executive officers, members of its investment committees or portfolio management committees or other "management persons" as defined in Form ADV have been the subject of any legal or disciplinary matter of an investment-related nature that would be material to an existing or prospective Advisory Client's evaluation of the AlpInvest's advisory business or the integrity of its management.

In the ordinary course of business, Carlyle (inclusive of AlpInvest) is a party to litigation, investigations, inquiries, employment-related matters, disputes and other potential claims. Additional information regarding such matters is available in current public filings with the SEC for the Public Company (see ir.carlyle.com).

Item 10. Other Financial Industry Activities and Affiliations

Affiliated Advisers and Other Affiliations

AlpInvest's affiliated advisers currently include (i) AlpInvest BV, which has its principal place of business in Amsterdam, (ii) AlpInvest Partners Limited ("[AlpInvest HK](#)"), which has its principal place of business in Hong Kong, and (iii) AlpInvest Partners Pte Ltd. ("[AlpInvest SG](#)"), which has its principal place of business in Singapore. AlpInvest SG holds a capital markets services license issued by the Monetary Authority of Singapore to operate as a licensed fund management company serving accredited and institutional investors. Personnel of these affiliated advisers work in conjunction with AlpInvest to provide investment advisory services to its Advisory Clients. Such services are described in Item 4 of this brochure and include investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of AlpInvest's Advisory Clients, managing and monitoring the performance of such investments and disposing of such investments. In reliance on SEC staff interpretation, AlpInvest HK, and AlpInvest SG are considered "participating affiliates" of AlpInvest. AlpInvest subjects each of its participating affiliates and their respective employees to AlpInvest's regulatory oversight and the Code of Conduct (see Item 11 below), together with its other compliance policies and procedures, including books and records maintenance, as adopted pursuant to the requirements of the Advisers Act, as applicable (in addition to applicable local laws and regulations). Further, AlpInvest BV and AlpInvest share personnel and resources to provide investment advisory and other services to their respective clients pursuant to an intercompany arrangement, and AlpInvest personnel and AlpInvest BV personnel are subject to the same Code of Conduct. AlpInvest's UK-based personnel are employees of CECP Advisors LLP, an affiliated Carlyle entity which is registered with the FCA. One investor relations professional based in Japan who is solely focused on AlpInvest's business is employed by Carlyle Japan Equity Management L.L.C., an affiliated Carlyle entity which is registered with the Financial Services Agency of Japan. Other investor relations

professionals based in Hong Kong who are solely focused on AlpInvest’s business are employed by Carlyle Hong Kong Equity Management L.L.C., an affiliated Carlyle entity which is registered with the Securities and Futures Commission of Hong Kong. Such personnel are also subject to the AlpInvest’s supervision and oversight, including AlpInvest’s compliance policies and procedures.

AlpInvest BV is also a separately SEC-registered investment adviser, and it holds a license as an AIFM (with related MiFID II “top-up” permissions) from the Netherlands Authority for Financial Markets. AlpInvest BV also holds a cross-border discretionary investment manager license from the South Korean Financial Supervisory Service.

AlpInvest is also affiliated with AlpInvest Private Equity Investment Management, LLC (“APEIM”), a separately registered investment adviser under the Advisers Act. APEIM acts as the adviser to Carlyle AlpInvest Private Markets Fund (“CAPM”), a Delaware statutory trust that is registered under the 1940 Act as a non-diversified, closed-end management investment company and that is operated as a “tender offer” fund, which provides periodic liquidity to shareholders through issuer tender offers, and generally offers retail investors access to certain private equity strategies across Investment Solutions, including Primary Investments, Secondary Investments, and Co-Investments.

In addition, AlpInvest is affiliated with each of CIM and CGCIM, each of which are part of Carlyle and are separately registered investment advisers under the Advisers Act. As discussed in Item 4, apart from its relationship with Carlyle’s Investment Solutions business, AlpInvest carries out its investment operations independently of Carlyle (including CIM and CGCIM).

TCG Capital Markets L.L.C. (“TCG Capital Markets”) is an affiliated broker-dealer of AlpInvest. TCG Capital Markets conducts U.S.-based marketing and fundraising activities for Carlyle’s Global Private Equity, Global Credit, and Global Investment Solutions business lines. TCG Capital Markets acts as a placement agent on a “best efforts” basis with respect to the offer and sale of investment funds and certain interests in private investment vehicles (most of which are affiliated and include Advisory Clients) and interests in special purpose vehicles. Certain AlpInvest professionals are registered as broker-dealer representatives and affiliated with TCG Capital Markets. AlpInvest has entered into arrangements with certain of CIM’s non-U.S. affiliates to provide marketing services in certain non-U.S. jurisdictions. When registered representatives of TCG Capital Markets provide services to AlpInvest, such persons will be subject to the policies and procedures of TCG Capital Markets when engaged in broker-dealer related activities in addition to applicable policies and procedures of CIM, CGCIM and/or AlpInvest (as applicable). Additionally, Carlyle holds, and may acquire, ownership stakes in one or more other broker-dealers. AlpInvest may execute trades through such Carlyle-affiliated broker-dealers. AlpInvest will execute trades in all cases consistent with its duty to seek best execution. See “Item 12 – Brokerage Practices” below for additional information.

TCG Capital Markets also operates as part of the Global Capital Markets (“GCM”) platform within Carlyle’s Global Credit business segment. GCM is a loan syndication and capital markets business that Carlyle launched in 2018. The primary focus of GCM is to arrange, place, underwrite, originate and syndicate loans and underwrite securities of third parties and Carlyle portfolio companies including underwriting private offerings and participating in the underwriting syndicate for public offerings, through TCG Capital Markets and TCG Senior Funding L.L.C. (an advisory

client of CGCIM, established to underwrite, originate and syndicate loans). GCM may also act as the initial purchaser of such loans and securities.

TCG Capital Markets is registered as a broker-dealer with the SEC and in 50 states, the District of Columbia, the Commonwealth of Puerto Rico and the Virgin Islands, and is a member of the Financial Industry Regulatory Authority. Additionally, TCG Capital Markets operates under an international dealer exemption in the Canadian provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec and Saskatchewan. See “Item 5 – Fees and Compensation” above and “Item 12 – Brokerage Practices” below for additional information.

Carlyle is a global investment firm with business operations across several business segments. Although AlpInvest is a separately registered investment adviser and carries out its investment operations independently of Carlyle (including CIM and other Carlyle-affiliated investment advisers) as described above, AlpInvest’s status as part of the larger Carlyle organization raises certain actual and potential conflicts of interest.

Because Carlyle has many different asset management and advisory businesses and operates on a global basis, AlpInvest may be subject to greater regulatory oversight than it would be absent its relationship with Carlyle. AlpInvest and its Advisory Clients also may be subject to certain legal and other restrictions on their investment activities as a consequence of the Carlyle relationship including, for example, restrictions under the Bank Holding Company Act, the Investment Company Act, or limitations imposed by non-U.S. regulatory authorities, or restrictions on the purchase or sale of, or exercise of voting or other rights with respect to, the debt instruments of a company when a Carlyle advisory client holds the equity of the company and the company is an affiliate of Carlyle.

Carlyle and its directors, members, managers, partners, shareholders, officers, employees, agents and affiliates may conduct any other business, including any business within the securities industry, whether or not such business competes with AlpInvest. Without limiting the generality of the foregoing, Carlyle and its affiliated companies and persons act and will continue to act as general partner, investment adviser or investment manager for others, manage funds, separate accounts or capital for others, have, make and maintain investments in their own name or through other entities and may serve as officers, directors, consultants, partners or stockholders of one or more investment funds, partnerships, securities firms or advisory firms.

Please see “Conflicts of Interest — Other Potential Conflicts” under Item 11 for more information on potential material conflicts of interest with Carlyle.

Other Related Persons

Related persons of AlpInvest act as the general partner (or similar managing fiduciary) of certain Advisory Clients or investment vehicles in which Advisory Clients participate and, to the extent not otherwise exempt from registration as an adviser with the SEC, conduct their activities in accordance with the Advisers Act and the rules thereunder and in reliance on AlpInvest’s registration under the Advisers Act as associated persons of AlpInvest.

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

Code of Ethics

AlpInvest has adopted Carlyle's Code of Conduct (the "Code"), which sets forth standards of ethical conduct for employees and is designed to address and avoid (among other things) potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. Among other things, the Code prescribes standards for dealing with clients ethically, addresses conflicts of interest issues, and supplements personal trading and operating procedures set forth in Carlyle's Policies and Procedures Regarding Material, Non-Public Information and the Prevention of Insider Trading. The Code provides guidance in specific areas, including but not limited to, confidentiality of information, personal investments, gifts and entertainment, protection of persons who engage in "whistle blowing" activities from retaliation and personal political activities. The Code is available to Advisory Clients (including their investors and prospective investors) by writing to AlpInvest Partners, One Vanderbilt Place, New York, New York 10017, Attn: Investor Relations.

For the purposes of this Item 11, references to "AlpInvest" and the "Firm" also include its advisory affiliates, including AlpInvest BV, AlpInvest HK and AlpInvest SG, but do not, unless otherwise noted, include APEIM, CIM, CGCIM, TCG Capital Markets, or Carlyle.

AlpInvest has also adopted Carlyle's written policies and procedures to account for the pay-to-play regulations promulgated by the SEC and to comply with the Pension Fund Reform Code (the "Pay-to-Play Policy"), which governs Carlyle's and the Firm's interactions with U.S. public pension funds. A copy of these policies and procedures will also be provided to current and prospective investors by writing to the address noted above.

AlpInvest may take disciplinary measures against any of its personnel who violate the Code or the Pay-to-Play Policy, including, without limitation, imposing penalties or fines, reducing compensation, demotion, requiring unwinding of any applicable trade, requiring disgorgement of trading gains, referral to regulatory authorities, suspending or terminating employment, or any combination of the foregoing. AlpInvest personnel are also required to promptly report any violation of the Code or the Pay-to-Play Policy of which they become aware.

AlpInvest has developed and integrated into its investment process a set of responsible investment guidelines that consider the environmental, social and governance implications of its investments. Those guidelines are available to Advisory Clients (including their investors and prospective investors) by writing to the address noted above or by visiting AlpInvest's website (<https://www.alpinvest.com/about-us/responsible-investment>).

Participation or Interest in Client Transactions

AlpInvest, its affiliates and equity owners (including Carlyle), and certain of their respective professionals invest in or alongside certain Advisory Clients. Other qualified individuals who generally are not employees of Carlyle, but who have business relationships with Carlyle (including, without limitation, operating executives, operating advisors, consultants, former employees, and other similar professionals), also may invest in or alongside Advisory Clients. Management fees and performance-based allocations (*i.e.*, carried interest) on such investments

may be substantially reduced or, as is more typical, waived altogether for these investors. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Conflicts of Interest

AlpInvest and certain of its related entities engage in a broad range of activities, including investment activities for their own account, and providing transaction-related, investment advisory, management and other services to Advisory Clients along with other AlpInvest Clients (including clients of AlpInvest BV). In the ordinary course of conducting its activities, the interests of an AlpInvest Client may conflict with the interests of AlpInvest or other AlpInvest Clients. Descriptions of several of these conflicts of interest, as well a description of how AlpInvest addresses such conflicts of interest, follows below.

Resolution of Conflicts

In the case of all real or perceived conflicts of interest, AlpInvest’s determination as to whether an actual conflict of interest exists, which factors are relevant, and the resolution of any such conflicts, will be made using AlpInvest’s best judgment, but in its sole discretion, absent any agreed upon resolution mechanism with the Advisory Client or investor. In resolving conflicts, AlpInvest may consider various factors, including the interests of the applicable Advisory Client with respect to the immediate issue and/or with respect to the Advisory Client’s longer-term courses of dealing as well as the effect of such conflict or such resolution on AlpInvest and its affiliates. While AlpInvest endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions. There can be no assurance that AlpInvest will identify or resolve all conflicts in a manner that is favorable to an Advisory Client and an Advisory Clients’ investors may not be entitled to receive notice or disclosure of the actual occurrence of conflicts or have any right to consent to them as they arise. See also Item 17 for more information regarding voting securities in respect of Advisory Client accounts.

Conflicts

The material conflicts of interest encountered by AlpInvest with respect to its Advisory Clients include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by AlpInvest. Other material conflicts may be disclosed throughout this brochure and this brochure should be read in its entirety for other conflicts. In addition, the organizational documents of certain Advisory Clients are designed to protect the interests of its investors in situations where conflicts may exist, although these provisions do not always eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to an Advisory Client and its ability to achieve its investment objectives.

Allocations of Investment Opportunities

AlpInvest seeks to make all allocations of investment opportunities (including follow-on investments) in a fair and equitable manner, and will not generally favor or disfavor, consistently or consciously, any AlpInvest Client in relation to any other AlpInvest Clients. To this end, the allocation of investment opportunities and certain expenses may not be based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any AlpInvest Client or (ii) the

profitability of any AlpInvest Client to AlpInvest or Carlyle. A global allocation committee has been established by AlpInvest to oversee the allocation of investment opportunities among multiple AlpInvest Clients (and where applicable, CAPM) in accordance with the Firm's allocation policies and procedures.

Typically, AlpInvest will have multiple AlpInvest Clients (which can include Funds and Carlyle affiliates) that have similar or overlapping investment objectives. Accordingly, investment opportunities often will be suitable for, and allocated to, more than one AlpInvest Client, and AlpInvest has adopted policies and procedures to facilitate fair investment allocations among multiple AlpInvest Clients eligible for an investment. When allocating any particular investment opportunity among multiple AlpInvest Clients, AlpInvest will, when appropriate, take into account any number of relevant factors to achieve a reasonable and fair allocation, such as: (i) an AlpInvest Client's investment objectives and model portfolio targets, including minimum and maximum investment size requirements and the centrality of an investment to an AlpInvest Client's strategy; (ii) the composition of an AlpInvest Client's portfolio (including the actual, relative or potential exposure of an AlpInvest Client to the type of investment opportunity in terms of its existing portfolio) and each AlpInvest Client's investment concentration parameters (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage or other similar risk metrics); (iii) the nature of any requirements or constraints placed on such investment opportunity (*e.g.*, the preferences or requirements of, or conditions imposed by, a GP); (iv) transaction sourcing or an investor's relationship with a GP (and with respect to an investment opportunity originated by a third-party, the relationship of a particular AlpInvest Client to or with such third-party); (v) the amount of capital available for investment by an AlpInvest Client (including whether it is able to invest all capital required to consummate a particular investment opportunity) and any potential future fluctuation that may occur in the available capital of any such other AlpInvest Client (including whether an AlpInvest Client is able to invest all capital required to consummate a particular investment opportunity); (vi) an AlpInvest Client's liquidity and reserves (including whether an AlpInvest Client is able to commit to invest all capital required to consummate a particular investment opportunity); (vii) the availability of other suitable investments for an AlpInvest Client and the remainder of an AlpInvest Client's investment period; (viii) tax and accounting implications and other relevant legal, contractual, or regulatory considerations; (ix) the seniority of an investment, the risk/return profile, and other capital structuring criteria; (x) whether an investment opportunity requires additional consents or authorizations from an AlpInvest Client, other investors or third parties; (xi) whether an investment opportunity would enable the AlpInvest Client to qualify for certain programmatic benefits or discounts that are not readily available to other AlpInvest Clients, including but not limited to the ability to enter into credit arrangements with certain financial or governmental institutions; (xii) the size, liquidity and duration of the investment; (xiii) the use of leverage in the proposed capital structure; and (xiv) any other relevant limitations imposed by, or conditions set forth in, the applicable offering and organizational documents of each Fund or other agreements applicable to an AlpInvest Client. After taking such considerations into account, AlpInvest may conclude that some or all of an investment opportunity is unsuitable for any one AlpInvest Client or exceeds an appropriate amount for any one AlpInvest Client, whether or not any other AlpInvest Client is taking up all or part of its allocable share of the investment opportunity or any excess arising as a result of any AlpInvest Client declining all or part of their allocable share of such investment opportunity. In all cases, the consummation of an investment by any given AlpInvest Client is subject always to the issuer of the investment agreeing to accept such AlpInvest Client as an investor in the relevant Underlying Fund or

investment. AlpInvest makes allocation determinations based solely on AlpInvest's expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another AlpInvest Client in hindsight.

Certain AlpInvest Client mandates may be expressly subordinated to other AlpInvest Client mandates (including, but not limited to, with respect to certain types of investments), in which case those AlpInvest Clients with priority will receive their full allocation before subordinated AlpInvest Clients will participate in a shared investment opportunity. For example, a Co-Investment opportunity that is sourced from an investor's own proprietary private equity portfolio or GP relationship will in general be offered first to the related LP Dealflow Account before any other AlpInvest Client. In the case of a Co-Investment opportunity from a GP with which there is both a LP Dealflow Account relationship and an AlpInvest relationship, such opportunity will in general be allocated between the LP Dealflow Account, on the one hand, and AlpInvest's other eligible AlpInvest Clients, on the other, based on the relative interests of the LP Dealflow Account investor and AlpInvest in the Underlying Fund leading the investment, absent any preferences or requirements of, or conditions imposed by, the GP (which will otherwise control). Another example, which is discussed in greater detail below, is where an AlpInvest Client seeks allocation to excess or co-investment opportunities to the extent available. In such cases, the AlpInvest Client will not receive any allocation until other AlpInvest Clients get their full allocation first.

Allocation of investment opportunities is generally predicated on the initial classification of each such opportunity by asset and deal type in order to determine which AlpInvest Clients are appropriate for the investment opportunity. In some instances, the classifications are not entirely clear, may overlap, or may not be deemed relevant. Accordingly, AlpInvest Clients pursuing a specific investment strategy may also be eligible to make investments that are suitable for other investment strategies pursued by other AlpInvest Clients. The categorization of any particular investment as belonging to a particular strategy or type will be made by AlpInvest in its sole discretion and AlpInvest Clients pursuing the particular investment strategy into which an investment is categorized will have priority with respect to such investment, unless AlpInvest determines, in its sole discretion, after taking into account the other factors described above, that such investment should be allocated to a different AlpInvest Client. The considerations and factors described above will be applied on a case-by-case basis and AlpInvest is not required to, and does not, apply all of the factors described above in any particular investment and some factors may be more or less important for a particular investment depending upon the nature of the particular investment and attendant circumstances. As a result, an opportunity with attributes similar to that of another opportunity may not ultimately be allocated similarly. There can be no assurance that an AlpInvest Client will participate in all investment opportunities that fall within its investment strategy and objectives. Unless otherwise agreed to with an AlpInvest Client (or its investors), AlpInvest's investment allocation policies relating to such AlpInvest Client may be updated, supplemented or otherwise modified from time to time without the consent of, or notice to, such AlpInvest Client (or its investors).

In addition, certain affiliates and personnel of the Firm and Carlyle will invest directly or indirectly in or alongside certain AlpInvest Clients and will therefore participate in investments made by such AlpInvest Clients, and the interests in certain AlpInvest Clients may be owned primarily or entirely by AlpInvest, its affiliates and/or its personnel. Such interests will vary among AlpInvest

Clients and may create an incentive to allocate particularly attractive investment opportunities to the AlpInvest Client in which such affiliates and personnel hold a greater interest. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to an AlpInvest Client.

With respect to CAPM and any other vehicle managed by AlpInvest or another AlpInvest or Carlyle-affiliated investment adviser that is regulated as a business development company or registered as an investment company (“1940 Act Funds”), Sections 17 (with respect to CAPM and any other registered investment companies) and 57(a) (with respect to any business development company, a “BDC”) of the 1940 Act may be implicated in the context of investment transactions involving (i) CAPM and certain other AlpInvest Clients, or (ii) other 1940 Act Funds managed by Carlyle-affiliated investment advisers (e.g., CGCIM) and certain other AlpInvest Clients. Under these circumstances, the relevant AlpInvest Clients would be deemed to be an affiliate of CAPM or other 1940 Act Fund for purposes of Section 17 (as “Section 17 Affiliate”) or an affiliate of the BDCs for purposes of Section 57(b) (a “Section 57(b) Affiliate”), as applicable. Absent an exemption, CAPM (or another 1940 Act Fund) and a Section 17 Affiliate or Section 57(b) Affiliate would be limited in their ability to effect transactions involving simultaneous or related investments in the same portfolio investment. In this regard, a BDC generally cannot co-invest with a Section 57(b) Affiliate, and CAPM (or other 1940 Act Fund) generally cannot co-invest with a Section 17 Affiliate, absent an SEC exemptive order unless the transaction involves no terms other than price being negotiated and certain other conditions are met.

Where CAPM, or another 1940 Act Fund, does not have exemptive or no-action relief from the SEC and investment opportunities are applicable to such 1940 Act Fund on the one hand, and a Section 17 Affiliate or Section 57(b) Affiliate on the other hand, a co-investment transaction cannot be effected, and those opportunities must be allocated between such 1940 Act Fund and such Section 57(b) Affiliate or Section 17 Affiliate (as applicable), pursuant to a policy designed to equitably allocate opportunities. AlpInvest will consider the requirements of the exemptive relief that CGCIM and certain of its affiliates (including AlpInvest and APEIM) received from the SEC (the “Exemptive Relief”) authorizing specified joint transactions under the 1940 Act in allocations that involve CAPM and the other 1940 Act Funds managed by CGCIM (or other Carlyle-affiliated investment adviser). The Exemptive Relief allows, under specified conditions, CAPM and certain other 1940 Act Funds managed by CGCIM (or other Carlyle-affiliated investment adviser) to invest alongside Carlyle and certain of Carlyle’s private funds and accounts (including certain AlpInvest Clients) in the same investment opportunities, where such participation would otherwise be prohibited under the 1940 Act. As a result, CAPM and other 1940 Act Funds managed by CGCIM (or other Carlyle-affiliated investment adviser) may co-invest in transactions alongside certain AlpInvest Clients to the extent permitted under the governing documents of such AlpInvest Client and the terms and conditions of the Exemptive Relief. In addition, every investment opportunity considered for an AlpInvest Client that falls within the investment objective/strategies (and board-established criteria, where applicable) for CAPM or any other 1940 Act Fund managed by CGCIM (or other Carlyle-affiliated investment adviser) must be shown to CAPM or such other 1940 Act Fund. Although CAPM and such other 1940 Act Funds managed by CGCIM (or other Carlyle-affiliated investment adviser) are not required to participate, fulfilling these requirements could introduce a potential conflict of interest between an AlpInvest Client, on the one hand, and CAPM or other 1940 Act Fund managed by CGCIM (or other Carlyle-affiliated investment adviser) on the other hand. Further, while CGCIM

may be obligated to offer CAPM investment opportunities that falls within its investment objective/strategies (and board-established criteria, where applicable), it is not expected that CGCIM will offer such investment opportunities or any other investment opportunities to an AlpInvest Client. Accordingly, it can be expected that certain opportunities that fall within the investment strategies of certain AlpInvest Clients will not be allocated to such AlpInvest Clients and will instead be allocated to CAPM or another 1940 Act Fund.

Relevant 1940 Act restrictions and related guidance from the SEC and/or the Exemptive Relief, or other similar or related considerations, also may restrict the ability of an AlpInvest Client or a 1940 Act Fund to participate in certain transactions or to take certain actions relating to portfolio investments in which CAPM or another 1940 Act Fund has also invested (whether before or after the AlpInvest Client's investment therein), including but not limited to declining to vote or exercise its rights with respect to any such investment, declining to participate in a follow-on investment or selling an investment to avoid potential violations of the 1940 Act and/or related rules thereunder. Any such determination will be made by AlpInvest in its discretion and there can be no assurance that any such determination will be resolved in favor of an AlpInvest Client's interests.

From time to time, an investment opportunity may be of such significant size (*e.g.*, a large Secondaries transaction) that AlpInvest determines that its eligible AlpInvest Clients for whom the Firm has discretionary investment authority should not or cannot accept the full amount available. In such cases, AlpInvest may have the ability to influence or control the allocation of such excess or co-investment opportunity. Often, however, the ultimate determination of who gets access to any such excess or co-investment opportunity is in the sole control of the GPs of the Underlying Funds (in the case of Primary Investments and Secondary Investments) or the lead GP (in the case of Co-Investments), and in this case AlpInvest's role is to negotiate with the GP the best terms for the Firm's participating AlpInvest Clients and to provide a suitable list of potential co-investors to the GP. There may be circumstances where AlpInvest determines, for strategic or other reasons, the amount that could have otherwise been invested by a particular AlpInvest Client is instead allocated to one or more co-investors. Co-investments may result in conflicts between an AlpInvest Client and other co-investors (for example, over the price and other terms of such investment, exit strategies and related matters, including the exercise of remedies of their respective investments). The allocation of co-investment opportunities will, in many or all cases, also involve a benefit to AlpInvest, including the receipt of fees or allocation of carried interest from the co-investor, and/or capital commitments to AlpInvest Clients (including successor funds). As a result of the foregoing, AlpInvest could be incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement or economic terms.

Subject to any restrictions or requirements contained in any agreements with and/or organizational documents of an AlpInvest Client, or any side letter negotiated with respect to an investor, AlpInvest may, in its sole discretion, include certain AlpInvest Clients, prospective AlpInvest Clients (and prospective investors) and/or other third parties on its list of potential co-investors to the GP of the Underlying Fund or lead GP involved in the transaction for its review and consideration. However, AlpInvest from time to time will agree to give particular investors, AlpInvest Clients, or other third parties priority access to excess or co-investment opportunities. In addition, co-investment vehicles are formed from time to time to make investments alongside an AlpInvest Client. In such cases, the co-investment vehicle will typically have a priority right to

make co-investments in some or all of the investments made by such AlpInvest Client. The existence of such a priority right will significantly reduce or eliminate co-investment opportunities available to the other investors.

Subject to any written agreements to the contrary between an AlpInvest Client (or an investor therein) and AlpInvest or any of its affiliates, in general, (i) no AlpInvest Client (or investor therein) has a right to participate in any excess or co-investment opportunity and investing in an AlpInvest Client does not give an investor any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of AlpInvest or its related persons or other participants in the applicable transactions, such as co-sponsors or GPs, (iii) co-investment opportunities typically will be offered to some investors in an AlpInvest Client and not others, in the sole discretion of AlpInvest or its related persons and investors may be offered a smaller amount of co-investment opportunities than originally requested and an investor may be offered fewer co-investment opportunities than other investors in an Advisory, with the same, larger or smaller capital commitments to an AlpInvest Client, (iv) certain persons other than investors in an AlpInvest Client, rather than one or more investors in an AlpInvest Client, will, from time to time be offered co-investment opportunities, in the sole discretion of AlpInvest or its related persons, and (v) co-investors from time to time will purchase their interests in a portfolio investment at the same time as an AlpInvest Client or may purchase their interests from an AlpInvest Client after an AlpInvest Client has consummated its investment in the portfolio investment (also known as a post-closing sell down or transfer).

AlpInvest will consider a number of factors in determining which parties to approach for any such excess or co-investment opportunity, including (without limitation), its own interests, an investor's aggregate commitment size to Funds and/or Separate Accounts, any interest expressed by such party to participate in these types of investment opportunities, the level of demand for participation in such opportunity, the financial resources and capabilities of such party, the sophistication of such party and whether such party is in a position to make an investment decision quickly, the complexity of a prospective co-investor's tax status which would require particular structuring requirements, undertakings or covenants, any strategic value or other benefit resulting from offering such co-investment opportunity to a prospective co-investor (including without limitation whether a co-investor has agreed to pay fees and/or carried interest with respect to a co-investment), whether a potential co-investment party has a history of participating in opportunities, the extent to which a potential co-investor has been provided a greater amount of co-investment opportunities relative to others, whether the potential co-investor would require any governance or voting rights that would complicate the transactions, whether the potential co-investment party will make commitments to invest in other AlpInvest Clients or Carlyle funds (including concurrently with the applicable co-investment), AlpInvest's evaluation of whether a particular potential co-investor has provided value in the sourcing, establishing, relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing, and any confidentiality, competitive, legal and/or regulatory issues.

An investor may be offered fewer co-investment opportunities than other investors of the same AlpInvest Client, with the same, larger, or smaller capital commitments to such AlpInvest Client. The foregoing factors are not listed in order of importance or priority, and AlpInvest is not required

to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. Absent any written contractual arrangements, AlpInvest does not purport to have any duty or other fiduciary obligation to give any AlpInvest Client or investor access to any excess or co-investment opportunity. Each excess or co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (*e.g.*, timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). AlpInvest may be incentivized to offer an excess or co-investment opportunity to certain persons over others based on its economic arrangement with such persons, including, for example, whether AlpInvest and/or the applicable GPs of the Underlying Funds are entitled, under arrangements made with potential co-investment parties, to additional management fees and/or performance-based allocations based on the availability of co-investment opportunities offered to such parties.

Certain AlpInvest Clients will be expected to, from time to time, sell down an interest in a portfolio investment to co-investors. AlpInvest may charge (or decide not to charge) a co-investor (such as a Fund investor or a third-party) interest costs for the time period between the closing of the AlpInvest Client's investment in a portfolio investment to the date of the transfer of interests to the co-investor.

Conflicts Related to Synthetic Financings

AlpInvest expects certain AlpInvest Clients to engage in synthetic financings. Synthetic financings involve a diversified portfolio of assets where an AlpInvest Client purchases a pool of investments and the underlying capital structure of the pool is split into multiple tranches with distinct seniority and target return features. Detailed intercreditor arrangements are commonly established between the tranches, as they may be held by various AlpInvest Clients, Carlyle advisory clients and/or certain other parties. Further, an AlpInvest Client may buy certain of such assets from another AlpInvest Client, a portfolio investment that is already owned by an AlpInvest Client or may purchase the assets from a third party and invest alongside another AlpInvest Client. Participation in synthetic financings could result in a divergence of interests between an AlpInvest Client and another AlpInvest Client. This divergence of interest could arise both in the allocation of the tranches (which could have variations in terms of the seniority of the assets in the tranches), and also because the tranching of an asset could result in AlpInvest Clients and/or Carlyle advisory clients holding investments in different levels of the capital structure of the same portfolio investment. In that event, an AlpInvest Client's interest could be adverse to another AlpInvest Client's or a Carlyle advisory client's interests, and the outcome for an AlpInvest Client may be worse than it would be for the other AlpInvest Client or Carlyle advisory client. Please see disclosures in the paragraphs of this section titled "Cross-Transactions" and "Allocations of Investment Opportunities", as well as disclosures regarding investing in different levels of the capital structure in the titled "Affiliation with Carlyle" and "Underlying Fund Strategy Risks" for a description of the conflicts implicated.

Allocations of Expenses

Expenses frequently will be incurred by multiple AlpInvest Clients. The Firm allocates aggregate costs among the applicable AlpInvest Clients (and, in certain cases, among AlpInvest and

applicable AlpInvest Clients) in accordance with allocation policies and procedures which are reasonably designed to allocate expenses in a fair and reasonable manner over time among such AlpInvest Clients. However, expense allocation decisions can involve potential conflicts of interest (e.g., an incentive to favor AlpInvest Clients that pay higher incentive fees or conflicts relating to different expense arrangements with certain AlpInvest Clients). AlpInvest Clients will bear costs and expenses to the extent provided in the agreements under which an AlpInvest Client was established (such as a Fund's limited partnership agreement or private placement memorandum, the investment advisory agreement with an Advisory Client, and/or side letters with Fund investors). Typically, the investment advisory agreement and/or fund partnership agreement relating to such AlpInvest Client will stipulate what costs and expenses can be borne by the AlpInvest Client. Generally, investment-related costs (including broken deal costs) will be allocated across relevant AlpInvest Clients *pro rata* based on their relative participation interest (or anticipated relative participation) in the subject investment or based on their relative participation in investments over a given period (i.e., relative amounts of capital committed to investments). Not all costs incurred in connection with sourcing, negotiating, structuring, holding, or exiting an investment will benefit participating AlpInvest Clients ratably even though such costs will typically be borne ratably. AlpInvest may allocate other types of shared AlpInvest Client expenses on another basis (e.g., relative net asset value or per use or per instance) as determined more appropriate by AlpInvest in the particular circumstance and in accordance with AlpInvest's policies and procedures. If determined to be appropriate by AlpInvest, such expense allocations will flow through to the individual investors in a Fund on the same basis, which in certain cases would result in allocation of an AlpInvest Client expense to investors in such AlpInvest Client on a basis other than *pro rata* based on their respective investments in the AlpInvest Client. Nonetheless, the portion of a common expense that the Firm allocates to an AlpInvest Client or to an investor for a particular product or service may not reflect the relative benefit derived by AlpInvest Client or investor from that product or service in any particular instance. Further, AlpInvest may specially allocate fund expenses to an investor of an AlpInvest Client, including attorneys' fees, incurred by the AlpInvest Client in connection with such investor's admission to the AlpInvest Client (including costs incurred in connection with any "know your customer" due diligence). Such allocation determinations give rise to conflicts of interest due to inherent biases in the process. AlpInvest's expense allocations often depend on inherently subjective determinations and, accordingly, expense allocations made by AlpInvest in good faith will be final and binding on the AlpInvest Clients.

As mentioned in Item 5 above, certain Advisory Clients will also bear their allocable portion of the compensation, expenses and overhead attributable to certain employees and temporary contract workers of AlpInvest and its affiliates. Such allocations require judgments as to methodology that AlpInvest makes in good faith but in its sole discretion. These allocation methodologies may include: requiring personnel to periodically record and allocate their time with respect to the Advisory Client and/or the portfolio investments; AlpInvest approximating the portion of time a person has spent with respect to the Advisory Client and/or portfolio investment; the assessment of an overall dollar amount (for instance, based on a fixed fee) that AlpInvest reasonably believes represents a fair recoupment of expenses; allocating the total costs *pro rata* among Advisory Clients based on committed capital, net asset value, or another similar metric, even if certain Advisory Clients have not directly received services from such employees or temporary contract workers; and any other similar methodology determined by AlpInvest to be appropriate under the circumstances.

Any methodology chosen by AlpInvest involves inherent conflicts of interest and could result in a greater expense to the Advisory Clients than would be the case if a different methodology was applied. The amount allocated to an Advisory Client may not reflect the relative benefit derived by Advisory Client. Such allocation determinations give rise to conflicts of interest due to inherent biases in the process. AlpInvest or its affiliates have historically provided certain of such services to Advisory Clients at no charge. The decision by AlpInvest to initially perform particular services for Advisory Clients at no charge will not preclude a determination that another Advisory Client will bear the costs described above, and such determination will not necessarily occur uniformly for all Advisory Clients.

Cross-Transactions

In certain cases, AlpInvest may cause an AlpInvest Client to purchase investments from another AlpInvest Client, or it may cause an AlpInvest Client to sell investments to another AlpInvest Client (e.g., to rebalance an AlpInvest Client's portfolio, to take into account an AlpInvest Client's cash flows or to comply with applicable investment guidelines and restrictions of an AlpInvest Client). Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, an AlpInvest Client may not receive the best price otherwise possible, or AlpInvest might have an incentive to improve the performance of one AlpInvest Client by selling underperforming assets to another AlpInvest Client in order, for example, to earn fees. Additionally, in connection with such transactions, AlpInvest, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in a Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). AlpInvest and its affiliates may receive management or other fees in connection with their management of the relevant AlpInvest Clients involved in such a transaction and may also be entitled to share in the investment profits of the relevant AlpInvest Clients.

Further, an AlpInvest Client will from time to time exit a Co-Investment (typically via "drag-along" or similar rights exercised by the lead GP) where the portfolio company is being sold to another GP that offers AlpInvest a new Co-Investment opportunity in that portfolio company. Because the terms of the purchase and sale of the portfolio company (including price and timing) are determined by the unaffiliated GPs on an arm's-length basis, AlpInvest does not deem such transactions to be cross-transactions between AlpInvest Clients.

To address these conflicts of interest, in connection with effecting such transactions, AlpInvest will follow the applicable investment restrictions and guidelines of the relevant AlpInvest Clients.

Principal Transactions

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the investment adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction.

AlpInvest has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that those disclosures required by Section 206 of the Advisers Act be made to the applicable Advisory Client(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Follow-On Investments

A conflict of interest can also arise because an AlpInvest Client that participates in a follow-on investment in a portfolio investment also held by another AlpInvest Client will benefit from the initial evaluation, investigation and due diligence undertaken by AlpInvest on behalf of the original AlpInvest Client and from operational or other information about such portfolio investment acquired from the original AlpInvest Client's ownership of interests in the portfolio investment. In such circumstances, such benefitting AlpInvest Client(s) will not always be required to reimburse the original AlpInvest Client for expenses or other costs incurred in connection with researching, structuring, negotiating, and closing such investment. An investment by an AlpInvest Client in a portfolio investment in which another AlpInvest Client invests at a later stage may be made at a higher or lower valuation than the investment in such portfolio investment by such other Advisory Client and an investment by one or more other AlpInvest Clients in any such portfolio investment may dilute the original AlpInvest Client's interest in such portfolio investment.

Conflicts between Investment Strategies

GPs often offer Co-Investment opportunities first to investors in their Underlying Funds. AlpInvest expects to be offered Co-Investment opportunities because it holds Primary Investments and Secondary Investments in many Underlying Funds. However, such Co-Investment opportunities generally will be available only for those AlpInvest Clients pursuing a Co-Investments strategy and not to the AlpInvest Clients holding a Primary Investment or Secondary Investment in the Underlying Fund of the GP sourcing the investment. Further, AlpInvest may be incentivized to make Primary Investments or Secondary Investments in Underlying Funds in order to generate more Co-Investment opportunities. AlpInvest will often seek preferences for Co-Investment opportunities in a side letter (or other similar agreement) in connection with making Primary Investments and Secondary Investments, which in general will only benefit Advisory Clients that invest in Co-Investment opportunities. Further, AlpInvest will from time to time be successful in obtaining such Co-Investment preferences while failing to obtain other preferential terms for the benefit of the AlpInvest Client making the investment. In such cases, AlpInvest may have an incentive to concede certain terms in order to obtain preferential Co-Investment treatment.

In connection with making Portfolio Finance investments, it is generally expected that an AlpInvest Client will from time to time invest in an Underlying Fund or portfolio company in which one or more other AlpInvest Clients have an existing investment (*e.g.*, an existing Primary Investment). Further, in such cases, the AlpInvest Client would be expected to acquire (directly or indirectly) an interest in the Underlying Fund or a portfolio company that is different from such other AlpInvest Clients, which can include preferences on distributions and redemptions and differences in voting rights relative to existing limited partners or other investors (including such AlpInvest Client having substantially limited or no voting rights). Accordingly, such AlpInvest Client and such other AlpInvest Clients are likely to have conflicting interests in these circumstances, particularly in distressed situations where limited partners or other investors in an

Underlying Fund or portfolio company (as applicable) are requested to vote or otherwise approve certain actions. There can be no expectation that any AlpInvest Clients that are existing investors in an Underlying Fund or portfolio company will take any other AlpInvest Client's interests into account, and they may approve (or not approve) of actions that could result in a material adverse effect on such other AlpInvest Client. Further, Portfolio Finance investments by an AlpInvest Client raise the risk of using its assets to support positions taken by another AlpInvest Client, or that such AlpInvest Client could be required to remain passive in a situation in which it is otherwise entitled to vote. If additional capital is necessary for a portfolio company as a result of financial or other difficulties, or to finance growth or other opportunities, the other AlpInvest Clients may or may not provide such additional capital, and, if provided, such AlpInvest Client and such other AlpInvest Clients will supply such additional capital in such amounts, if any, as determined by AlpInvest. There can be no assurance that such AlpInvest Client's return with respect to any such investment described above will be comparable to the return of any other AlpInvest Client that has invested in the same Underlying Fund or portfolio company. In addition, a GP may require the consent of an Underlying Fund's limited partners, including one or more AlpInvest Clients, to approve one or more actions that would permit the GP and the Underlying Fund to transact a private equity portfolio financing investment with another AlpInvest Client. In exercising its voting rights under such circumstances, AlpInvest will vote its AlpInvest Client's interests (to the extent it has discretion to do so) in a manner that is in the best interests of such AlpInvest Clients or abstain from participating in the decision.

By their nature, direct investments in GPs will present certain conflicts of interest with Primary Investments, Secondary Investments and certain types of Co-Investments. The success of a direct investment in a GP will depend, in part, on the ability of the GP to earn management fees and other revenues, as well as receive carried interest allocations. Accordingly, a GP does not have a full alignment of interests with the limited partners in its Underlying Funds. AlpInvest may from time to time make investments in GPs of Underlying Funds in which AlpInvest has previously made a Primary Investment or Secondary Investment. AlpInvest may from time to time make Primary Investments and Secondary Investments in Underlying Funds managed by GPs in which AlpInvest already holds a direct GP investment. AlpInvest may from time to time make Co-Investments alongside GPs in which AlpInvest already holds a direct GP investment. Accordingly, AlpInvest and certain AlpInvest Clients will (indirectly) share in any fees or carried interest (or comparable performance fees or allocations) received by such GPs of Underlying Funds (or such GP's affiliates) which in turn is borne in part by other AlpInvest Clients invested in the Underlying Fund or Co-Investment (as the case may be).

As part of a direct GP investment, AlpInvest may be able to make a Primary Investment in an Underlying Fund on terms that are more favorable than those offered to other investors making a Primary Investment (*e.g.*, on a no fee, no carry basis), including other AlpInvest Clients. AlpInvest may be incentivized to invest in Underlying Funds managed by GPs, or make Co-Investments alongside GPs, in which AlpInvest holds a direct GP investment. Further, AlpInvest may be restricted or altogether precluded from voting its interests in an Underlying Fund or Co-Investment, or from serving on an Underlying Fund's limited partner advisory committee, if AlpInvest also holds an interest in the related GP.

Management of Advisory Clients

AlpInvest provides services to a number of Advisory Clients that may have similar or overlapping investment objectives. AlpInvest may in the future obtain additional advisory clients, including establishing one or more additional advisory clients, with investment objectives substantially similar to, or different from (or potentially in conflict with), those of AlpInvest's current Advisory Clients. Allocation of available investment opportunities between existing and future advisory clients could give rise to conflicts of interest (as heretofore described). AlpInvest may give advice or take actions with respect to the investments of one or more Advisory Client that may not be given or taken with respect to other Advisory Clients with similar investment programs, objectives or strategies. As a result, Advisory Clients with similar strategies will not hold the same securities or achieve the same performance. In addition, an Advisory Client generally may not be able to invest through the same investment vehicles or have access to similar credit or utilize similar investment strategies as another Advisory Client. Further, differing constraints and/or differing investment opportunities available to discretionary and non-discretionary Advisory Clients may also result in circumstances when allocations made on behalf of discretionary Advisory Clients differ from those provided to non-discretionary Advisory Clients. These differences will sometimes result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that AlpInvest's personnel responsible for advising a particular Advisory Client will have responsibilities with respect to multiple AlpInvest Clients (including those clients of AlpInvest BV). AlpInvest expects that its personnel will devote as much time as they believe is necessary to assist an Advisory Client in achieving its investment objective; however, none of such individuals will devote substantially all of his or her working time to the affairs of any particular Advisory Client. Conflicts of interest may arise in allocating time, services or functions of such personnel. Such personnel have an incentive to allocate more time, services or functions to Advisory Clients from which such personnel derive a higher economic benefit and/or better performing Advisory Clients. Other of AlpInvest's key personnel may, to the extent permitted by the governing documents of the relevant Advisory Clients and AlpInvest's internal policies, make personal investments outside of AlpInvest and its Advisory Clients. These personal investments may be substantial and divert attention from AlpInvest and the Advisory Clients.

AlpInvest will from time to time cause an Advisory Client to (or recommend that an Advisory Client), if permitted under its investment restrictions, invest in one or more investment vehicles (*i.e.*, funds) that are also managed by AlpInvest or Carlyle (for example by way of a secondary purchase of an interest in a Carlyle fund). AlpInvest may be incentivized to cause an Advisory Client to invest in (i) another fund managed by AlpInvest or Carlyle as opposed to a fund managed by a third party GP, even where an investment in a fund managed by a third party GP would have offered the potential for higher returns or lower fees or (ii) certain AlpInvest or Carlyle funds over other AlpInvest or Carlyle funds, including where such funds have differing levels of fees or have different relative capital needs. In such a case, investors in the investing Advisory Client will bear not only the direct management fees, performance-based allocations and other expenses associated with their investment in the investing Advisory Client (as the case may be), but also the management fees, performance-based allocations, and expenses (as the case may be) associated with the investment in the Underlying Fund, which are paid to AlpInvest or Carlyle (or their related persons, as the case may be), and will not reduce any management fees, performance-based

allocations or expenses payable by the investing Advisory Client. Additionally, the interests of the investing Advisory Client may conflict with the interests of the Underlying Fund, or with AlpInvest or Carlyle (or their related persons, as they case may be), in their capacity as service providers to the Underlying Fund, which would create a conflict of interest for AlpInvest. There can be no assurance, in light of the conflicts described above, that the determination to cause one Advisory Client to invest in another AlpInvest or Carlyle fund will ultimately prove to be the most profitable or advantageous course of action for the investing Advisory Client.

Conflicts Relating to Service Providers

AlpInvest and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest (e.g., cross transactions and other affiliated transactions). Members of the law firms engaged to represent the Funds may be investors in a Fund, and from time to time also represent one or more Underlying Funds, underlying portfolio companies or investors in an Advisory Client. In the event of a significant dispute or divergence of interest between Funds, AlpInvest and/or its affiliates, the parties may engage separate counsel in the sole discretion of AlpInvest and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, AlpInvest may engage other common service providers for itself as well as one or more Advisory Clients. In such circumstances, there may be a conflict of interest between AlpInvest and such Advisory Client in determining whether to engage such service providers, including the possibility that AlpInvest may favor the engagement or continued engagement of such service providers if it receives a benefit from them (such as lower fees) that it would not receive absent the engagement of such service provider by such Advisory Client. Further, service providers to AlpInvest and its affiliates and Advisory Clients often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, to the extent the services required by AlpInvest or its affiliates differ from those required by the Advisory Clients and/or its portfolio investments, AlpInvest and its affiliates will pay different rates and fees than those paid by an Advisory Clients.

Services required by an Advisory Client may for certain reasons, including efficiency considerations, be outsourced in whole or in part to third parties in the discretion of AlpInvest in connection with the operation of the Advisory Client, and AlpInvest will have an incentive to outsource such services in whole or in part to third parties or licensed software at the expense of the Advisory Client in order to leverage the use of AlpInvest's employees. Such outsourced services may include, without limitation, asset management, information technology, licensed software, depositary, data processing, trading, settlement, client relations, administration, marketing material reviews, anti-money laundering/know-your customer and similar customer due diligence reviews, custodial, accounting, valuation, trading, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur uniformly for all Advisory Clients and, accordingly, certain costs may be incurred by an Advisory Client through the use of third-party service providers that are not incurred for comparable services used by other Advisory Clients. The decision by AlpInvest to initially perform particular services in-house for an Advisory Client will not preclude a later decision to outsource such services, or any additional services, in whole or in part to third parties and AlpInvest has no obligation to inform such Advisory Clients or investors of such a

change. Such a change may also supplement or be performed alongside services performed by AlpInvest. In Addition, certain internal service providers (such as internal accounts) may “shadow” or otherwise review the reports of other services provided by such third parties. The costs, compensation, fees or expenses of any such third-party service providers and any attributable overhead will be an expense of the Advisory Client and borne by such Advisory Client and indirectly, the investors in such Advisory Client, in accordance with the terms of such Advisory Client’s partnership agreement or its investment advisory agreement with AlpInvest (as the case may be).

From time to time, AlpInvest will, in its discretion, select advisors and other service providers (including, without limitation, accountants, administrators, attorneys, banks, brokers or finders, consultants, custodians, software or other technology vendors, valuation agents, and certain other advisors, agents, and vendors) to provide services for Advisory Clients. Such service providers may be (i) a related person of AlpInvest or Carlyle or (ii) an entity with which AlpInvest, Carlyle or their respective affiliates or personnel has an ownership interest or other relationship from which AlpInvest, Carlyle or their respective affiliates or personnel otherwise derive financial or other benefits (including portfolio companies of Carlyle funds or Underlying Funds). In addition, AlpInvest will, and various GPs are expected to, use the services of a company called Chronograph in connection with analyzing and reporting data of Underlying Funds and their portfolio investments. An AlpInvest affiliate holds a minority interest in Chronograph and has the right to appoint a member to its board of directors (which is currently an AlpInvest professional). When making any such service provider recommendation, AlpInvest may, because of these financial or other interests, consider the interests of one portfolio company or Advisory Client, and have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost. Moreover, AlpInvest may not be in a position to verify the risks or reliability of such third-party service providers. An Advisory Client may suffer adverse consequences from actions, errors or failure to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them.

Because certain expenses are paid for by an Advisory Client or, if incurred by AlpInvest, are reimbursed by an Advisory Client, AlpInvest may have an incentive not to seek out the lowest cost options when incurring (or causing an Advisory Client to incur) such expenses. AlpInvest will seek to act in the best interests of its Advisory Clients when incurring expenses.

AlpInvest or its affiliates engage certain service providers (including law firms) on behalf of the Advisory Clients and personnel of such service provider have in the past and may in the future be seconded to AlpInvest or its affiliates on a temporary basis, pursuant to various arrangements including at cost or at no cost. AlpInvest is, from time to time, a beneficiary of these arrangements as well. Such personnel may provide services in respect of multiple matters, including in respect of matters related to AlpInvest, its affiliates and/or portfolio companies and in any such circumstance the benefits or costs of any such personnel will be allocated in AlpInvest’s discretion taking into consideration the usage of such personnel. The Management Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. In such circumstances, a conflict of interest exists because AlpInvest or its affiliates have an incentive to select one service provider over another on the basis that AlpInvest or its affiliates may receive the benefit of seconded employees from such service provider, particularly

where the compensation and expenses for such personnel during the secondment is borne by the service provider and not AlpInvest or its affiliates.

Additionally, former AlpInvest employees may also become employees, officers or directors of, or otherwise be engaged by, third-party service providers that provide services to AlpInvest, the Advisory Clients and/or portfolio investments. While employed by AlpInvest, the cost of the compensation, benefits and attributable overhead provided to these individuals are paid by AlpInvest unless an Advisory Client's governing documents permit certain allocations of internal expenses to the Advisory Client. If a former AlpInvest employee becomes an employee or consultant of a third party that also provides services to an Advisory Client, such former AlpInvest employee may be assigned by such third party to provide services to that account. In such instance, the cost of the third-party service provider attributable to the former AlpInvest employee working on the Advisory Client will be borne entirely by the Advisory Client and no such amounts will reduce the management fee paid or the carried interest distributed by such Advisory Client on the basis that such person used to be a former AlpInvest employee.

Fee Structure

As discussed above in Item 6, AlpInvest (or, in some cases, the general partner or special limited partner of a Fund, which is an affiliate of AlpInvest) is entitled to performance-based fees or allocations under the terms of the investment advisory agreement of an Advisory Client (or limited partnership agreement of a Fund). The existence of such performance-based fees or allocations may create an incentive for AlpInvest (or a general partner) to cause a Fund to make more speculative investments than it would otherwise make in the absence of performance-based fees or allocations.

Pursuant to the organizational documents of a Fund (or a Separate Account, as the case may be), the general partner thereof may be required to return excess amounts of carried interest as a "clawback." This clawback obligation may create an incentive for the general partner to defer disposition of one or more investments or delay the liquidation of a Fund or Separate Account if the disposition and/or liquidation would result in a realized loss to the Fund or Separate Account or would otherwise result in a clawback situation for the general partner.

There is typically a fixed investment period after which capital from investors in a Fund or Separate Account may only be drawn down in limited circumstances and because management fees are, at certain times during the life of a Fund or Separate Account (as the case may be), based upon the net invested capital (or similar basis) of such Fund or Separate Account, this fee structure may create an incentive to deploy capital when AlpInvest may not otherwise have done so.

From time to time, an Advisory Client may be offered the opportunity to continue holding (or "roll") an investment in lieu of receiving cash proceeds from a transaction. AlpInvest will be incentivized to elect to continue the investment to receive ongoing management fees and a more likely or larger performance-based fee or allocation if the investment's value appreciates in the future. This incentive is further increased by the presence of any clawback obligation as heretofore described.

Other AlpInvest or Carlyle Managed Vehicles as Limited Partners

An AlpInvest or Carlyle managed investment vehicle may hold interests in an Advisory Client and, although AlpInvest or its affiliate controls such vehicle, the beneficial owner or owners may be permitted to exercise such vehicle's voting rights in respect of an Advisory Client. In such a case such vehicle will vote its interests in an Advisory Client in the manner directed by the beneficial owner or owners of such vehicle and such vehicle will not be considered an affiliate of AlpInvest for purposes of the voting provisions of a partnership agreement, unless otherwise stipulated in an Advisory Client's agreements with AlpInvest.

Distributions In-Kind

Although, under normal circumstances, an Advisory Client intends to make distributions in cash, it is possible that under certain circumstances (including the winding up and dissolution of an Advisory Client) distributions may be made in kind and could consist of securities or other instruments for which there is no readily available public market or securities of entities unable to meet required interest or sinking fund payments. In addition, a general partner may offer each investor the opportunity to affirmatively elect to receive an in-kind distribution of securities or interests that are not marketable or are otherwise illiquid with respect to all or any portion of any investment that a general partner had otherwise determined to liquidate and distribute as cash, subject to the terms of a partnership agreement. At the time of any such distribution, such securities or other instruments may be experiencing periods of limited liquidity, price volatility or a decline in market value and may have certain investment and transfer restrictions limiting marketability. The ability of investors to liquidate positions in such securities or other instruments is subject to these and other risks, and investors must be prepared to hold such securities for an extended period of time. In-kind distributions of securities or other instruments may be comprised of, among other things, interests in one or more investment vehicles or special purpose vehicles holding the financial instruments or participations in the financial instruments which are being held or that were held by an Advisory Client. The value of the securities or other instruments distributed may be difficult to assess and may increase or decrease before such securities are sold, and such investor will incur transaction costs in connection with the sale of any such securities. There can be no assurance that the value of such investments will ultimately be realized. Additionally, securities or other instruments distributed to an investor may not be readily marketable or saleable and may have to be held by such investor for an indefinite period of time. The risk of loss and delay in liquidating these securities or other instruments will be borne by the investor, with the result that such investor may ultimately receive less cash than it would have received if it had been paid in cash. In addition, when securities or other instruments are distributed to investors in kind, such investors may then become debt or minority equity holders in the issuer and may be unable to protect their interests effectively. See also "Carried Interest" below. To the extent a general partner agrees to arrange for the sale of any securities or other instruments that would otherwise be distributed in-kind on behalf of and for the account of an investor and distribute the proceeds of such sale to such investor, a general partner will be deemed to have satisfied such obligations if the general partner or its affiliates assist an investor in establishing a brokerage account with a brokerage firm to which such securities or other instruments are transferred pursuant to an arrangement with such brokerage firm to sell such securities or other instruments on behalf of an investor for cash.

Diverse Membership; Side Letter Rights

Investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and entities organized in jurisdictions outside of the United States. Such investors may, and oftentimes will, have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may, and oftentimes will, arise in connection with decisions made by AlpInvest or its affiliates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, AlpInvest and its affiliates will consider the investment and tax objectives of the applicable Fund and the investors as a whole, not the investment, tax or other objectives of any investor individually.

The general partner (or similar managing fiduciary) of a Fund often will enter into side letters or other similar agreements with investors in connection with their admission to such Fund without the approval of any other investor. The side letters or other similar agreements have the effect of establishing rights under, altering or supplementing the terms of the governing documents of such Fund with respect to one or more such investors in a manner more favorable to such investors than those applicable to other investors and matters arising under any side letter may be considered matters contemplated in the governing documents of an Advisory Client and the limitation on liability provisions therein will apply equally to any side letter. Such rights or terms in any such side letter may include, without limitation, (i) fee arrangements with respect to such investors (such as alternative fee, aggregate fee or carried interest discounts or other compensation arrangements), including without limitation, arrangements granted to a such investor based on the size of its capital commitment or in connection with or pursuant to an integrated overall arrangement between AlpInvest (or Carlyle) and such investor or its affiliates (*i.e.*, a "multi-fund investor"), which may only be available on specific funds (and certain commitments to each such fund), funds in a specific Carlyle segment or funds available in a particular time period; (ii) the addition of or forbearance from a term contained in a partnership agreement (or similar organizational documents) to accommodate such investor's specific regulatory, tax, operational or legal concern, (iii) a modification of the right of the general partner of an Advisory Client to make distributions in kind, (iv) excuse rights applicable to particular investments; (v) reporting obligations of the applicable general partner (or similar managing fiduciary), including, without limitation, to accommodate special regulatory or other circumstances of such investor; (vi) waiver of certain confidentiality obligations; (vii) consent of the applicable general partner (or similar managing fiduciary) to certain transfers by such investor; (viii) special rights with respect to co-investment; or (ix) rights or terms necessary in light of particular legal, public policy or regulatory characteristics of an investor; (x) withdrawal events; (xi) modification of representations, indemnification and/or liability and other obligations. In addition, side letter arrangements with certain investors of the Advisory Clients impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, political, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Advisory Client. Investors in an Advisory Client will have no recourse against the Advisory Client, its general partner (or similar managing fiduciary), AlpInvest or their respective affiliates in the event

that certain investors receive additional or different rights or terms pursuant to such side letters, some of which rights may impact the rights and/or increase the obligations of other investors.

Side letters entered into by AlpInvest with respect to one AlpInvest Client may also have adverse effects on a different AlpInvest Client, such as placing limitations on AlpInvest's ability to allocate investment opportunities to certain other AlpInvest Clients. In light of the ever-changing market and the rapid pace of transactions and the limited time that be available for an AlpInvest Client to consummate an investment or other transaction, there is a heightened risk that AlpInvest and/or an AlpInvest Client may be unable to meet certain side letter obligations.

Except as otherwise agreed with an investor, the general partner (or similar managing fiduciary) of a Fund does not have an obligation to give any investor in such Fund notice of any side letters entered into by such general partner with any other investor in such Fund. However, subject to confidentiality obligations, the general partner (or similar managing fiduciary) will, upon request, make available copies of all side letters or a compendium containing the provisions of any such side letters, which may be redacted of any identifying information. Such copies or compendium may be made available to an investor only after such investor has been admitted to such Fund. Any rights established under a side letter will generally inure solely to the benefit of the parties to such side letter and will not extend to other investors in a Fund.

AlpInvest and its affiliates and personnel have made, and may in the future make, oral and written statements or expressions of intent or expectation to investors in a Fund or Separate Account, or they have acknowledged (and may in the future acknowledge) statements by such persons ("Outside Statements") regarding an AlpInvest Client or AlpInvest's activities pertaining thereto. These may include, for example, the anticipated or expected allocation and terms of co-investment opportunities, the anticipated or expected allocation of investment opportunities to an AlpInvest Client generally and other topics often addressed in legally binding side letters. Although such Outside Statements are not legally binding, such Outside Statements may influence allocation and other decisions of AlpInvest and its affiliates and personnel with respect to the operations and investment activities of an AlpInvest Client and may influence a prospective investor's decision as to whether to invest in an AlpInvest Client. By virtue of not being legally binding obligations, such Outside Statements will not be considered side letters for purposes of any most-favored-nation's provisions in actual side letters with investors in a Fund or Separate Account.

Investors in an AlpInvest Client may be controlled by AlpInvest or one of its affiliates (including CIM), to the effect that AlpInvest or its affiliate controls whether the investor funds required capital contributions or other payments to an AlpInvest Client. To the extent such an investor does not so fund required capital contributions or other payments, AlpInvest may elect not to impose default remedies under the governing documents of the AlpInvest Client. If any failure to fund relates to the actions or inactions of a third-party investor in such investor, AlpInvest or its affiliate may or may not elect to impose default remedies under the governing documents of such investor in lieu of at the AlpInvest Client. Additionally, AlpInvest may elect to exercise more lenient default remedies (including a waiver of such default) with respect to such investor as compared to any other investor in the AlpInvest Client that similarly fails to fund required capital contributions or other payments.

Positions with Portfolio Companies and Underlying Funds

AlpInvest personnel will serve as directors, or observers of boards, of portfolio companies from time to time. Such personnel are generally required to remit any remuneration they may receive as directors to AlpInvest and/or the applicable Advisory Client, or the remuneration will offset the amount of management fees paid by the applicable Advisory Client. In addition, AlpInvest's personnel may leave AlpInvest or its affiliates and become an officer or employee of a portfolio company or an investment adviser to an Underlying Fund. Currently, personnel of AlpInvest are prohibited from personally receiving consulting, management or other fees from portfolio companies or Underlying Funds.

Service on the board of a portfolio company may also give rise to potential conflicts between AlpInvest personnel's duties to the portfolio company and such personnel's duties to AlpInvest and its Advisory Clients. Decisions made by a director may subject AlpInvest, its affiliate or an Advisory Client to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims, or such decisions by a director may negatively impact the portfolio company and ultimately returns received by an Advisory Client investing in the portfolio company. In addition, to the extent AlpInvest personnel serves as a director on the board of more than one portfolio company, such person's fiduciaries duties among the multiple portfolio companies may create a conflict of interest. In general, the Advisory Clients will indemnify AlpInvest and its partners, principals and employees from such claims.

From time-to-time AlpInvest personnel may also be asked to serve as directors of, or observers with respect to, certain entities in which an Advisory Client has fully exited its ownership interest and/or following the termination of such person's relationship with AlpInvest. In such circumstances, any compensation received by such AlpInvest employee is not subject to the management fee offset heretofore described, or otherwise shared with the Advisory Clients and/or investors.

AlpInvest frequently has one or more representatives that sit on the limited partner advisory committee (the "LPAC") of an Underlying Fund. Often a GP of an Underlying Fund will ask the related LPAC to review and consent to certain transactions which present a conflict of interest or other issue for the GP. From time to time, such a transaction will involve another Carlyle affiliate as a party (e.g., as a buyer or seller vis-à-vis the Underlying Fund) or a transaction involving two or more Underlying Funds where AlpInvest holds LPAC seats in these Underlying Funds. In exercising its LPAC voting rights under such circumstances, AlpInvest representatives on the LPAC will vote in a manner that is in the best interests of its Advisory Clients or abstain from participating in the decision.

Possession and Use of Data

AlpInvest espouses a management philosophy of collaboration and information sharing among investment professionals to create a unified global network. AlpInvest, its affiliates, and their professionals may come into contact with material, non-public information in connection with their dealings with AlpInvest, Carlyle, CIM, CGCIM, or their affiliates. AlpInvest has established policies and procedures to prevent the abuse of material, non-public information, which include

procedures for, among other things, the use and maintenance of restricted trading lists. Under no circumstances may a professional trade in a security while in possession of material, non-public or other confidential information about that security for his or her own account, the accounts of certain family members, the account of an Advisory Client or any other account over which such person has investment discretion. AlpInvest is subject to various information barriers to segregate the flow of material, non-public information or other confidential information between the various Carlyle business segments, and specifically in the case of Investment Solutions, to segregate the flow of non-public, commercially sensitive information. AlpInvest's investment flexibility with respect to an Advisory Client may be constrained as a consequence of its inability to use material, non-public information for investment purposes.

In addition, in connection with investing and managing Advisory Client portfolios, AlpInvest receives and generates various kinds of Underlying Fund and portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics, some of which is sometimes referred to as "big data." This information may, in certain instances, include material, non-public information received or generated in connection with efforts on behalf of an Advisory Client's investment (or prospective investment) in an Underlying Fund or portfolio company. AlpInvest utilizes such data for various purposes, including improving its investment decision processes, refining its portfolio construction models, identifying new investments opportunities or investment strategies, and expanding its product or service offerings to investors. Information from a portfolio investment owned by an Advisory Client may enable AlpInvest to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for AlpInvest and other Advisory Clients that do not own an interest in such portfolio investment, without compensation or benefit to such Advisory Client or its portfolio investments. Portfolio investments may incur incremental expenses in collecting and organizing information requested or required to be furnished to AlpInvest (which expenses are indirectly borne by the Advisory Client). Except for (i) contractual obligations to third parties to maintain confidentiality of certain information, (ii) policies, practices and procedures designed to ensure confidentiality of trade secrets, and (iii) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, AlpInvest is generally free to use data and information from an Advisory Client's activities in its sole discretion for the benefit of AlpInvest and other Advisory Clients. Further, to the extent permitted under relevant internal information barriers, AlpInvest will share data with Carlyle personnel for similar data analysis purposes. The sharing and use of "big data" and other information present potential conflicts of interest and any benefits received by AlpInvest, or Carlyle or their respective personnel will not be subject to management fee offset or otherwise shared with an Advisory Client or its investors. AlpInvest from time to time uses information gathered from Underlying Funds and portfolio companies in a manner that may provide a material benefit to AlpInvest, its affiliates, and/or certain other Advisory Clients without compensating or otherwise benefitting the Advisory Client from which such information was obtained. In addition, AlpInvest may have an incentive to pursue investments based on the data and information expected to be received or generated. AlpInvest will utilize such information to benefit AlpInvest, its affiliates and/or certain Advisory Clients in a manner that may otherwise present a conflict of interest.

Capital Calls and Use of Subscription Lines

The general partner of an Advisory Client will from time to time fund an investment and other permissible items under its governing documents with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors) prior to calling capital commitments. The interest expense and other costs of any such borrowings will be borne by the relevant Advisory Client and, accordingly, decrease net returns of such Advisory Client. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which does not accrue on such borrowings and will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Advisory Client. As a result, the use of a subscription facility with respect to the relevant Advisory Client's investments and ongoing capital needs may reduce or eliminate the preferred return received by such Advisory Client's investors and accelerate or increase distributions of carried interest to the general partner of such Advisory Client. In light of the foregoing, AlpInvest has an incentive to cause such vehicle to borrow in this manner in lieu of drawing down capital commitments. As a general matter, use of leverage in lieu of drawing down capital commitments amplifies returns (either negative or positive) to investors. Further, while an Advisory Client will bear the expense of borrowed funds, such borrowings can also increase the carried interest allocations made by such Advisory Client by decreasing the amount of distributions from the Advisory Client that are required to be made to its investors in satisfaction of any preferred return or will result in the Advisory Client's general partner receiving carried interest earlier than it would otherwise have. Accordingly, there is a conflict of interest in deciding whether to borrow funds because AlpInvest (or an affiliate) may receive disproportionate benefits from such borrowings. Furthermore, the use of fund-level borrowing for investment purposes is treated as investment capital for purposes of calculating the relevant Advisory Client's management fee. Therefore, investors pay management fees on borrowed amounts used to fund an investment even though such amounts would not accrue a preferred return as described above.

In addition, the batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender, such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of liquidity constraints on investors and/or investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in an Advisory Client as a result of restrictions imposed on such transfers by the lender.

While an Advisory Client is subject to certain limits on borrowings as set forth in its governing agreement, special purpose entities formed by such Advisory Client to hold investments may engage in borrowings and incur leverage, which may not count towards any caps on borrowings and guarantees on such Advisory Client, as contained in such Advisory Client's governing agreement, as such borrowings are not recourse to such Advisory Client and do not reduce unpaid capital commitments of its investors. This may be the case even if such borrowings or leverage by entities owned by such Advisory Client engage in joint borrowings and/or are cross-collateralized with or among other such entities, such that multiple investments are pledged to and at risk with respect to a borrowing in connection with a single investment (even if the amounts

involved are greater than the single investment diversification limit set forth in such Advisory Client's governing agreement).

Investors should note that an Advisory Client's general partner may have the right to borrow for the purpose of funding distributions to limited partners. To the extent a general partner elects to do so in order to accelerate distributions, the proceeds from such borrowing will be split between the limited partners and such general partner on the same basis as the proceeds would be distributed if generated from proceeds from realized investments or other distributions from underlying investments. Accordingly, the general partner has an incentive to cause the Advisory Client to borrow for this purpose in order to accelerate its receipt of carried interest and also to improve reported performance for the applicable Advisory Client to the extent such performance is based on cash flows to and from investors. To the extent an Advisory Client does not receive anticipated proceeds from underlying investments (or if receipt for such proceeds is materially delayed), the Advisory Client may be required to call capital or dispose of other assets to repay the applicable borrowing and the general partner may be required to make a clawback payment to applicable limited partners.

Other Potential Conflicts

The terms of a partnership agreement (or similar organizational documents) of a Fund or of an investment advisory agreement in respect of a Separate Account are often highly negotiated and customized for a particular Advisory Client or investors in a Fund. Accordingly, the terms of such agreements can vary significantly even though the underlying investment strategies are substantially the same. For example, an Advisory Client that commits significant capital to an investment strategy may be offered preferential terms (including breaks on fees) compared to another Advisory Client or investor in a Fund that has committed a lesser amount to the same or similar strategy. Such preferential terms are typically not offered to every Advisory Client or investor in a Fund.

The terms of a partnership agreement (or similar organizational documents) of a Fund or of an investment advisory agreement in respect of a Separate Account establish complex arrangements among the parties. Questions may arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, many of which may not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, may be broad, general, ambiguous or conflicting, and may permit more than one reasonable interpretation. At times there may not be a provision directly applicable to the situation. While AlpInvest will construe the relevant agreements in good faith and in a manner consistent with the legal obligations of AlpInvest, the interpretations adopted may not be, and need not be, the interpretations that are the most favorable to the Advisory Client.

The partnership agreements (or similar organizational documents) of certain Funds permit the general partner of each such Fund to cause such Fund to distribute such general partner's share of securities resulting from an investment disposition by such Fund to such general partner or its affiliates in kind, while disposing of other investors' share of such securities and distributing the net cash proceeds of such sale of securities to the investors. This ability creates conflicts of interest between the general partner and the other investors of the applicable Fund, because the general partner may have an incentive to cause the Fund to exit an investment at a time that could result in

investors receiving a lesser return on such investment than would be the case if the general partner was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as investors). This conflict also may arise in the case of other Advisory Clients, when AlpInvest is permitted to distribute securities resulting from an investment disposition to itself, while distributing the net cash proceeds of the sale of such securities to the Advisory Client. The general partners are particularly incentivized to receive distributions in-kind of securities that it expects to increase in value, and in cases where the increase occurs, if the limited partners received cash distributions instead of in-kind distributions, the limited partners will be denied the benefits of that increase had the Advisory Client retained the securities and the general partner will receive more value from the securities than it would have had its performance-based fees or allocations been paid cash.

The partnership agreements (or similar organizational documents) of certain Funds and Separate Accounts permit each such Fund's or Separate Account's general partner, or its affiliates (including AlpInvest), to lend money to the applicable Advisory Client. Such lending arrangements create conflicts of interest between the applicable general partner or affiliate acting as lender and the Advisory Client acting as borrower.

The partnership agreements (or similar organizational documents) or the investment advisory agreements of certain Advisory Clients permit AlpInvest (or a Fund's general partner) to withhold information from certain Advisory Clients or certain investors in a Fund under certain circumstances. For instance, information may be withheld from investors of a Fund that are subject to Freedom of Information Act or similar requirements. AlpInvest (or a Fund's general partner) may elect to withhold certain information from such Advisory Clients (or investors in a Fund) for reasons relating to AlpInvest's public reputation or overall business strategy, despite the potential benefits to such Advisory Clients (or investors in a Fund) of receiving such information.

Investors may be introduced to AlpInvest or may be brought into an Advisory Client by a third-party from which AlpInvest or a related person receives services and to which AlpInvest or a related person may make payments, including in connection with conferences sponsored or hosted by the third-party.

AlpInvest will from time to time cause one or more Advisory Clients to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Advisory Clients, the applicable general partner, AlpInvest and/or their respective directors, officers, employees, agents, representatives, members of the Advisory Client's limited partner advisory committee and other indemnified parties, against liability in connection with the activities of the Advisory Clients. This will typically include a portion of any premiums, fees, costs and expenses for one or more "umbrella" or other insurance policies maintained by Carlyle that cover one or more Advisory Clients and/or AlpInvest (including their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties). AlpInvest will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella" or other insurance policies among one or more Advisory Clients, and/or AlpInvest on a fair and reasonable basis, in its sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable to ensure allocations are equitable on an overall basis in its good faith judgment. Notwithstanding the foregoing, the portion of an expense allocated to an

Advisory Client for a particular service may not reflect the relative benefit derived by such Advisory Client from that service in any particular instance and an Advisory Client will bear more or less of a particular expense based on the methodology used. There can be no assurance that a different allocation would not result in an Advisory Client bearing less (or more) premiums, fees, costs and expenses for insurance policies.

Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which AlpInvest and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Affiliation with Carlyle

AlpInvest is wholly-owned by Carlyle. Because Carlyle has other activities beyond owning AlpInvest, the Firm is subject to a number of actual and potential conflicts of interest, additional regulatory considerations and more legal and contractual restrictions than that to which it would otherwise be subject if it focused only on AlpInvest. Policies and procedures implemented by Carlyle from time to time (including as may be implemented in the future) to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across Carlyle’s areas of operation or expertise that AlpInvest expects to draw on for purposes of pursuing attractive investment opportunities. As a consequence, that information, which could be of benefit to AlpInvest, might become restricted to those respective businesses and otherwise be unavailable to AlpInvest. Carlyle may implement certain policies and procedures that may reduce the positive synergies that AlpInvest seeks to cultivate across Carlyle’s businesses through the “One Carlyle” approach.

Moreover, the terms of confidentiality or other agreements with or related to companies in which Carlyle has or has considered making an investment or which is otherwise an advisory client of Carlyle may restrict or otherwise limit the ability of AlpInvest to make investments in or otherwise engage in businesses or activities competitive with such companies. Carlyle may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although may be intended to provide greater opportunities for AlpInvest, may require AlpInvest to share such opportunities or otherwise limit the amount of an opportunity AlpInvest can otherwise take.

Carlyle maintains a one-way information barrier between Investment Solutions (which includes AlpInvest), on the one hand, and the other business segments of Carlyle, on the other hand. The Investment Solutions information barrier restricts the flow of certain non-public, commercially sensitive information from Investment Solutions to the other Carlyle business segments, other than for certain regulatory, reporting and similar purposes. The Investment Solutions information barrier also operates to maintain investment management independence between AlpInvest, operating as a part of Investment Solutions, and the other business segments of Carlyle. Consistent with the investment management independence of AlpInvest, investment collaboration between AlpInvest personnel and other Carlyle personnel is generally subject to restrictions, including that no Carlyle personnel may serve on or participate in any AlpInvest investment committee or investment process in respect of AlpInvest’s Advisory Clients. In addressing the misuse of material, non-public information, Carlyle and AlpInvest maintain a consolidated restricted trading list for their personnel and advisory clients, except that the Carlyle Global Credit segment

maintains a separate restricted trading list for its advisory clients. In addition, as part of Investment Solutions, AlpInvest is subject to other information barriers established by Carlyle, such as the information barrier between Carlyle's Global Credit business segment, on the one hand, and Carlyle's other business segments (including Investment Solutions), on the other hand.

From time to time, Carlyle personnel or their affiliates may be afforded the opportunity to invest in or alongside Underlying Funds, which is under the discretion of the related GP of the Underlying Fund. Such personnel may be able to make such investments on terms that are more favorable than those offered to AlpInvest and its Advisory Clients. Further, AlpInvest may not be aware that such Carlyle personnel or their affiliates are investing in or alongside the same Underlying Fund or the terms on which they have invested. In such cases where AlpInvest and Carlyle personnel or their affiliates have invested in or alongside the same Underlying Fund, AlpInvest will manage such investment without consideration of such Carlyle personnel or their affiliates and only in a manner that is in the best interests of the relevant Advisory Clients.

Where permitted under the specific legal and/or organizational documents of an Advisory Client, such Advisory Client may invest in entities or assets in which other AlpInvest Clients, other advisory clients of CIM, CGCIM or other Carlyle-affiliated investment advisers (*e.g.*, pooled investment vehicles and managed accounts) have or are concurrently making a separate investment and, likewise, advisory clients of CIM, CGCIM or other Carlyle-affiliated investment advisers may invest in entities or assets in which AlpInvest Clients have an existing investment or are concurrently making an investment in either the same or different tiers of a investment's capital structure. In such situations, AlpInvest Clients and other Carlyle entities may have conflicting interests (*e.g.*, over the terms of their respective investments). In distressed situations, these interests may be in conflict over such matters as whether to put an issuer into default, whether to grant covenants or waivers, or whether to pursue litigation. In a bankruptcy proceeding, Advisory Clients' interests may be subject to enhanced scrutiny, subordinated or otherwise adversely affected by virtue of the involvement and actions of an affiliate of Carlyle relating to the company involved in the bankruptcy proceeding. Further, an Advisory Client may seek to make an investment in an issuer at or around the same time as a 1940 Act Fund seeks to make an investment in the same issuer. Such regulations may prohibit both the Advisory Client and the 1940 Act Fund from making the investment (absent available exemptive relief), and the Advisory Client may be precluded from investing.

From time to time, certain Advisory Clients are expected to provide capital to, or otherwise co-invest alongside, certain Underlying Funds or other accounts or investments managed or advised by GPs. The strategies of such GPs have historically overlapped with the investment strategies of the advisory clients managed by other Carlyle-affiliates, such as CIM. It is therefore likely that AlpInvest will create additional competition in the market or independently consider the same investment opportunities as such Carlyle advisory clients, and thereby, on any given occasion, compete directly or indirectly with Carlyle for the same or similar investment opportunities. For example, AlpInvest may seek to co-invest alongside a GP that is actively bidding on a target company in competition with one or more CIM advisory clients. If CIM secures the investment for its advisory clients, AlpInvest's Advisory Clients generally will not be able to participate in the transaction.

Further, transactions involving the purchase (or sale) of securities by an Advisory Client from (or to) an affiliate of Carlyle may constitute a cross-trade or a principal transaction in certain circumstances. Accordingly, prior to any potential cross-trade or principal transaction involving an Advisory Client, AlpInvest will determine whether or not the trade would constitute a cross-trade or principal transaction, and if so, that all required notice and consent requirements have been satisfied.

From time-to-time Carlyle affiliates (*e.g.*, TCG Capital Markets) are expected to provide certain services to one or more underlying portfolio companies or investment vehicles in which an Advisory Client has an interest. While AlpInvest typically does not have any ability to control the actions of an Underlying Fund or portfolio company, AlpInvest may be seen as incentivized to seek to influence the decision to retain such Carlyle affiliate, or transact with such Carlyle affiliate, instead of other unaffiliated service providers, including broker-dealers or other counterparties that may be more appropriate or offer better terms. Further, in cases where an Advisory Client has an interest in a Carlyle-managed Underlying Fund or a Carlyle-controlled portfolio company, such Underlying Fund or portfolio company may engage in activities that give rise to actual or potential conflicts of interest, such as transacting with other Carlyle affiliates. Any such actual or potential conflicts will be addressed by Carlyle in accordance with its own policies and procedures. GCM will typically receive compensation for the services provided in connection with the capital markets services it provides, including but not limited to those described above. The compensation may take a variety of forms. Depending upon the nature of the transaction, the applicable Advisory Client, the portfolio investment or other parties to the transaction will pay or otherwise bear the cost of the fee to GCM. Any compensation the GCM receives for providing capital markets services will not, in accordance with the governing documents of the applicable Advisory Client, offset any management fee or carried interest payable by such Advisory Client or require any further consent of the Advisory Client or any investor therein.

From time to time, AlpInvest may cause an Advisory Client to hold (to the extent not otherwise prohibited under its investment restrictions) interests in one or more private funds managed by The TCW Group, Inc. and/or one of its affiliates (“TCW”). TCW is currently owned by TCW management and private funds affiliated with Carlyle (in addition to other owners), and there exists an information barrier between TCW and Carlyle (including, for these purposes, AlpInvest). AlpInvest has an existence independent of TCW and carries out its investment operations independently of TCW. TCW is separately registered under the Advisers Act as an investment adviser. Any investment in a private fund affiliated with TCW will be made on arm’s-length terms and subject to the confidentiality restrictions arising from particular fund or vehicle agreements.

Additionally, an Advisory Client may invest in companies or other entities in which TCW-affiliated advisory clients (*e.g.*, private funds and managed accounts) have made or are concurrently making a separate investment (*e.g.*, a mezzanine investment) and, likewise, TCW-affiliated advisory clients may invest in companies or other entities in which Advisory Clients have an existing investment or are concurrently making an investment. In such situations, Advisory Clients and such other TCW-affiliated advisory clients may have conflicting interests (*e.g.*, over the terms of their respective investments). In a bankruptcy proceeding Advisory Clients’ interests may be subject to enhanced scrutiny, subordinated or otherwise adversely affected by virtue of the involvement and actions of an affiliate of TCW relating to the company involved in the bankruptcy proceeding.

Item 12. Brokerage Practices

As AlpInvest's Advisory Clients primarily invest in private equity and private debt investments, AlpInvest trades in publicly traded securities are generally infrequent occurrences. However, to meet its fiduciary duties to its Advisory Clients, AlpInvest has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

In placing a transaction for an Advisory Client involving a broker-dealer, AlpInvest will seek "best execution" of the transaction. In selecting brokers-dealers, AlpInvest's primary consideration will be to obtain the most favorable net result for the Advisory Client under the circumstances, which may not involve the lowest possible commission cost. In selecting broker-dealers to effect securities transactions, AlpInvest seeks to obtain best execution by considering certain factors, including (but not limited to) the cost or commission rate, the price obtained, the circumstances of the transaction (*e.g.*, experience in liquidating distributions from private equity funds), and the reputability and reliability of the executing broker-dealer.

Transactions in publicly traded securities arising from a transaction within AlpInvest's Primary Investments or Secondary Investments lines of business ordinarily are executed through a third-party investment manager that manages the orderly disposition of distributions of marketable securities from private equity funds and typically selects the brokers through which the sales of such publicly traded securities are executed. To the extent AlpInvest has discretion in selecting a broker-dealer to execute transactions in publicly traded securities arising from a transaction within AlpInvest's Co-Investment strategy, such transactions are executed through a broker-dealer selected by AlpInvest. The fees and expenses of such third-party investment manager incurred in connection with such dispositions of marketable securities for an Advisory Client will be borne by the Advisory Client.

AlpInvest periodically monitors broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of AlpInvest and each Advisory Client.

AlpInvest does not engage in any formal soft dollar arrangements with respect to securities transactions for its Advisory Clients; however third-party investment managers engaged by AlpInvest for its Advisory Clients may engage in soft dollar arrangements. Any research services and/or other products or services that are provided to AlpInvest by brokers or dealers may be used for the benefit of all Advisory Clients and may not necessarily benefit solely the Advisory Client from which the commissions were generated. AlpInvest has no commitment or arrangement to provide any specific level of commissions or transactions with respect to any proprietary research received. The receipt of research and/or other products or services is not directly connected to the recommendation of brokerage services to Advisory Clients, but it does create a potential conflict of interest of which investors should be aware in assessing AlpInvest's choice of broker-dealers.

Aggregation of Trades

AlpInvest may aggregate (or bunch) the orders of more than one Advisory Client, including other AlpInvest Clients advised by its advisory affiliates, for the purchase or sale of the same publicly traded security. Investment advisers often employ this practice because larger transactions can

enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs.

In pursuing Advisory Clients' investment objectives, AlpInvest may cause multiple Advisory Clients to purchase or sell publicly traded securities through brokers. If AlpInvest has determined to sell or purchase a publicly traded security at the same time for more than one Advisory Client, AlpInvest will generally place combined orders for all such Advisory Clients while assigning pre-order allocations.

If an order for more than one Advisory Client for a publicly traded security cannot be fully executed, AlpInvest will allocate the investments in accordance with AlpInvest's procedures for allocation of investment opportunities, as described in Item 11 above.

AlpInvest generally seeks to aggregate trade orders for publicly traded securities so that each participating Advisory Client will receive the average price for each execution of a transaction.

Item 13. Review of Accounts

Oversight and Monitoring

The investment portfolios of AlpInvest's Advisory Clients are generally private, illiquid and long-term in nature, and accordingly, AlpInvest's review of them is not directed toward a short-term decision to dispose of securities. However, AlpInvest closely monitors the Advisory Clients' investments. The portfolios are formally reviewed periodically by the applicable investment team and the Chief Financial Officer, and the results of those reviews are discussed at least semi-annually by AlpInvest's Managing Directors.

Reporting

AlpInvest's Advisory Clients and investors in Funds typically receive quarterly financial reports and audited annual reports. Any other reports to Advisory Clients and investors in a Fund or Separate Account are based on the terms of the applicable investment advisory agreement and/or partnership agreement (or similar organizational documents) of a Fund.

For new Advisory Clients, a copy of this brochure is delivered prior to or at the time of entering into an advisory contract or closing on a new investor's subscription to a Fund or Separate Account, to the extent required by the Advisers Act. Most existing Advisory Clients and their respective investors are notified electronically when updates to this brochure are available for their review, and a copy is posted to the respective investor reporting site. Certain Advisory Clients and their respective investors will receive a copy of this brochure via e-mail sent to their designated representative(s).

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to AlpInvest by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 5 and 11 above.

AlpInvest and its affiliates will, from time to time, enter into cash compensation arrangements with affiliated or unaffiliated placement agents or third parties for introducing investors to AlpInvest. Any sales charge associated therewith will ultimately be borne by AlpInvest or its affiliates, either directly or through an offset of the management fee payable by the relevant Advisory Client.

In accordance with AlpInvest's policies, no Separate Account or Fund investor will bear any portion of any fee paid to any third-party solicitor with respect to such investment (whether in the form of higher management fees or other types of fees) without prior disclosure to the investor, except to the extent such fees are paid to locally licensed intermediaries, representatives or distributors that an Advisory Client is legally required to engage in order to offer interests in such Advisory Client in particular jurisdictions.

Item 15. Custody

AlpInvest uses unaffiliated, qualified, third-party custodians to hold the cash and securities of its Advisory Clients for which it has custody in a manner that it believes complies with applicable regulatory requirements, including SEC Staff guidance. For example, these qualified custodians maintain the client assets in a manner that segregates them from assets of other clients of the custodian.

AlpInvest will not have physical custody of any assets of any Advisory Client other than certain privately offered securities to the extent permitted by the Advisers Act and SEC Staff guidance. Nevertheless, AlpInvest will generally be deemed to have custody of the assets of the Funds and Separate Accounts structured as "funds-of-one" as a result of its position as an affiliate of the general partner (or similar managing fiduciary) of each such Fund and Separate Account. With respect to its Advisory Clients, AlpInvest relies on an exception available to "pooled investment vehicles" from the reporting and surprise audit obligations imposed by the SEC's custody rule by causing the Advisory Client's financial statements to be audited annually by a recognized independent auditor registered with and subject to regular inspection by the Public Company Accounting Oversight Board. The audited financial statements are distributed to the respective investors in a Fund or Separate Account, typically within 180 days (or sooner if required) after the Advisory Client's fiscal year end.

In addition, in connection with the final liquidation of a Fund or Separate Account, AlpInvest will obtain a final audit and distribute the audited financial statements to such Advisory Client's investors promptly after completion of the audit.

Item 16. Investment Discretion

Typically, investment advice is provided directly to Advisory Clients, subject to the direction and control of AlpInvest, and not individually to the investors in any Funds or Separate Accounts.

Services are provided to Advisory Clients in accordance with the applicable investment advisory agreement and/or partnership agreement (or similar organizational documents) for an Advisory Client. Investment restrictions for Advisory Clients are generally established in the applicable investment advisory agreement and/or partnership agreement (or similar organizational documents).

In the case of a Fund or a Separate Account organized as a “fund-of-one,” an affiliate of AlpInvest will typically act as the general partner of such entity and exercise discretionary investment authority for such it. AlpInvest, in turn, is retained as investment adviser in order to provide advice with respect to the Fund’s or Separate Account’s investments. Generally, this discretion is subject only to the investment guidelines set forth in the partnership agreement (or similar organizational documents) of the Fund or Separate Account, which generally expressly provide that the general partner has the authority to make all decisions concerning the investigation, evaluation, selection, negotiation, structuring, commitment to, monitoring of and disposition of investments. AlpInvest will, from time to time, provide certain investors in a Fund or an investor in a Separate Account with a veto or opt-out right in respect of certain investments, as set forth in the Fund’s limited partnership agreement, a Fund investor’s side letter agreement, or a Separate Account agreement, as the case may be. Due to the exercise of such opt-out or veto rights, there may be circumstances when investment actions made on behalf of certain discretionary Advisory Clients will differ from the investment recommendations provided to other discretionary Advisory Clients.

Additionally, due to differing objectives, differing constraints, and/or differing investment opportunities available to discretionary and non-discretionary Advisory Clients, there may be circumstances when investment actions made on behalf of discretionary Advisory Clients differ from the investment recommendations provided to non-discretionary Advisory Clients.

As discussed in Item 4, AlpInvest also provides non-discretionary advisory services.

Item 17. Voting Client Securities

AlpInvest has established written policies and procedures setting forth the principles and procedures by which AlpInvest votes or gives consent with respect to securities owned by Advisory Clients for which AlpInvest exercises voting authority and discretion. Most often, such voting authority is exercised in the context of providing investor consents or waivers requested by GPs to take an action (or refrain from taking an action) that is prohibited (or required) under the limited partnership agreement of an Underlying Fund (or related side letters), such as amending an Underlying Fund’s limited partnership agreement. The guiding principle by which AlpInvest exercises its voting authority on behalf of Advisory Clients is to vote in the best interests of such Advisory Client by taking into account the relevant Advisory Client’s investment horizon, the contractual obligations under the relevant advisory agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote.

AlpInvest reserves the right to abstain on any particular vote or otherwise withhold its vote or consent on any matter if, in the judgment of AlpInvest, the costs associated with exercising a vote outweigh the benefits to the relevant Advisory Client or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Advisory Client. Further, AlpInvest may be restricted or precluded from exercising any voting or consent

rights on behalf of an Advisory Client in respect of a Primary Investment, Secondary Investment or Co-Investment because another Advisory Client holds an interest in the related GP.

AlpInvest monitors all voting requests for any conflicts of interest, regardless of whether they are actual or perceived, including whether AlpInvest or any investment professional or other person recommending how to vote and/or AlpInvest's affiliates and their clients have an interest in how the vote is exercised that may present a conflict of interest.

Copies of relevant proxy logs, identifying how proxies were voted in connection with an Advisory Client and copies of proxy voting policies are available to any Advisory Client or Fund investor by writing to: AlpInvest Partners, One Vanderbilt Place, New York, New York 10017, Attn: Investor Relations.

Item 18. Financial Information

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. At this time, AlpInvest is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to its Advisory Clients. AlpInvest has not been the subject of any bankruptcy petitions, including in the past 10 years.

Additional financial information is also available in current public filings with the SEC for the Public Company (see ir.carlyle.com).

Item 19. Requirements for State Registered Advisers

This item is not applicable as AlpInvest is not registered in any state.