

**INVESTMENT ADVISER BROCHURE**

**VALEAS CAPITAL PARTNERS MANAGEMENT LP**

**101 California Street, Suite 3910  
San Francisco, CA 94111  
<https://valeas.com/>  
March 31, 2025**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Valeas Capital Partners Management LP (the “Adviser”, and together with its affiliates, “Valeas”). If you have any questions about the contents of this Brochure, please contact us at 415 992 3131 or [info@valeas.com](mailto:info@valeas.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 authority.**

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

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

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## MATERIAL CHANGES

The Adviser filed its most recent Brochure on March 29, 2024. This annual amendment reflects updates to the descriptions of certain of the business practices of the Adviser and its affiliates, including clarifying changes relating to the calculation methodology of the compensation Valeas receives from the Funds (as defined herein), expense practices, and updates to various risk factors and disclosures regarding potential conflicts of interest.

## ADVISORY BUSINESS

Valeas Capital Partners Management LP, a Delaware limited partnership and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. Valeas commenced operations in 2021.

Valeas currently advises six clients, Valeas Capital Partners Fund I LP and Valeas Capital Partners Fund I-A LP (the “**Fund**”, together with any additional pooled investment vehicles that Valeas intends to sponsor in the future, the “**Funds**”), and four co-invest vehicles (Sherman Opportunity LP, Sherman Opportunity-A LP, Sherman Opportunity-B LP, and CinQ Opportunity LP). Valeas Capital Partners Fund I GP LP, a Delaware limited partnership (the “**General Partner**,” and together with any future affiliated general partner entities, the “**General Partners**”) is subject to the Advisers Act pursuant to Valeas’ registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which operate as a single advisory business together with Valeas.

The Fund is a private equity Fund and invests through negotiated transactions in operating entities, generally referred to herein as “portfolio investments.” Valeas’ investment advisory services to the Fund consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. Where such investments consist of portfolio investments, the senior principals or other personnel of Valeas or its affiliates generally serve on such portfolio investments’ respective boards of directors or otherwise act to influence control over management of portfolio investments in which the Fund has invested.

Valeas’ advisory services to the Fund are detailed in the private placement memorandum or other offering documents (the “**Memorandum**”), partnership agreement of the Fund (the “**Partnership Agreement**” and, together with any relevant Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Fund participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between Valeas and any investor. The Fund or the General Partner is expected to enter into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

Additionally, as permitted by the Governing Documents, Valeas expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants, Operating Partners and other service providers, portfolio company management or personnel, strategic partners, Valeas' personnel and/or certain other persons associated with Valeas and/or its affiliates, in each case on terms to be determined by Valeas in its sole discretion. Such co-investments typically involve investment and disposal of interests in the applicable portfolio investment at the same time and on the same terms as the Fund making the investment. However, for strategic or other reasons, it is possible that a co-investor or co-invest vehicle will purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle is generally expected to occur shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in Valeas' sole discretion, Valeas reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitable to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

As of December 31, 2024, the Adviser managed \$1,296,823,577 in client assets on a discretionary basis. Valeas is principally owned by Robert Little.

## FEES AND COMPENSATION

In general, Valeas receives a management fee ("**Management Fee**") and a carried interest from the Fund in connection with the provision of advisory services to it. Valeas or other Valeas entities or affiliates receive additional compensation in connection with management and other services performed for portfolio investments of the Fund and such additional compensation will offset in whole or in part the management fees otherwise payable to Valeas to the extent provided by the Governing Documents. Investors in a Fund also bear certain expenses.

### Management Fees

All investors and prospective investors should review the Partnership Agreement of the Fund in conjunction with this Brochure for complete information on the fees and compensation payable with respect to the Funds. The Funds are expected to pay Valeas on a quarterly basis in advance on January 1, April 1, July 1 and October 1, a Management Fee equal to 2.0% on an annual basis of aggregate investor capital commitments ("**Commitments**"). Commencing with the first Management Fee due date after the expiration of the Investment Period or earlier upon the occurrence of certain events as set forth in the Governing Documents and through the final distribution of the Fund's assets, the Management Fee will equal 2% of the aggregate unrecouped bridge financing and investment contributions made (or payable to the Fund pursuant to capital call notices then issued or to be issued to repay indebtedness incurred by the Fund and used to fund an investment) with respect to investments, less the aggregate amount of investment contributions

with respect to the portion of each investment that has been disposed of or permanently written down, in each case with respect to Partners not designated as “affiliated partners” and subject to other limitations as further described in the applicable Governing Documents.

As is typically the case in private equity funds, Management Fees will be calculated and charged on a basis that generally is not based on the Fund’s then-current net asset value. Subject to the Governing Documents, from the effective date of the relevant Fund until a date specified in the Governing Documents (the “**Stepdown Date**”), Management Fees generally will be calculated based on a percentage of a Fund’s aggregate Commitments. After the Stepdown Date, Management Fees generally will be calculated based on a formula tied to the amount of investment contributions and the amount of any capitalized Transaction Fees (as defined below) or expenses, including expenses of Operating Partners made by the relevant Fund.

Under the Governing Documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the relevant Governing Documents do not require Management Fees to be reduced or refunded following the occurrence of a decrease (including a significant decrease) in fair value, except in the case of investments that were realized or disposed of at a valuation below the investment contributions or otherwise permanently written down (such investments, “**Impaired Value Investments**”). For the avoidance of doubt, if the fair market value of the Impaired Value Investment is less than the total amount of investment contributions relating to such Impaired Value Investment, then the amount of Management Fees otherwise payable relating to such investment will be reduced solely based on the ratio of the fair market value of each relevant remaining investment(s) as compared against the amount of total investment contributions relating to such investment.

As a result, and as is generally the case for private equity funds, the amount of Management Fees typically will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the relevant investment period, and will not be reduced in connection with any decrease (including a significant decrease) in fair value, except in the case of Impaired Value Investments.

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

The Management Fee will be reduced by an amount equal to 100% of Transaction Fees (as subsequently defined) attributable to Partners not designated as “affiliated partners” by the General Partner. “**Transaction Fees**” include: (i) closing fees, commitment fees, monitoring fees, financial consulting fees, advisory fees, directors’ fees and other similar fees paid to the General Partner with respect to any Fund investment; (ii) transaction fees paid to the General Partner with respect to any Fund investment; and (iii) break-up fees and litigation proceeds with respect to Fund transactions not consummated that are paid to the General Partner, in each case net of certain expenses (including those described below) as set forth in the Partnership Agreement; but not

including, in any event, any amount received by the General Partner, the Operating Partners or other person from an investment, prospective investment or other person (A) as reimbursement for expenses directly related to such investment or prospective investment, (B) as compensation for services provided to such investment or prospective investment in the ordinary course of such investment's or prospective investment's business, (C) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for such investment or prospective investment, (D) as compensation (including fees, salaries, bonuses, employee benefits, retainers, incentive equity or other stock awards and other amounts) for services rendered by an Operating Partner to or in respect of an investment or prospective investment or (E) any other amounts that the Advisory Board otherwise approves as not constituting "Transaction Fees."

As a matter of practice, Valeas is typically paid fees of the type referred to in the preceding paragraph from, on behalf of, or with respect to, co-investors in an investment as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to the relevant allocable portion of any such fee and not the portion of any fee related to among other items (i) General Partner or Valeas person's commitments; (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by Valeas, service providers (including lenders and law firms), third parties, current or former portfolio company management or personnel, sellers or members of management that have rolled their interest or reinvested proceeds in the portfolio company and/or other owners); or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, owned by current or former portfolio company management, which have the potential to be significant. Transaction Fee offsets generally are performed on a net basis, after giving effect to taxes and other expenses in connection with the receipt of such fees or the provision of related services. Unless otherwise agreed with investors, Transaction Fees generally will be payable without further offset during term extensions, even if Management Fees are reduced or eliminated during the extended term. Transaction Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of Transaction Fees paid prior to the Fund's acquisition of the relevant investment. Similarly, to the extent a former Valeas employee becomes a consultant to, or employed by, a portfolio company, no compensation earned by such former employee will offset the Management Fee, whether or not such former employee has a remaining interest in the relevant Fund's General Partner or affiliated entity. Conversely, in the event that Valeas employs a person that previously received compensation from a portfolio company, limited partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with Valeas, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter. In certain circumstances, Valeas expects that co-investors, lenders, consultants or other parties will negotiate the right to share a portion of such fees from a particular investment, and the Management Fee offset will be applied after excluding any amounts paid to such persons. Each of the foregoing conditions is expected to reduce the amount of Transaction Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to Valeas over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for Valeas to seek to increase such amounts. Even in circumstances where Transaction Fees would be completely offset against Management Fees under the Governing Documents, Valeas' receipt of Transaction

Fees when due from portfolio companies provides a benefit to Valeas in that it generally results in earlier availability of such amounts relative to Management Fee due dates. In accordance with the Governing Documents, investors will not receive interest or other compensation for the time period between Transaction Fee receipt and the later date of offset of the relevant amounts (if any) against the relevant Management Fees.

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

In general, the Management Fee offsets described above apply only with respect to the Commitments of fee-paying investors. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

### **Carried Interest**

Valeas will receive a carried interest with respect to the Fund equal to 20% of all realized profits subject to a preferred return, as more fully described in the Governing Documents. The carried interest distributed to Valeas is subject to a potential clawback or giveback at the end of life of the Fund if Valeas has received excess cumulative distributions and at certain interim intervals as provided in the Governing Documents.

It is expected that any future Fund will have a similar fee structure.

### **Co-Invest Vehicles**

In the discretion of the General Partner, Valeas' co-invest vehicles, Sherman Opportunity LP, Sherman Opportunity-A LP, Sherman Opportunity-B LP, and CinQ Opportunity LP, do not currently earn a Management Fee or carried interest, but are reimbursed for expenses. Future co-invest vehicles may or may not have a similar fee structure.

Sherman Opportunity-B LP provides for a one-time, upfront administration fee payable to the General Partner and reimburses the portfolio company for legal, consulting, or other representatives' fees and expenses up to a cap. In addition, all four of Valeas' existing co-invest vehicles also allow for reimbursement of the vehicle's organizational expenses to the General Partner up to a cap and reimbursement of each Fund's pro rata share of underlying deal expenses. These fees are more fully described in the governing documents for each co-invest vehicle. Future co-invest vehicles may or may not allow for such fees.

### **Other Information**

Valeas is permitted to exempt certain "affiliated partner" investors in the Fund from payment of all or a portion of Management Fees and/or carried interest, including Valeas and any other person designated by Valeas, such as "friends and family" of Valeas or its personnel, service providers (including lenders and law firms), strategic advisors, or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. The relevant General Partner reserves the right to make any such exemption from Management Fees

and/or carried interest by a direct exemption, a rebate by Valeas and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Valeas professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and/or carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents, certain General Partners have the right to permit investors, affiliated with the General Partner or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees and/or carried interest. Thus, except as otherwise agreed, the General Partner and certain limited partners who are affiliates, personnel or other designees of the General Partner (including “affiliated partners” and Operating Partners) will not be subject to carried interest or the Management Fee. The Adviser reserves the right, in its sole discretion, to reduce or waive any other Management Fees at any time for any period.

A Fund generally invests on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in a Fund.

Principals or other current or former employees of Valeas generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Valeas or its affiliates.

In addition to the Management Fee and carried interest payable to Valeas, a Fund bears certain expenses. As set forth more fully in the Governing Documents, a Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund’s (and its subsidiaries’ and intermediate entities’) activities, investments and business to the extent not reimbursed by a portfolio investment or applied to reduce Management Fees, including: (i) activities with respect to the origination, identification and sourcing of investment opportunities for the Fund, including attending and sponsoring industry conferences and events, meeting with consultants, broker-dealers, investment banks, industry executives, industry experts and other sources of investments and developing and maintaining an investment pipeline; (ii) activities with respect to the pursuing, structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals, databases, deal sourcing and/or research services), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding-up, liquidating, dissolving or otherwise disposing of, as applicable, the portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence, software and service providers, consultants and similar professionals in connection therewith and any costs related to transactions that have or may have been offered to co-investors) whether or not any contemplated transaction or project is consummated and whether or not such activities are successful (including, in the case of any transactions or projects that are not consummated, any such amounts that would have been attributable to co-investors); (iii) indebtedness of, or guarantees made by, Valeas (including any credit facility, letter of credit or similar credit support), including the repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iv) financing, commitment, origination and similar activities

(including fees and expenses thereof); (v) broker (including real estate broker), dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services (including buy- and sell-side finders' fees as well as similar deal sourcing payments); (vi) brokerage, sale, custodial, depository and local paying agent (including any depository appointed pursuant to the AIFMD), expenses of a Swiss representative and paying agent appointed pursuant to the Swiss Collective Investment Scheme Act (as amended) or Financial Services Act of 2018, including any related law, rule or regulation relating to the implementations thereof but excluding, for clarity, the initial engagement expenses, trustee, record keeping, account, registered office and similar services; (vii) legal, intellectual property, accounting, research (including expert consultants, research reports, subscriptions to research services, research calls and meetings and research or industry conferences), auditing, technology (including data science, application development, cybersecurity and technology infrastructure) administration (including costs associated with compliance with any anti-money laundering laws and regulations and any third-party administrator and administration, tracking or reporting software, if any), risk management information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services, including with respect to transactions entered into between the Partnership and other investment vehicles affiliated with Valeas, as well as costs related to the establishment or maintenance of such services), consulting (including consulting and retainer fees, salary, bonus and other compensation or expense reimbursements paid to, and benefits or personnel costs (including employee benefits, payroll taxes, insurance, paid-time-off and overhead) provided to or on behalf of, Operating Partners or consultants performing investment initiatives, sourcing or identifying investment opportunities, or providing services, related to environmental, social and governance ("ESG") investment considerations and policies, and other consultants (including those with respect to go-to-market, supply chain, lean management and change management)), operations, talent assessment and recruiting (including executive recruiters for Investments and any costs associated with recruiting, including headhunter fees, background checks or relocation expenses), compensation and expense reimbursements paid to, and benefits, personnel costs, or other overhead provided to or on behalf of, the Operating Partners, tax, information technology and other professional services; (viii) reverse breakup, termination and other similar arrangements (including with respect to contemplated transactions that may have been offered to co-investors); (ix) establishing, implementing, monitoring or measuring the impact of ESG policies and programs with respect to a Fund or any portfolio company or prospective portfolio company, including all costs incurred in connection with ESG tracking tools and any assessments, measurements, advice or reports prepared as part of establishing, implementing, monitoring and maintaining ESG policies and procedures with respect to the Fund or any portfolio company or prospective portfolio company or otherwise designed to promote or evaluate a Fund's or any portfolio company's or prospective portfolio company's achievement of ESG objectives; (x) insurance (including directors and officers liability, fidelity bond, cyber security, investment management liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs related to any retention or deductibles and broker costs and commissions) and the costs of any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance policies, and regulatory expenses; (xi) filing, real estate, title, transfer, survey, environmental diligence, registration and other similar activities; (xii) printing, communications, mailing, courier, marketing, advertising and publicity; (xiii) the preparation, distribution or filing of a partnership-related or investment-related financial

statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms, other communications with partners or any other administrative, compliance or regulatory filings or reports (including Form PF and Bureau of Economic Analysis reports) or other information, including the costs of any third-party service providers and professionals related to the foregoing; (xiv) costs associated with the reporting, filings or other ongoing compliance with the requirements contemplated by the AIFMD (excluding, for clarity, the initial and/or preliminary registrations, filings and compliance described as Organizational Expenses), as implemented in any relevant jurisdiction or any similar law, rule or regulation and including any secondary legislation, regulations, rules and/or associated guidance, and any related requirements; (xv) compliance with any financial account reporting regime applicable to Valeas, including FATCA, the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, and any costs of any third-party service providers and professionals related to the foregoing; (xvi) developing, licensing, implementing, maintaining or upgrading any web portal, website, extranet tools, computer software or services (including accounting, investor tracking, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services); (xvii) any activities with respect to protecting the confidential or non-public nature of any information or data, including Confidential Information (including any costs incurred in connection with the EU Data Protection Law or FOIA); (xviii) any activities or proceedings of the advisory board of a Fund (including any costs incurred by representatives of Valeas, the advisory board members of a Fund, permitted observers and other Persons in attending or otherwise participating in meetings of the advisory board); (xix) indemnification obligations (including legal and any other costs incurred in connection with indemnifying any partner or other person and advancing costs incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Governing Documents ), except as otherwise set forth in the Governing Documents; (xx) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xxi) any annual, periodic or special Limited Partner meeting, and any other conference, meeting or webcast or other video conference with any Partner(s) (in each case, including any costs associated with venue, set-up, room and board, dining, entertainment, gifts and mementos, honorarium, events or speakers and other meeting or conference-related costs) and any other activities necessitated by and incidental to Valeas’ global investor base, in each case to the extent incurred by Valeas or any other affiliates; (xxii) the Management Fees; (xxiii) except as otherwise determined by Valeas in its sole discretion, any cost relating to any Alternative Investment Vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such Alternative Investment Vehicle) that would be a Partnership Expense or an Organizational Expense if it were incurred in connection a Fund, any costs incurred in connection with the formation, management, operation, termination, winding-up and dissolution of any Feeder Fund to the extent not paid by the investors investing in such entities and any other costs related to any structuring or restructuring of any Valeas entity; (xxiv) the termination, liquidation, winding-up or dissolution of a Valeas’ partnership and any legal entities owned directly or indirectly by such partnership, including in respect of investments and any related entities; (xxv) defaults by partners in the payment of any capital contributions; (xxvi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of Valeas’ partnership, a parallel fund, any entities owned directly or indirectly by Valeas’

partnership (including portfolio companies, as applicable) and any alternative investment vehicle of Valeas, including, in each case, the preparation, distribution and implementation thereof; (xxvii) (A) compliance with any law, rule, regulation, policy directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider costs related thereto, any regulatory costs of Valeas or any of its affiliates incurred in connection with the operation of Valeas and any costs related to compliance with any investment considerations and policies of Valeas and/or (B) any costs related to the validation of any payments made to Valeas in connection with any voluntary or compulsory review (including as a result of any anti-money laundering laws, rules or regulations); (xxviii) any litigation or governmental inquiry, investigation or proceeding, including any costs of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such costs or amounts have been determined to be excluded from the indemnification; (xxix) any third-party experts, including independent appraisers, engaged by Valeas in connection with a partnership considering, making, holding or disposing of, directly or indirectly, an investment in the same person as one or more investment vehicles (other than the partnership) sponsored, managed or controlled by Valeas or any of its affiliates; (xxx) unreimbursed costs incurred in connection with any transfer or proposed transfer or any limited partner's name change, internal restructuring or change in trust, registered agent or custodian; (xxxi) any taxes, fees and other governmental charges levied against a partnership and/or any alternative investment vehicle and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of the partnership (including compliance with any foreign account reporting requirements) and/or any alternative investment vehicle (except to the extent that a partnership is reimbursed therefor by a reimbursing partner or such tax, fee or charge is treated as having been distributed to the partners) and any costs of or related to the partnership representative or the "designated individual" thereof; (xxxii) costs related to making distributions to the partners and other costs associated with the acquisition, holding and disposition of investments, including extraordinary expenses; (xxxiii) unreimbursed expenses and unpaid fees of Operating Partners; (xxxiv) compliance or regulatory matters, except as otherwise set forth in this Agreement, including compliance with the Governing Document and/or any side letter or similar agreement; (xxxv) amendments to, and waivers, consents or approvals pursuant to, side letters and similar agreements with limited partners and "most-favored-nations" election processes in connection therewith; (xxxvi) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of Valeas or any Operating Partner, at any trade show or conference, including any applicable registration fees and exhibition, sponsorship or other presentation fees, costs and expenses; (xxxvii) hosting or attending training programs, meetings or other events for portfolio companies and/or their personnel; (xxxviii) all costs and expenses associated with negotiating, forming and operating a feeder fund which invests all or substantially all of its assets in Valeas, including all expenses associated with its management, operation, winding-up, liquidating and dissolution and with preparing and distributing such feeder fund's financial statements, tax returns and feeder fund limited partner reports, but not including any income based or similar taxes, fees or other governmental charges levied against such feeder fund; (xxxix) any travel (including, where appropriate as determined by Valeas, the cost of using or chartering private aircraft or other private air travel (at a cost not to exceed the cost of corresponding first class (or equivalent) commercial airfare)), other air travel, car or ride sharing services and other modes of transportation, and lodging, meals and entertainment relating to any of the foregoing, including in connection with

consummated and unconsummated investment and disposition opportunities; (xl) any of the items listed above relating to any investment, restructuring, taking public or private, disposition or other opportunity not consummated, including any opportunity offered to co-investors; (xli) any organizational expenses; (xlii) any placement fees; and (xliii) any other costs approved by the advisory board.

Except where the relevant Governing Documents or Side Letter(s) expressly provide to the contrary, Broken Deal Expenses generally are allocated among Fund investors regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. A Fund also bears fees and expenses indirectly to the extent a portfolio investment (or intermediate entity) pays fees and expenses, including fees and expenses of Valeas and/or its affiliates and company-level fees and expenses not covered by the list of permissible expenses set forth in the Governing Documents; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred, and as a result some stakeholders are expected to bear an amount of fees or expenses disproportionate to the benefits they receive, or in some cases without the receipt of any direct benefits. In certain cases, these or similar expenses (and/or supplemental fees) are expected to be charged to portfolio investments, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio investment. Excluded from Fund expenses are ordinary administrative and overhead expenses of the General Partner or the Adviser incurred in connection with managing, originating and monitoring investments, including employees' salaries, rent, equipment expenses except as otherwise provided in Governing Documents. Valeas expects to be subject to potential conflicts of interest where certain administrative and other functions are performed by Valeas personnel would not be chargeable to the Funds under the Governing Documents, but service providers performing the same services generally would be chargeable to the Funds thereunder. The Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio investments and intermediate holding vehicles through which the Fund invests. As is typical for private equity fund, a Fund likely bears additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio investments alongside a Fund, subject to Valeas' related policies and practices and the Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Fund. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise

be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. To the extent that such co-investors have already executed definitive documentation to invest in such transaction, such co-investor is expected to bear its *pro rata* share of such Broken Deal Expenses. To the extent the Fund makes use of a credit facility to invest in a portfolio investment or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining of the facility as a whole.

Valeas and/or its affiliates generally have discretion over whether to charge Transaction Fees to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such supplemental fee incomes, to the extent not offset, generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Valeas and/or its affiliates on the other hand.

### **Operating Partners**

Additionally, as further described herein and in the Governing Documents, it is Valeas' practice to engage, employ, use or retain certain operating partners (including entities formed for the benefit of such persons and/or to facilitate the provision of their services) (the "**Operating Partners**") to provide services to or with respect to the Fund or certain current or prospective portfolio investments in which the Fund invests. Such Operating Partners generally provide services to or in respect of a Fund and its alternative investment vehicles, portfolio investments and prospective portfolio investments (the "**Covered Entities**"). Operating Partners will primarily advise on industry-specific strategy and market approach, provide investment acquisition support, assist with the build out of investments and provide other value creation or other similar services to the Fund, any alternative investment vehicle or any investment or prospective investment of the Fund or any alternative investment vehicle as well as serve on the boards or equivalent bodies or in executive or other roles of such investments (including investments in which the Fund does not hold a controlling interest). Operating Partners are expected to receive compensation from the Covered Entities in connection with their services to the Covered Entities, including fees, salaries, bonuses, incentive equity or other stock awards, and reimbursement of certain travel and other costs, which payments are not included as "Transaction Fees" and will not offset the Management Fee. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment and the relevant Fund, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, which in either case could be substantial. Additionally, the relevant Fund will bear the costs of all Operating Partner compensation as well as fees, costs and expenses of structuring Operating Partner arrangements. Valeas also expects to deploy Operating Partners to portfolio investments to serve on their boards, as executives or in other similar roles. Under such arrangements, the relevant portfolio investment generally will pay all of the compensation and employee benefits in respect of such Operating Partners which will not offset the Fund's Management Fee. In addition, Operating Partners are expected to be permitted to invest in the Fund or co-invest in certain investments, with management fees or carried interest reduced or waived, and receive grants in the General Partner's carried interest. Operating Partners will

typically receive access to office space, e-mail addresses, and are expected to make use of support services and other resources of Valeas and its affiliates. The use of Operating Partners subjects the General Partner to potential conflicts of interest, as discussed under “Conflicts of Interest,” below.

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under “Fees and Compensation,” the General Partner generally receives a carried interest allocation on certain realized profits in the Fund.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Valeas generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund’s life or at certain interim intervals. Investors are provided with disclosure as to how performance-based compensation is charged with respect to a particular Fund and the risk associated with such performance-based compensation prior to making an investment.

Valeas confirms that it has non-waivable fiduciary duties as an investment adviser registered with the SEC. Please refer to each Fund’s Governing Documents for complete information on the fee arrangements.

#### **TYPES OF CLIENTS**

Valeas provides investment advice solely to its Fund clients, and references throughout this Brochure to “clients” and to Valeas’ related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Fund and future Valeas-sponsored investment funds will generally include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in a Fund are generally expected to include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, principals or other personnel of Valeas and its affiliates and members of their families, Operating Partners or other service providers retained by Valeas or a Fund, as well as executives of portfolio investments.

The General Partner also generally is permitted to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents related to the relevant Funds.

The Fund has a minimum investment amount of \$5 million for third-party investors, and the Fund interests are offered and sold solely to accredited investors that are also qualified clients

and qualified purchasers (or qualified knowledgeable Valeas personnel). Valeas generally is permitted to waive such minimum investment amount.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

Valeas' investment strategy is centered around its differentiated approach to mid-market value creation as an experienced, authentic, and preferred partner with management teams. Valeas plans to use its attractive deal pipeline with its focus on proprietary or advantaged deal flow to create compelling return opportunities. Valeas' goal is to create a right-sized fund with responsible terms and shared goals to enhance the likelihood of success for the Fund and its limited partners.

The Fund will utilize a concentrated, long-term approach to its investments that will enable strong partnerships and add value for its portfolio investments.

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

### **Investment and Operating Strategy**

#### ***Investment Criteria***

When considering potential investment opportunities, Valeas will typically rely on the following clear and principled investment criteria: team first; growth bias; building fundamental, long-term value; specialized focus; mid-sized investments; flexible scope; risk-adjusted returns.

#### ***Deal Archetypes***

Valeas seeks to make investments that fall into one of the following categories: (1) scaled transformations, (2) buy and build, and (3) earlier stage options in disruptive platforms.

### **Risks of Investment**

Valeas' Funds and its investors bear the risk of loss that Valeas' investment strategy entails. The risks involved with Valeas' investment strategy and an investment in a Fund include, but are not limited to, the following risks. Additional risks specific to a particular Fund or strategy are further described in their respective private placement memoranda.

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

***Concentration of Investments; Lack of Diversification.*** A Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment, certain regions or sectors, or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or

of a particular industry or sector may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio investments and thus be less diversified. If a Fund co-invests with another investment fund or investment vehicle (including any vehicle managed by Valeas), a limited partner invested in such other investment vehicle would have exposure to a single investment through more than one fund, potentially increasing such limited partner's losses; conversely, a Fund would have less exposure than if a Fund did not co-invest, potentially diluting returns.

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

Given Valeas' experience in certain industries and the structural requirements of operating a Fund, the Fund reserves the right to make several investments in a single industry or industry segment, in a limited geographic area, in a single asset type and/or within a short period of time, which could create the conditions for a portfolio of investments that exhibit, amongst themselves, a very high degree of correlated returns. As a result of the foregoing, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry, or the timing of a Fund's investments, may substantially affect a Fund's aggregate return. In addition to the foregoing, because a Fund is expected to only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could severely affect total returns. If certain investments perform unfavorably, then in order for a Fund to achieve attractive returns, one or more of its other investments must perform very well, and there can be no assurances that this will be the case.

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

***Early Growth and Growth Investments.*** Valeas is permitted to invest in private, growth equity companies. These companies typically have modest or no revenues and may or may not be profitable. They may require additional capital, at high valuations, to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or may not be available on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Although a representative of Valeas may serve on the board of a company, each company will be managed by its own officers (who generally will not be affiliated with a

Fund or Valeas). A Fund is also permitted to hold minority interests in certain of the companies it invests in, so may have limited influence over such companies and their management teams.

***Special Risks Associated with Health Care Technology Investments.*** Investing in securities and other instruments of companies that offer health-related technology or technology-enabled products or services involves substantial risks. Many of the products and services offered by technology-related companies are also subject to the risk of short product cycles. Certain technology-related companies face special risks that their products or services may not prove to be commercially successful. Such companies also may be subject to risks relating to research and development costs and the availability and price of components. As product cycles shorten and manufacturing capacity increases, these companies could become increasingly subject to aggressive pricing and competition, which hampers profitability. In addition, technology assets and intellectual property, and in investments in or financing thereof, are usually governed by a complex series of legal documents and contracts. As a result, the risk of dispute over interpretation or enforceability of the documentation may be higher than for other investments. In addition, technology-related companies often own large numbers of patents, copyrights, trademarks, and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. Lawsuits involving disputes over intellectual property or related claims, regardless of the merits of the claims, are often time-consuming, costly to defend and can result in significant damage awards or expensive settlements. Such lawsuits can cause significant diversion of management attention and, if successful, can limit the ability of such companies to develop or market the technologies that form the core of their business.

***Special Risks Associated with Financial Services Investments.*** Investing in securities and other instruments of companies that operate in the financial services sector involves substantial risks. Investments in financial services companies often have asset and liability structures that are essentially monetary in nature and are directly affected by many factors outside of the company's control, which can affect customers and counterparties of financial services companies and may affect the value of financial instruments held by such companies. Financial services investing is competitive, and competitive conditions in the industry may continue to intensify, which could adversely affect Valeas. In addition, certain companies in the financial services sector may sell their products through independent sales representatives, which may not be captive and may concentrate their efforts in selling competitors' products instead of the ones created by a portfolio company, which could impact the value of Valeas' financial services investments negatively. When a portfolio company's products are distributed through unaffiliated firms, the portfolio company and Valeas may not be able to monitor or control the manner of their distribution, which could lead to those products being distributed to customers for whom they are unsuitable or distributed in any other inappropriate manner, and Valeas may suffer reputational and other harm as a result. An interruption in certain key distributor relationships could materially affect a portfolio company's ability to market their products and could have a material adverse effect on their businesses, operating results and financial condition. Further, the financial services industry is highly dependent on communications and information systems, the failure of which could cause significant interruptions in the operations of a portfolio company and could harm the reputation of Valeas and/or a portfolio company, subject any such entity and their respective affiliates to legal claims and adverse publicity and otherwise affect their business and financial performance.

***Illiquidity; Lack of Current Distributions.*** An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including any Management Fee payable to Valeas) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded Commitments.

***Leveraged Investments; Borrowing*** A Fund is permitted to make use of leverage by incurring or having a portfolio investment or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis, including investments or companies not rated by credit agencies. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will potentially constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio investments will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio investments in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio investment's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio investment cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio investment, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio investment, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio investment, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio investment.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio investment's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guaranty or exposure to such liability. Co-investors are expected to receive the benefit of such guaranty, although as co-investors typically do not agree to participate in guaranty arrangements in negotiating to participate in a transaction, co-investors are not expected to bear a commensurate percentage of potential liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not

be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be subject to limitations set forth in the Governing Documents and interim in nature, asset- or intermediate entity-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by Valeas or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. Certain co-investors (potentially including service providers (including lenders and law firms), third parties, current or former portfolio company management or personnel, sellers or members of management that have rolled their interest or reinvested proceeds in the portfolio company and/or other owners)) are not expected to share in incurring such leverage or the related costs and as a result the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

To the extent a Fund provides bridge financing to facilitate portfolio investment investments, it is possible that all or a portion of such bridge financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of the Fund. As a result, the Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations, certain of which exclude bridge financing investments.

***Subscription Lines.*** A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition, financing or refinancing of the Fund's investments and the payment of expenses), as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners would likely be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors. There can be no assurance that the Fund will continue to have access to a subscription line of credit, particularly if the financial institution experiences a distress event. The Fund's inability to access to subscription line of credit will impact the Fund's liquidity and ability to make investments or maintain operations, which could adversely impact the Fund's performance. Please see "*Financial Institution Risk; Distress Events.*"

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a

subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it could be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even though it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make certain contributions to a Fund, or results in short-term gains to a Fund, which generally would enhance the relevant Fund's performance figures (particularly because return calculations depend on the amount and timing of capital contributions), and thereby benefit Valeas and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investment Funds sponsored by Valeas) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them, including limitations on the ability to otherwise incur indebtedness, financial covenants and asset-level covenants in non-recourse financing. For example, a subscription line could impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest or impose concentration or other limits on the Fund's investments. Further, such borrowings may limit the Limited Partner's ability to use their limited partner interest as collateral for other indebtedness. The Fund also generally may be limited in its ability to respond to changing operational circumstances with respect to an investment in ways it would have done had it not been subject to asset-level covenants. In addition, in order to secure a subscription line, the relevant General Partner is authorized to request certain financial information and other documentation from limited partners to share with lenders. Valeas will have significant discretion in negotiating the terms of any subscription line and likely will agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows Valeas to acquire investments and pay partnership expenses without calling capital, potentially for extended periods of time. To the extent provided in the Governing Documents, any such borrowing may remain outstanding for such time as Valeas deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that may decrease net returns of the Fund. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had Valeas called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A Fund is also permitted to utilize Fund-level borrowing when Valeas expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses. In the event that a Fund is unable to repay any credit facility borrowings from its cash flows, the Fund also may be required to dispose of investments to repay the lender(s). If a Fund is required to dispose of investments in order to repay lender(s) at an inopportune time or on an expedited basis, it may not realize as much value upon such disposition as it would receive in connection with an orderly disposition.

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

***Restricted Nature of Investment Positions.*** Generally, a partner's interest in a Fund may not be transferred, sold, assigned, pledged, or otherwise encumbered without the prior written consent of the General partner, which consent may be withheld. There will be no readily available public market for interest in the Funds. Most, if not all, investments held in the Funds are unlikely to trade on a public market. The investments may be subject to substantial restrictions on sale or transfer, and the valuation of such investments involves inherent uncertainties in the absence of a market price. Certain investments may be distributed in kind to the partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse

impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to Valeas with respect to such investment.

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

***Uncertain Economic, Social and Political Environment.*** Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises including but not limited to the rapid and pandemic spread of novel viruses commonly known as SARS, MERS and COVID-19. Such health crises could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which are likely to have adverse effects on the operating performance of affected portfolio investments. A climate of uncertainty, including the spread of infectious viruses or diseases, has the potential to reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio investments to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This would likely slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio investments.

***Financial Institution Risk; Distress Events.*** An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "**Financial Institution**") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "**Distress Event**"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Valeas, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("**FDIC**"), in the case of banks, or the Securities Investor Protection

Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

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

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

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

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to a Fund. The extent of the impact on the Fund and the portfolio investments’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to

the investment strategy the Fund intend to pursue, all of which could adversely affect a Fund's ability to fulfill their investment objectives. They may also impair the ability of portfolio investments or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of a Fund, its portfolio investments and Valeas may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

**Projections.** Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Valeas in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

**Need for Follow-On Investments.** Following its initial investment in a given portfolio investment, a Fund is permitted to decide to provide additional funds to such portfolio investment or consider the opportunity to increase its investment in a successful portfolio investment, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There is no assurance that any Fund will make follow-on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make add-on investments or its inability to make such investments may have a substantial negative impact on a portfolio investment in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments could result in a lost opportunity for such Fund to increase its participation in a successful portfolio investment or the dilution of the Fund's ownership in a portfolio investment if a third party or co-investor is permitted to invest in such portfolio investment. Conversely, it is not guaranteed that co-investors in a portfolio investment will participate in follow-on investments, resulting in the Fund potentially funding a larger portion of the follow-on capital.

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

**Public Company Holdings.** A Fund's investment portfolio is authorized to contain securities and debt issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such

companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including Valeas' principals, and increased costs associated with each of the aforementioned risks.

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

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

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Valeas or the Fund from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio investments owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a

portfolio investment may preclude other Fund from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio investments owned by them.

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

***Sanctioned Investors.*** If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a "**Sanctions List**"), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including without limitation a "freeze" on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Fund's activities, could materially and adversely affect the Fund.

***Hedging Arrangements; Related Regulations.*** Valeas is authorized (but is not obligated) to endeavor to manage the relevant Fund's or any portfolio investment's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. If such hedging arrangements are utilized, a Fund is permitted to incur costs related to such hedging arrangements, which is permitted to be undertaken in exchange-traded or over-the-counter ("**OTC**") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject the Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements would create for Valeas and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "**CFTC**") or other regulator or comply with an applicable exemption. The Fund filed for an exemption with the CFTC as an exempt commodity pool operator under 17 CFR § 4.13(a)(3), which exempts from CFTC registration private funds that are exclusively sold to accredited investors and only trade in a de minimis amount of CFTC-regulated products. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio investment to hedge its exposures becomes limited by such requirements.

***Unfunded Pension Liabilities of Portfolio Investments.*** Court decisions have found that, in certain circumstances, a fund could be treated as a "trade or business" for purposes of

determining pension liability under ERISA. Therefore, where an investment fund owns 80% or more (or possibly, under certain circumstances less than 80%) of a portfolio investment, such fund (and any other 80%-owned portfolio investments of such fund) might be found liable for certain pension liabilities of such portfolio investment to the extent the portfolio investment is unable to satisfy such liabilities. A Fund is permitted to invest in a portfolio investment that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own an 80% or greater interest in such a portfolio investment. If such Fund (or other 80%-owned portfolio investments of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the ERISA, as in effect as of the date of this Brochure, which could change in the future as the case law and guidance develops.

***Valuation of Assets.*** There is not expected to be an actively traded market for most of the securities owned by a Fund. When estimating fair value, Valeas will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately are sold. Valuations are only estimates of future results that are based upon assumptions made at the time that the valuations are developed. General economic, political, regulatory and market conditions and the actual operations of the investments, which are not predictable, can have a material impact on the reliability and accuracy of such valuations. Moreover, the exercise of discretion in valuation by Valeas, subject to any limitations thereon provided in the Governing Documents, will give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of the Management Fee.

***Cybersecurity Risks.*** Valeas', a General Partner's, a Fund's and its portfolio investments' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. To the extent that any of Valeas, a General Partner, a Fund, a portfolio investment or their respective service providers is subject to cyber-attack or other unauthorized access is gained to such entity's information technology system, Valeas, the General Partner, a Fund or a portfolio investment may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio investment financial information; (iii) portfolio investment software, contact lists or other databases; (iv) portfolio investment proprietary information or trade secrets; (v) cash; or (vi) other items. Similarly, such a security breach could disrupt or halt such entities' operations for an indefinite period of time. In certain events, Valeas', a General Partner's, a Fund's or a portfolio investment's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Such cybersecurity and disaster recovery incidents could also result in reputational harm to Valeas, the Funds or any affected portfolio investment. Any of such circumstances could subject Valeas, the General Partner, a portfolio investment, or the relevant Fund, to substantial losses. The foregoing risks are

equally applicable to service providers of Valeas, the General Partner, a Fund and its portfolio investments.

***Privacy and Data Protection Law Compliance Risk.*** Valeas and its portfolio investments are subject to regulations related to privacy, data protection and information security in the jurisdictions in which they do business (collectively “**Privacy Laws**”). As new and existing privacy, data protection and information security laws are enacted, implemented, interpreted and applied across relevant jurisdictions, compliance costs may increase and require the dedication of additional time and resources, particularly in the context of ensuring that adequate data protection measures and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability on regulated entities.

***United Kingdom (“UK”) Exit from the European Union (the “EU”).*** The UK formally withdrew from the EU on January 31, 2020 (“**Brexit**”). After this, the UK entered into a transition period during which the majority existing EU rules continued to apply in the UK. Following the end of the transition period, on December 31, 2020, EU rules ceased to apply in the UK. Although the terms of the UK’s future relationship with the EU were agreed in a trade and cooperation agreement signed on December 30, 2020, the agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

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

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

***ESG Matters.*** Valeas has a formal ESG Policy as well as a Diversity, Equity & Inclusion policy applicable to the workplace. ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers. Valeas' adoption and adherence to various such principles, frameworks, methodologies and tools will continue to evolve over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Valeas' ESG Policy could become subject to additional regulation in the future, and Valeas cannot guarantee that its approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect the Funds or their investments, including with respect to future administrative burdens and costs.

***International Conflicts and Geopolitical Events.*** Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses.

The ultimate impact of these conflicts (and other geopolitical events, including national referenda, elections, interest rates, political movements, humanitarian crises, national and international policy changes, actual or perceived trade wars, import or export controls, tariffs, executive orders, laws, legal systems and regulatory regimes) and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These matters may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities, supply chain disruptions and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

***U.S. Taxation of Carried Interest.*** U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain

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

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

***Impact of Government Regulation, Regulatory Approvals and Reform.*** Certain industry segments in which the Fund may invest are, or may become, (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. While the Fund intends to invest in issuers or portfolio companies it believes have obtained all material U.S. federal, state, local or non-U.S. approvals required to operate, the laws and regulations relating to such industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. In addition, the consent or approval of certain regulatory authorities may be required in order for the Fund to acquire or hold investments in certain issuers or portfolio companies. The Fund's investments could be adversely affected to the extent any applicable laws or regulatory requirements change or become increasingly stringent as a result of judicial or administrative interpretations or regulatory interpretive guidance with respect to such issuers or portfolio companies. Moreover, additional regulatory approvals may become applicable in the future as a result of the foregoing or for other reasons. There can be no assurance that the issuers or portfolio companies in which the Fund holds investments will be able to obtain all required regulatory approvals or, once obtained, to maintain such approvals in accordance with the requirements applicable thereto. Failure or delay in obtaining and maintaining any applicable regulatory approvals could adversely affect the business of the Fund and impede the Fund's ability to effectively achieve its investment objective.

Additionally, the SEC has proposed, and is expected to continue to propose, rules that will impact the business of Valeas and the Funds. Such current and future rulemaking is expected to materially impact Valeas and its affiliates, the Fund and/or its investments, and the Funds have the potential to bear significant increased costs as a result of such rules.

***Social Media and Publicity Risk.*** The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding Valeas, the Funds or one or more portfolio companies could have a material and adverse effect on Valeas or the value of the Funds.

***Artificial Intelligence and Machine Learning.*** Recent technological advances in artificial intelligence and machine learning technologies (collectively, “**AI Technologies**”), as well as the rapid growth and widespread use thereof, have the potential to pose risks to Valeas, the Funds and the portfolio companies. AI Technologies have the potential to result in significant and disruptive changes in companies, sectors or industries, including those in which the Funds invest, and any such changes could render Valeas’ underwriting models obsolete or create new and unpredictable operational, legal and/or regulatory risks. To the extent competitors of Valeas, the Funds and the portfolio companies make more efficient or extensive use of AI Technologies, there is a possibility that such competitors will gain a competitive advantage. Many jurisdictions have passed or are considering laws and regulations concerning AI Technologies, which could adversely affect Valeas, the Funds, the portfolio companies and their operations. Additionally, Valeas, the Funds and the portfolio companies could be further exposed to the risks of AI Technologies if third-party service providers or any counterparties, whether or not known to Valeas, use AI Technologies in their business activities. Valeas will not be able to control the use of AI Technologies in third-party products or services, including those provided by Valeas’ and its affiliates’ service providers. Additionally, Valeas and its personnel may use approved AI Technologies for processing research and creating content for human review and validation, but Valeas personnel are prohibited from using AI Technologies to direct investment behaviors and outcomes, and any use of AI must be done under human supervision. Valeas personnel who use AI Technologies to produce work product are responsible for checking the accuracy of the AI’s outputs before finalizing such work product and are responsible for any errors generated by AI Technologies that they include in their work product. Nevertheless, AI Technologies are highly reliant on the accuracy, adequacy, completeness and objectivity of their underlying data, and any inaccuracies, deficiencies or biases in this data could lead to errors affecting Valeas’ decision-making and investment processes. AI Technologies and their applications, including in the financial sector, continue to develop rapidly, and it is impossible to predict the future risks that have the potential to arise from such developments. Any of the foregoing factors could have a material and adverse effect on Valeas, the Funds and the portfolio companies.

## **Conflicts of Interest**

Valeas and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and providing transaction-related, legal, management and other services to Fund, and portfolio investments. Valeas will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Fund

in an appropriate manner, as required by the Governing Documents, although the Fund and their respective investments will place varying levels of demand on these over time. In the ordinary course of Valeas conducting its activities, the interests of a Fund likely will conflict with the interests of Valeas, one or more of its portfolio investments or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Valeas will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of the Fund, Valeas' principals generally will present investment opportunities that meet the investment criteria of the Fund, subject to certain exceptions set forth in the Governing Documents. Without limitations, Valeas principals will likely in the future to manage several other investments similar to those in which the Fund will be investing, including continuation vehicles; accordingly, Valeas' principals expect to direct certain relevant investment opportunities or resources to those investments as appropriate. Valeas believes that the significant investment of Valeas' principals in the Fund, as well as Valeas' interest in the carried interest, operate to align, to some extent, the interest of Valeas' principals with the interest of the limited partners, although Valeas' principals have, and will have in the future, economic interests in such other investment funds and investments as well and receive management and other fees and carried interests relating to these interests. Valeas' principals and Valeas' investment staff will continue to manage and monitor such investments until their realization. Such other investments that Valeas principals expect to control or manage generally have the potential to compete with companies acquired by the Fund. Following the investment period of the Fund, Valeas principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to the Fund's investments. Unless restricted by the Governing Documents, Valeas personnel are permitted to serve on boards or act in other roles unaffiliated with Valeas, the Fund or their portfolio investments, including boards of charitable and educational institutions, public companies and former portfolio investments, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

Valeas expects that it will be presented with investment opportunities that would be suitable not only for the Fund, but also for other investment funds and investment vehicles operated by Valeas. In determining which investment vehicles should participate in such investment opportunities, Valeas and its affiliates are subject to potential conflicts of interest among the investors in such investment vehicles. The Fund is authorized to invest together with other funds advised by an affiliated adviser of Valeas in the manner set forth in the relevant partnership agreements, as in effect and amended. Except as required by the Governing Documents, Valeas is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Valeas in a portfolio investment also have the potential to raise the risk of using assets of a client of Valeas to support positions taken by other clients of Valeas. In addition, if a Fund invests in a portfolio investment in which Valeas or its principals have an economic stake, it has the potential risk of using assets of a client to support positions taken by Valeas or its principals. Valeas will endeavor to ensure the terms of such transactions are fair and equitable and reserves the right to use a third party valuation service in Valeas' sole discretion.

Valeas currently only manages the Fund, but it is expected to sponsor additional Funds in the future. In that scenario, Valeas must first determine if a Fund will participate in the relevant

investment opportunity. Valeas generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents, as well as factors including, but not limited to, investment restrictions and objectives (including those set forth in the Governing Documents and Side Letters, where applicable), strategy, operating guidelines, capital structure, risk profile, time horizon, investment size, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory considerations, life cycle, structure and other relevant factors. A Fund generally reserves the right to invest together with other Funds advised by an affiliate of Valeas in the manner set forth in the Governing Documents and Valeas' Allocation Policy, as in effect and amended. In certain cases, determinations to allocate such amounts or investment opportunities to vendors or service providers will be made prior to the determination of the availability of opportunity for other co-investors, and as such generally will decrease the amount of co-investment opportunities available. Valeas will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with Valeas' obligations and reserves the right to take into consideration factors such as those set forth above.

Following such determination of allocation, Valeas will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and Valeas reserves the right to offer any such excess to one or more potential co-investors, including third parties, as determined by the Governing Documents, Side Letters. Valeas' procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: (a) the ability of a potential co-investor to react promptly to a co-investment opportunity; (b) any strategic advantages that may result from a potential co-investor's participation in a co-investment opportunity; (c) a potential co-investor's Commitment to a Fund or commitment to one or more other Funds, including the amount thereof; (d) the likelihood that a potential co-investor may invest in the Fund or a future Valeas fund; (e) the potential co-investor's investable assets relative to the size of the co-investment opportunity; (f) tax, regulatory or securities law considerations (e.g., qualified purchaser or qualified institutional buyer status); (g) confidentiality concerns that arise in connection with providing the potential co-investor with specific information relating to the co-investment opportunity; (h) Valeas' perception of whether the potential co-investor's participation in an investment opportunity may subject the relevant Fund to legal, regulatory, reporting or other burdens or could impair the ability of Valeas to execute the relevant transaction in the desired time or on desired terms; (i) the size of the investment allocation available to Valeas (and not being allocated to the Fund or any future fund sponsored or advised by Valeas) and the practicality of splitting the allocation into smaller tranches; (j) the ability of the prospective co-investor to invest an amount of capital that is consistent with the needs of the investment, taking into account the amount of capital reasonably expected to be needed (including for potential add-on acquisitions and other potential additional investments) and the maximum number of investors that can realistically participate in the transaction; (k) any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to the number of co-investors, or as to other matters with respect to the investors in the transaction; (l) whether the prospective co-investor is considered "strategic" to the investment because it is able to offer a Fund or Valeas certain services or benefits, including the ability to help consummate the investment, the ability to aid in operating or monitoring the investment, or whether Valeas believes that allocating investment opportunities to an investor or person will help establish,

recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to any Fund or Valeas; (m) whether the prospective co-investor has a history of consummating co-investment opportunities with Valeas; (n) whether the prospective co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity (including the financial resources to fund its pro rata share of any future follow-on investments); (o) the likelihood that the prospective co-investor would require governance rights (including board or observer rights, access to the management team of the underlying investment, or material informational rights) that would complicate or jeopardize the transaction (or, alternatively, where the investor would be willing to defer to Valeas and assume a more passive role in governing the investment); (p) whether the prospective co-investor has any interests in any competitor of the underlying investment; (q) the expected investment holding period; (r) the services provided by the prospective co-investor to the issuer of the investment (or otherwise provided by the prospective co-investor with respect to the investment); (s) the size of the prospective co-investor's interest to be held in the underlying investment as a result of a Fund's investment (which is likely to be based on the size of the prospective co-investor's capital commitment or investment in such Fund); (t) the size or timing of the prospective co-investor's commitment to a Fund; (u) whether the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions; (v) the extent to which the prospective co-investor has previously been provided a greater amount of co-investment opportunities relative to other prospective co-investors; (w) the prospective co-investor's willingness to pay or otherwise bear fees (including management and transaction fees), costs and expenses (including broken deal expenses), or be subject to carried interest or similar performance-based compensation, in respect of the co-investment; (x) the expertise, knowledge and sophistication of the prospective co-investor with respect to the issuer, segment, market, industry, geographic region or other characteristics that are relevant to the investment; (y) the prospective co-investor's perceived ability to approve the investment pursuant to any applicable internal approval processes (including the predictability of the prospective co-investor's investment process), and to otherwise execute the transaction, in a timely manner with respect to the timeframe in which Valeas believes favorable transaction terms may be achieved; (z) whether the prospective co-investor has expressed an interest in evaluating co-investment opportunities, including the perceived degree of that interest; and (aa) other factors that Valeas considers important in connection with the specific transaction or investment. Although Valeas reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Valeas in identifying co-investors. Valeas reserves the right to grant certain third-party investors (including anchor or other early-committing investors or investors making large commitments) the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio investments or otherwise to have priority in co-investment opportunities.

Furthermore, Valeas or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. In order to facilitate the acquisition

of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of Valeas and its affiliates make capital investments in or alongside a certain Fund, Valeas and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

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

Where multiple entities invest at the same, different or overlapping levels of an investment's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims, or whether to advocate for or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, will raise conflicts of interest, particularly with respect to a Fund that has invested in different securities within the same investment. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, a Fund may or may not provide such additional capital, and if provided, a Fund generally will supply such additional capital in such amounts, if any, as determined by Valeas in its sole discretion. Because of the different legal rights associated with debt and equity of the same investment, Valeas expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (e.g., the terms of debt

instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

Additionally, conflicts of interest can arise if a Fund makes an investment in a portfolio investment in conjunction with an investment made by another investment fund sponsored or advised by Valeas. For instance, a Fund likely will not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This likely will result in differences in price, investment terms, leverage and associated costs between a Fund and any other investing fund sponsored or advised by Valeas. If Valeas wishes to reduce the investment of one of the investment vehicles it manages in a security or other asset and increase the investment of another investment vehicle it manages in such security or such assets, it may effect such transactions by directing the legal transfer of the securities or other assets between vehicles (including a Fund) directly or by transferring the economic return of the securities or other assets between vehicles (including a Fund) through swaps, participation agreements or other derivatives. Further, given that certain of Valeas' investment vehicles are established sequentially, the general partners (or equivalent) of such funds often will desire, or will be required, to sell investments at different times, including at times when general partners (or equivalent) of investment vehicles that hold the same investment with more time remaining in their term do not wish to sell such investments. Valeas and its affiliates reserve the right to express inconsistent views of such investments or of market conditions more generally. There can be no assurance that the Fund and the other investing fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that the Fund's return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. In addition, Valeas is authorized under certain circumstances to enter into cross-transactions on behalf of the Fund or any other investment funds sponsored by Valeas or its affiliates, or co-investors or co-investment vehicles, in which a Fund (i) buys securities from, or sells securities to, or co-invests with, such other persons, including continuation vehicles or (ii) co-invests alongside such other Funds or co-investors. In some cases, an investment of a Fund may be merged with or into an investment owned by another fund sponsored by Valeas or its affiliate. Any such transactions raise potential conflicts, including where: (i) the assets of a Fund support positions taken by other funds sponsored by Valeas or its affiliates; or (ii) the transaction allows Valeas or its affiliates to realize carried interest or receive future Management Fees or other compensation with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant funds' limited partnership agreements (or similar Governing Documents) or otherwise in the sole discretion of the applicable funds' general partners, such general partner may seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker at the cost of a Fund to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant fund(s) (including, where authorized, the consent of each fund's advisory board) to such transactions. In certain circumstances, Valeas may not obtain such an opinion or consent and may determine that the willingness of a third-party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction to a Fund under then-current market conditions and therefore determine not to obtain a consent or fairness opinion. Additionally, cross transactions are expected to arise in the context of automatic

or other re-balancing of investments among parallel investing entities, and in such circumstances Valeas generally will not seek a fairness opinion or advisory committee consent given that such transactions typically are effected close in time to the initial Fund's investment or pursuant to authorizing provisions in the relevant Governing Documents. Further, funds sponsored by Valeas or its affiliates nearing the end of their term are expected to sell their interest in commonly held investments to other funds sponsored by Valeas or its affiliates with more time remaining in their term, which gives rise to the conflicts of interest discussed herein. Conflicts of interest are also heightened in the foregoing transactions to the extent the partners of Valeas are assigned varying percentages of carried interest from funds in the same investment, or if economic terms, performance or the potential for carried interest vary between funds sponsored by Valeas or its affiliates, particularly when one fund sells its portion of such investment to another fund, which could cause a portion of such carried interest to become "crystallized." Whether or not advisory board consent is obtained or there is a fairness opinion or a third-party investor, Valeas intends to conduct such transactions in a manner that Valeas believes to be fair and equitable to each fund under the circumstances, including a consideration of the potential present and future benefits with respect to each fund including the relative ownership percentages of the funds in the applicable investment, the length of time remaining in a fund's term and other factors similar to those discussed above regarding the allocation of investment opportunities.

Subject to any relevant restrictions or other limitations contained in the Governing Documents, Valeas will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Valeas expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Fund or co-invest vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions generally will be made by Valeas or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining which Funds or co-invest vehicles benefit (or the extent to which they actually or potentially could benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on number of Fund or co-invest vehicles receiving related benefits or proportionately in accordance with fund size (including amount of remaining committed capital), asset size or fair value, number of investors, number of investments, number of users, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Valeas. A Fund generally has different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Fund bearing different levels of expenses with respect to the same investment.

A Fund primarily intends to make controlling investments in portfolio investments. As a result of a Fund's controlling interests in portfolio investments, Valeas and/or its affiliates typically have the right to appoint portfolio investment board members (including current or former Valeas personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. Portfolio investment board members are

expected to approve compensation and/or other amounts payable to Valeas and/or its affiliates. Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to Valeas. Valeas' authority to appoint or influence the appointment of portfolio investment board members who will be involved in approving compensation payable to Valeas subjects Valeas and any such portfolio investment board appointees to potential conflicts of interest. Employees or other personnel of Valeas and its affiliates (including Operating Partners) are likely to also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest. Any compensation received by such personnel in connection therewith will not be offset against the Management Fee or otherwise be shared with a Fund and/or its investors.

Further, personnel of Valeas and its affiliates reserve the right to serve as directors or interim executives of, or otherwise be associated with, companies that are competitors of portfolio investments of a Fund. In such cases, such personnel could be subject to fiduciary and other obligations to make decisions that they believe to be in the best interests of the relevant companies. Although, in most cases involving a Fund's portfolio investments, the interests of a Fund and its portfolio investments would be expected to be aligned, this may not always be the case, particularly if portfolio investments are likely to be in financial difficulty. It would also be expected that the interests of a competitor company would not be aligned with those of a Fund or the Fund's portfolio investments. This has the potential to result in a conflict between the relevant individual's obligations to a portfolio investment or competing company and the interests of a Fund. In some circumstances, having such individuals serve as directors or interim executives of a portfolio investment of a Fund or another company (including, for these purposes, a portfolio investment of any other investment vehicle) may restrict the ability of a Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

Additionally, a portfolio investment typically will reimburse Valeas or service providers retained at Valeas' discretion for expenses (including, without limitation, travel expenses) incurred by Valeas or such persons in connection with its performance of services for such portfolio investment. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Valeas personnel. This subjects Valeas and its affiliates to conflicts of interest because a Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Valeas determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices.

In connection with its services to a Fund and its investments, Valeas, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Valeas' operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Valeas and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio investment (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**Valeas Information**"). In many cases, Valeas Information will include tools, procedures and resources developed by Valeas to organize or systematize Valeas Information for ongoing or future use. Although Valeas expects the Fund and their portfolio investments generally to benefit from Valeas' possession of Valeas Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio

investments and not by the Fund or portfolio investment from which Valeas Information was originally received. Valeas Information will be the sole intellectual property of Valeas and solely for the use of Valeas. Valeas reserves the right to use, share, license, sell or monetize Valeas Information, without offsetting or otherwise reducing to Management Fees, and the relevant Fund or portfolio investment will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Fund or portfolio investments are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, lodging or travel rewards, rental cars, traveler loyalty or status programs, “points,” “cash back,” rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio investments, a Fund or their respective investors; no such rewards will offset or reduce Management Fees.

Valeas generally exercises its discretion to recommend to a Fund or to a portfolio investment thereof that it contracts for services with certain service providers, and such service providers are expected to include: (i) Valeas or a related person of Valeas (which is permitted to include a portfolio investment of such Fund); (ii) an entity with which Valeas or its affiliates or current or former personnel has a relationship or from which Valeas or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Valeas personnel are seconded, or from which Valeas receives secondees (including secondees at no or reduced cost to Valeas), resources or training; or (iii) certain limited partners or their affiliates. For example, Valeas expects to be presented with opportunities to receive financing and/or other services in connection with a Fund’s investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects Valeas to conflicts of interest, because, although Valeas selects service providers that it believes are aligned with its operational strategies and will enhance portfolio investment performance and, relatedly, returns of the relevant Fund, Valeas has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Valeas, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Fund or Valeas), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Valeas will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio investments to incur) such expenses. Although Valeas generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Whether or not Valeas has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. Additionally, Valeas expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors. It is possible that service providers consider the overall level of work performed for Valeas, the Funds

or their portfolio companies in determining whether to provide reduced rates or benefits to Valeas. Based on the foregoing factors, limited partners should not expect service providers to Valeas or any Fund to provide services that will be the most beneficial to any limited partner or group of limited partners.

Valeas has engaged and expects to continue to engage, employ or retain Operating Partners and other consultants (“**Consultants**”), which may be affiliates of the General Partner, personnel of such affiliates, investments of other Funds, third party consultants (including individual Operating Partners, consultants and external executives), “strategic partners,” or “executive partners.” Consultants are expected to regularly provide services to, or in connection with, the Fund in relation to its activities, or to one or more investments or prospective investments in relation to the identification, acquisition, holding, improvement and disposition of such investment or prospective investment, including operational aspects of such investments, including but not limited to, sales, marketing, technology, executive recruiting, business development, finance, technology, human resources, acquisition integration/rationalization and/or other operations services, acquisition or other due diligence, board of director, limited partner outreach, value creation and other services (collectively, “**Services**”).

Pursuant to the Partnership Agreement, fees and expenses associated with the Services (collectively “**Consulting Fees and Expenses**”), may be paid or reimbursed by applicable investments or the Fund, and Consulting Fees and Expenses do not offset the Management Fee. Consulting Fees and Expenses are expected to include cash fees, salaries, bonuses, profits or equity interests in an investment, a share of proceeds upon sale of an investment or other incentive-based compensation to the Consultant, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Consultant, a percentage of the value of the investment, the invested capital exposed to such investment, amounts charged by other providers for comparable services or a percentage of cash flows from such investment, as well as other compensation and benefits described below. Additionally, investments may provide opportunities for Consultants to invest in such investment and reimburse costs and expenses incurred by Consultants. Consultants also may receive remuneration from Valeas or the Fund or affiliates or be entitled to other forms of compensation, including equity grants in investments. Such investment opportunities, reimbursements and other compensation paid to a Consultant will not offset the Management Fee, and the use of Consultants is expected to fluctuate and/or expand over time. Consultants may have a limited partnership or profit interest in the Fund, the General Partner, one or more other investment funds sponsored by Valeas or in an affiliate of the General Partner (including on a no-fee and no-carry basis). In some circumstances, Consultants are expected to request that the amount of fees payable in relation to their services instead be directed to a third party or donated to a charitable organization, and in these cases the relevant Fund will bear such amount as a permissible expense to the same extent as if it were paid to the Consultant itself. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or written work product generated by the Consultant. Although Valeas intends to retain Consultants with a view to reducing costs to investments (and, ultimately, the Fund) or improving investment performance, a number of factors may result in limited or no cost savings from such retention. In addition, Valeas intends to retain only such Consultants which it believes provide a level of service at a value generally consistent with other

relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The Adviser also expects to deploy Operating Partners to portfolio investments to serve as executives or in other similar roles. Under such arrangements, the relevant portfolio investment generally will pay all of the compensation and employee benefits in respect of such Operating Partners (including salary, bonus, insurance benefits, payroll tax and paid time off) which will not offset the Fund's Management Fee. These arrangements create potential conflicts of interest, in that any compensation and/or retainer fees and overhead that would ordinarily be borne by Valeas in respect of those Operating Partners would be borne by the portfolio investment when Operating Partners become employees of such portfolio investments. Therefore, Valeas has an incentive to cause Operating Partners to become employees of portfolio investments to reduce its costs, which will instead be borne by portfolio investments. Such arrangements are expected to change over time, and in many cases will be ended by Valeas when the portfolio investment is sold, at which point Operating Partners may or may not return to Valeas. It is possible that certain Operating Partners serve in executive roles for multiple portfolio investments and perform services that directly or indirectly benefit Valeas while serving in roles as portfolio investment personnel.

Operating Partners will typically receive access to office space and e-mail addresses and are expected to make use of support services and other resources of Valeas. Valeas may hold Operating Partners out to the public (including on Valeas' website and in marketing materials relating to Valeas or the Fund) as an Operating Partner of Valeas.

Valeas faces potential conflicts of interest in determining the allocation of Consulting Fees and Expenses paid to Consultants. For example, the General Partner generally will not bear Consulting Fees and Expenses that relate to services performed by Consultants for the Fund, alternative investment vehicles or investments or prospective investments. However, these services may also provide a direct or indirect benefit to Valeas including other Funds managed by Valeas. Therefore, Valeas has an incentive to classify a particular service as being for the Fund, an alternative investment vehicle or an investment or prospective investment, even though it may directly or indirectly benefit Valeas, in whole or in part. The allocation of Consulting Fees and Expenses may not be proportional, and any such determinations involve inherent matters of discretion by Valeas.

Additionally, while Valeas generally expects the charges for the services of the Consultants to be paid by actual and prospective investments directly, causing them to be shared ratably by the other equity holders of such investments, in the case of investments in which the Fund does not hold a controlling interest, for administrative or other reasons the Fund or an alternative investment vehicle thereof may bear Consulting Fees and Expenses directly, causing the Fund to bear a disproportionate share of those costs vis-à-vis other equity holders of those portfolio investments.

Valeas reserves the right to cause a Fund to enter into cross-transactions whereby the Fund purchases securities from, or sells securities to, other Funds managed by Valeas, or co-investors or co-investment vehicles. In some cases, an investment of a Fund may be merged with or into an investment owned by another fund sponsored by Valeas. Any such transactions raise potential conflicts of interest, including where the assets of one Fund supports the position taken by other Funds. These conflicts are heightened to the extent the relevant securities are illiquid or do not

have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the Governing Documents or otherwise in the sole discretion of Valeas, Valeas reserves the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker at the cost of a Fund to opine as to the fairness of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of Valeas) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. In certain circumstances, Valeas may not obtain such an opinion or consent and reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions. Further, Funds nearing the end of their term are expected to sell their interest in commonly held investments to other funds sponsored by Valeas with more time remaining in their term, which gives rise to the conflicts of interest discussed herein. Conflicts of interest are also heightened in the foregoing transactions to the extent the partners of Valeas are assigned varying percentages of carried interest from Funds in the same investment, or if economic terms, performance or the potential for carried interest vary between funds sponsored by Valeas or its affiliates, particularly when one Fund sells its portion of such investment to another Fund, which could cause a portion of such carried interest to become "crystallized." Whether or not advisory board consent is obtained or there is a fairness opinion or a third-party investor, Valeas intends to conduct such transactions in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Valeas reserves the right to employ or retain personnel (including Operating Partners) with pre-existing ownership interests in or who were employed by portfolio investments owned by the Fund or other future funds or investment vehicles advised by Valeas and/or its affiliates; conversely, former personnel or executives of Valeas and/or its affiliates (including Operating Partners) will likely serve in significant management roles at portfolio investments or service providers recommended by Valeas. Similarly, Valeas, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants and their respective affiliates and personnel, including, but not limited to, managers of private Funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio investment finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio investment executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Valeas or the Fund or other future investment vehicles Valeas may advise. Valeas expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio investment if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Valeas information about markets and industries in which Valeas operates (or is contemplating operations) or will provide other services that are beneficial to Valeas or one or more other Funds. Valeas expects to be subject to a potential conflict of interest in making such

recommendations, in that Valeas has an incentive to maintain goodwill between it and the existing and prospective portfolio investments for a Fund, while the products or services recommended may not necessarily be the best available to such Fund or its portfolio investments.

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

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than Valeas deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's *pro rata* interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

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

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Valeas may not otherwise have done so.

The Governing Documents provide the Adviser with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect the Adviser's compensation. In making such determinations, the Adviser is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the Adviser or its affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. The Adviser expects to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, the Adviser will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Governing Documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, the Adviser is incentivized to pursue such transactions. In many circumstances, the calculation of post-Stepdown Date Management Fees will include the value of capitalized Transaction Fees, expenses, costs or other amounts relating to, unrealized investments, including such amounts payable or reimbursable to the Adviser and its affiliates. The Adviser and its affiliates have incentives to capitalize such amounts into a transaction, not only to avoid having portfolio companies pay such amounts out of available operating cash, but also to increase the base on which future Management Fees will be calculated. These incentives run counter to the Adviser's incentives to reduce the amount of fees, expenses and costs borne by the Funds' investments in light of the effect of these amounts on the Funds' carried interest calculations. Additionally, the amount of carried interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Governing Documents.

The Adviser's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Governing Documents, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the

Fund's holding period. The General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of the Adviser's compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the Adviser intends to operate in accordance with the Governing Documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Additionally, Valeas, its personnel, affiliates or others designated by Valeas expect to receive compensation in the form of portfolio investment securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied, Valeas and/or such other recipients will be permitted to retain such securities as supplemental fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio investment and/or Valeas) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund. In addition, because portfolio investment securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio investment awarding such compensation.

Valeas and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures (including discounted or rebated compensation terms, none of which generally will be subject to the "most-favored nation" provisions of a Fund's Governing Documents), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, and liquidity or transfer rights. Side Letters also are expected to relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except in the circumstances and on the timing required by Governing Documents, other investors will not receive disclosure of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund. As a consequence of one or more limited partners being excused or excluded, or from regulatory or other factors limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment.

Under the Governing Documents, a Fund’s advisory committee generally has the ability to review and waive compliance with certain provisions thereof, including consenting to conflict of interest situations, as well as certain approvals or consents required by U.S. federal securities laws. Pursuant to the terms of the Governing Documents, all limited partners are bound by the determinations of the advisory committee, regardless of whether an individual limited partner is represented by a member of the advisory committee. A Fund’s advisory committee is expected to be comprised of representatives of limited partners with divergent interests, objectives, regulatory treatment, tax sensitivities, portfolio compositions, experience and other factors. In addition, certain advisory committee members are expected to have various business and other relationships with Valeas (including longstanding investing relationships) and its partners, employees and affiliates. In certain circumstances, these factors will influence advisory committee members to be more aligned with Valeas and the relevant General Partner and favor proposals brought to the advisory committee; in other circumstances, these factors will make advisory committee members more likely to oppose these proposals. Advisory committee members are expected to be subject to potential conflicts of interest in approving or rejecting proposals based on factors that are applicable to the firms they individually represent, rather than considerations relevant to limited partners as a whole. In many cases, limited partners (including limited partners making commitments in excess of certain amounts) are expected to request (by Side Letter or otherwise) a role on the advisory committee, and Valeas expects to be subject to varying incentives and potential conflicts of interest in determining which limited partners will be permitted to appoint a representative thereto. A General Partner is authorized to appoint limited partners to the advisory committee of its Fund in its sole discretion, and is permitted to consider various factors including the timing and amount of a limited partner’s commitment to a Fund or future Fund, their perception of a limited partner’s effectiveness on an advisory committee, legal and regulatory considerations, the interests of the limited partner and the degree to which they are likely to align with the relevant Fund and the General Partner and other factors. Valeas is permitted to seek the consent of the relevant Fund advisory committee(s) to approve conflicts, although based on these varying incentives limited partners should not expect that every vote cast by an advisory committee member, or decision made by an advisory committee as a whole, will fully represent their individual interests.

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

Valeas, any other portfolio investment or third parties have the potential to affect the returns of the portfolio investment.

Any of these situations subjects Valeas and/or its affiliates to potential conflicts of interest. Valeas attempts to resolve such conflicts of interest in light of its obligations to investors in its Fund and the obligations owed by Valeas' advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Fund and such investment vehicles in a manner it believes to be fair and equitable to the Fund under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Valeas will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Valeas consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

#### **DISCIPLINARY INFORMATION**

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

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The General Partners of the Funds and such General Partners' equivalent entities formed, as applicable, are affiliated with the Adviser by common ownership and are subject to the Advisers Act (defined below) pursuant to the Adviser's registration in accordance with SEC guidance. Otherwise, the Adviser and its related persons do not have any relationships or arrangements with financial services companies that pose material conflicts of interest.

#### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Valeas has adopted the Valeas Code of Ethics and Insider Trading Policies and Procedures (the "Code"), which sets forth standards of conduct that are expected of Valeas principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Valeas personnel to report their personal securities transactions, prohibits or requires pre-clearance for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Valeas personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from Valeas' Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material, non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Valeas, at 415 992 3131. However, Valeas reserves the right to refine and modify the Code and its other policies and procedures over time. No investor or prospective investor should invest with Valeas on the basis of, or otherwise rely on, the provisions thereof, and any such refinements or modifications have the potential materially to affect the investments available to the Funds or the expenses borne thereby. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

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

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

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

Valeas and its affiliates, principals and personnel expect to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. Such investments may be (directly or indirectly through investment vehicles sponsored by potential competitors) in the same industry as a Fund invests.

A General Partner reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Governing Documents. Similarly, Valeas or an affiliate is expected to sign non-disclosure agreements or other deal documentation in view of future participation by one or more Fund(s).

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

time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had Valeas called capital, and thus could result in Valeas receiving carried interest sooner than it would without borrowing. Valeas generally will not participate in a Fund-level borrowing facility, and generally will not bear the related costs attributable thereto, including interest expenses or costs payable, in which case such amounts will be borne solely by the limited partners. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

Valeas will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

#### **BROKERAGE PRACTICES**

Due to the nature of the Fund's investments, broker-dealers are not generally used for transactions. However, if a Fund were to execute a transaction through a broker, dealer or underwriter, the Adviser's objective will be to obtain "best execution" (that is, the most favorable price and execution). The Adviser's success at obtaining best execution on any individual transaction will depend substantially on its judgment, knowledge and experience in evaluating the reliability and capability of each counterparty, adviser and service provider based on previous and pending transactions effected by the broker-dealer for client accounts.

#### **REVIEW OF ACCOUNTS**

The investments made by a Fund are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Valeas monitors portfolio companies in which the Funds invest in, and Valeas' Chief Compliance Officer periodically checks to confirm that a Fund is maintained in accordance with its stated objectives.

A Fund will provide to its limited partners account information for the relevant Fund consistent with the Governing Documents for such Fund, which account information typically comprises (i) annually GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner's U.S. tax returns and (iii) descriptive investment information for each investment periodically and make available to the Limited Partners any reports required under the AIFMD. In addition to the reporting provided to all investors, Valeas expects to provide certain investors with additional or more frequent information that other investors will not receive (*e.g.*, under a Side Letter or in response to diligence or other requests).

## CLIENT REFERRALS AND OTHER COMPENSATION

Valeas and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation, in many cases, offsets a portion of the Management Fees paid by such Fund. However, in other cases, these fees are in addition to Management Fees. *See* "Fees and Compensation."

Valeas reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for endorsements and testimonials, that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such promoters generally will be borne by Valeas indirectly through an offset against the Management Fee under the Governing Documents, or directly through a discount of the Management Fee received by Valeas, although related expenses incurred pursuant to the relevant promoter or similar agreement, including, but not limited to, promoter travel, meal and entertainment expenses, typically are borne by the relevant Fund. Valeas has retained Connaught to solicit Commitments from investors in exchange for a non-refundable, non-credited flat advisory fee and additional success fees to the extent applicable.

## CUSTODY

Valeas maintains "custody" (within the meaning of Advisers Act Rule 206(4)-2 (the "**Custody Rule**")) of funds of securities held in the name of one or more Fund, subject to certain exceptions set forth in the Custody Rule and related guidance, with one or more qualified custodians.

To ensure compliance with the Custody Rule, Valeas ensures that the Funds are subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("**PCAOB**"). The audited financial statements of each Fund are prepared in accordance with generally accepted accounting principles and distributed to each Investor within 120 days of each Fund's fiscal year end.

Investors in the Funds receive periodic statements from Valeas. These statements should be carefully reviewed. Investors are urged to compare such statements to the information provided in the audited financial statements provided by the Funds' auditor.

## INVESTMENT DISCRETION

Valeas has discretionary authority to manage investments on behalf of the Fund. As a general policy, Valeas does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Valeas and/or its affiliates have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in the Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Valeas assumes this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of the Fund.

## VOTING CLIENT SECURITIES

Valeas has adopted the Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for ‘the Fund’ (and its) portfolio investments. The Proxy Policy seeks to ensure that Valeas votes proxies (or similar instruments) in the best interest of the Fund, including where there may be material conflicts of interest in voting proxies. Valeas generally believes its interests are aligned with those of the Fund’s investors. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Valeas may address the conflict using several alternatives including those set forth in the Proxy Policy. Additionally, subject to the applicable Governing Documents, a Fund’s advisory board is authorized to approve Valeas’ vote in a particular solicitation. Valeas does not consider service on portfolio investment boards by Valeas personnel or Valeas’ receipt of management or other fees from portfolio investments to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Valeas when voting proxies on behalf of a Fund. Clients or investors that would like a copy of Valeas’ complete Proxy Policy or information regarding how Valeas voted proxies for particular portfolio investments may contact Valeas, at 415 992 3131, and it will be provided at no charge.

## FINANCIAL INFORMATION

Valeas does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.