Confidential Draft Submission No. 2 submitted to the Securities and Exchange Commission on April 8, 2021. This draft registration statement has not been publicly filed with the Securities and Exchange Commission and all information herein remains strictly confidential.

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Confidential Submission No. 2

FORM S-1
REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

P10, INC.

(Exact name of Registrant as specified in its charter)

Delaware	6282	74-2961657
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

P10, INC.
4514 Cole Avenue, Suite 1600
Dallas, Texas 75205
Telephone: (214) 999-0149
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Robert Alpert
C. Clark Webb
Co-Chief Executive Officer
P10, INC.
4514 Cole Avenue, Suite 1600
Dallas, Texas 75205
Telephone: (214) 999-0149
(Address, including zip code, and telephone number, including area code, of agent for service)

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New York, NY 10017
Telephone: (212) 450-4000

Approximate date of commencement of the proposed sale of to the public: As soon as practicable after the Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer	☐	Smaller Reporting Company	☐
Accelerated Filer	☐	Non-Accelerated Filer	☒
		Emerging Growth Company	☒

If an emerging growth company, indicated by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Class A common stock, par value $0.001 per share	$	$
Series A Junior Participating Preferred Stock Purchase Rights (2)		

(1) Estimated solely for the purpose of determining the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

(2) The Series A Junior Participating Preferred Stock Purchase Rights are being distributed without consideration. Pursuant to Rule 457(g) under the Securities Act of 1933, as amended, no separate registration fee is payable with respect to the subscription rights since they are being registered on the same registration statement as the Class A common stock offered hereby.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated April 8, 2021

Prospectus

shares

P10

CLASS A COMMON STOCK

We are offering shares of Class A common stock of P10, Inc. This is our initial public offering of Class A common stock.

Prior to this offering, there has been no public market for our Class A common stock. The estimated initial public offering price is between $ and $ per share. We have applied to list our Class A common stock on the New York Stock Exchange ("NYSE") under the symbol "PX". Prior to this offering, our common stock was quoted for trading on the OTC Pink Open Market under the ticker "PIOE". On , 2021, the last reported sale price for our common stock on the OTC Pink Open Market was $ per share. See "Organizational Structure."

We have two classes of common stock, Class A common stock and Class B common stock. We intend to use the net proceeds of this offering to repay some or all of our outstanding indebtedness, to pay expenses incurred in connection with this offering and to use the remainder for general corporate purposes. Each share of Class B common stock will entitle the holder to ten votes while shares of our Class A common stock are entitled to one vote. The Class B stockholders will hold % of the combined voting power of our common stock immediately after this offering. See "Organizational Structure."

Our Amended and Restated Certificate of Incorporation requires any person attempting to become a holder of 4.99% or more of our common stock to seek the approval of our board of directors. See "Description of Capital Stock—Anti-Takeover Effects of Provisions of Delaware Law and our Amended and Restated Certificate of Incorporation and Bylaws."

Following this offering, we will be a "controlled company" within the meaning of the corporate governance rules of the NYSE. See "Management."

We are an "emerging growth company" under the federal securities laws and will be subject to reduced public company reporting requirements. See "Prospectus Summary—Implications of Being an Emerging Growth Company."

Investing in our Class A common stock involves a high degree of risk. See "Risk Factors" beginning on page 25 of this prospectus.

	Per Share	Total
Initial public offering price of Class A common stock	$	$
Underwriting discount (1)	$	$
Proceeds to us, before expenses	$	$

(1) We have also agreed to reimburse the underwriters for certain FINRA-related expenses. See "Underwriting" for a description of all compensation payable to the underwriters.

We have granted the underwriters an option for a period of 30 days to purchase up to additional shares of Class A common stock on the same terms and conditions set forth above.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities that may be offered under this prospectus, nor have any of these organizations determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of our Class A common stock to investors on or about , 2021

Morgan Stanley

, 2021

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Neither we nor the underwriters have authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred. We take no responsibility for and can provide no assurance as to the reliability of, any other information that any other person may give you. We are offering to sell, and seeking offers to buy, shares of our Class A common stock only in jurisdictions where such offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our Class A common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: We have not and the underwriters have not done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of Class A common stock and the distribution of this prospectus outside the United States. See “Underwriting.”

This prospectus includes certain information regarding the historical performance of our specialized investment vehicles, which include specialized funds and customized separate accounts. An investment in shares of our Class A common stock is not an investment in our specialized investment vehicles. In considering the performance information relating to our specialized investment vehicles contained herein, prospective Class A common stockholders should bear in mind that the performance of our specialized investment vehicles is not indicative of the possible performance of shares of our Class A common stock and is also not necessarily indicative of the future results of our specialized investment vehicles, even if fund investments were in fact liquidated on the dates indicated, and there can be no assurance that our specialized investment vehicles will continue to achieve, or that future specialized investment vehicles will achieve comparable results.

Unless indicated otherwise, the information included in this prospectus assumes no exercise by the underwriters of the option to purchase up to an additional shares of Class A common stock and that the shares of Class A common stock to be sold in this offering are sold at $ per share, which is the midpoint of the price range indicated on the front cover of this prospectus.

We own or have rights to trademarks, service marks or trade names that we use in connection with the operation of our business. In addition, our names, logos and website names and addresses are owned by us or licensed by us. We also own or have the rights to copyrights that protect the content of our solutions. Solely for convenience, the trademarks, service marks, trade names and copyrights referred to in this prospectus are listed without the ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks, trade names and copyrights.

This prospectus may include trademarks, service marks or trade names of other companies. Our use or display of other parties’ trademarks, service marks, trade names or products is not intended to, and does not imply a relationship with, or endorsement or sponsorship of us by, the trademark, service mark or trade name owners.

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate is based on information from independent industry and research organizations, other third-party sources (including industry publications, surveys and forecasts), and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of such industry and markets that we believe to be reasonable. Although we believe the data from these third-party sources is reliable, we have not independently verified any third-party information. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described in “Risk Factors” and “Forward-Looking Statements.” These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully before making an investment decision, including the information under the headings "Risk Factors," "Special Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and the historical consolidated financial statements and the related notes thereto and unaudited pro forma financial information, each appearing elsewhere in this prospectus. Our principal operating divisions are RCP Advisors 2, LLC ("RCP 2") and RCP Advisors 3, LLC ("RCP 3", and collectively with RCP 2, "RCP Advisors"), TrueBridge Capital Partners LLC ("TrueBridge"), Five Points Capital, Inc. ("Five Points") and Enhanced Capital Group, LLC ("ECG" or "Enhanced").

Unless otherwise indicated or the context otherwise requires, all references in this prospectus to "we," "us," "our," the "Company," "P10" and similar terms refer (i) for periods prior to giving effect to the reorganization transactions described under "Organizational Structure," to P10 Holdings and its subsidiaries and (ii) for periods beginning on the date of and after giving effect to such reorganization transactions, to P10, Inc. and its subsidiaries. As used in this prospectus, (i) the term "P10 Holdings" refers to P10 Holdings, Inc. for all periods and (ii) the term "P10, Inc." refers solely to P10, Inc., a Delaware corporation, and not to any of its subsidiaries. We are a holding company and we hold substantially all of our assets and conduct substantially all of our business through P10 Holdings.

In addition, unless the context otherwise requires, all references in this prospectus to "on a pro forma basis as of December 31, 2020" or "December 31, 2020 pro forma" assume the acquisitions of Five Points, TrueBridge and Enhanced were completed as of January 1, 2018.

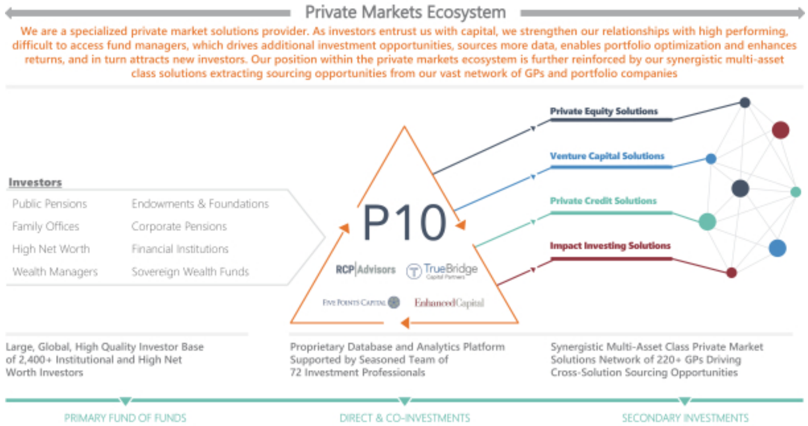
Our Company

We are a leading multi-asset class private market solutions provider in the alternative asset management industry. Our mission is to provide our investors differentiated access to a broad set of investment solutions that address their diverse investment needs within private markets. We structure, manage and monitor portfolios of private market investments, which include specialized funds and customized separate accounts within primary fund of funds, secondary investments, direct investments and co-investments, collectively ("specialized investment vehicles") across highly attractive asset classes and geographies that generate superior risk-adjusted returns. Our existing portfolio of private solutions include *Private Equity*, *Venture Capital*, *Private Credit* and *Impact Investing*. Our deep industry relationships, differentiated investment access and structure, proprietary data analytics, and our portfolio monitoring and reporting capabilities provide our investors the ability to navigate the increasingly complex and difficult to access private markets investments.

Our revenue is composed almost entirely of recurring management and advisory fees, with the vast majority of fees earned on committed capital that is typically subject to ten to fifteen year lock up agreements. We have an attractive business model that is underpinned by highly recurring, diversified management and advisory fee revenues, and strong free cash flow. The nature of our solutions and the integral role that our solutions play in our investors' investment decisions have translated into high revenue visibility and investor retention.

We are differentiated by the scale, depth, diversity and investment performance of our solutions, which are bolstered by the investment expertise of our investment team, our long-standing access to leading fund managers, our robust and constantly expanding data capabilities and our disciplined investment process. We market our solutions under well-established brands within the specialized markets in which we operate. These include RCP Advisors, our *Private Equity* solution; TrueBridge, our *Venture Capital* solution; Five Points, our *Private Credit* solution (which also offers certain private equity solutions); and Enhanced, our *Impact Investing* solution. We believe adding new asset class solutions will foster deeper manager relationships, enabling managers and portfolio companies alike to benefit from our offering and expect to expand within other asset classes and geographies through additional acquisitions and future planned organic growth by providing additional specialized investment vehicles within our existing investment asset class solutions. Refer to "—Our Growth Strategy" in this prospectus for additional information.

Our success and growth have been driven by our long history of strong performance and our position in the private markets ecosystem. We believe our growing scale in the middle and lower-middle market provides us a competitive advantage with investors and fund managers. In addition, our senior investment professionals have developed strong and long-tenured relationships with leading middle and lower middle market private equity and venture capital firms, which we believe provides us with differentiated access to the relationship-driven middle and lower-middle market private equity and venture capital sectors. As we expand our offerings, our investors entrust us with additional capital, which strengthens our relationships with our fund managers, drives additional investment opportunities, sources more data, enables portfolio optimization and enhances returns, and in turn attracts new investors. We believe this powerful feedback process will continue to strengthen our position within the private markets ecosystem. In addition, our multi-asset class solutions are highly synergistic, and coupled with our vast network of general partners and portfolio companies, drive cross-solution sourcing opportunities.

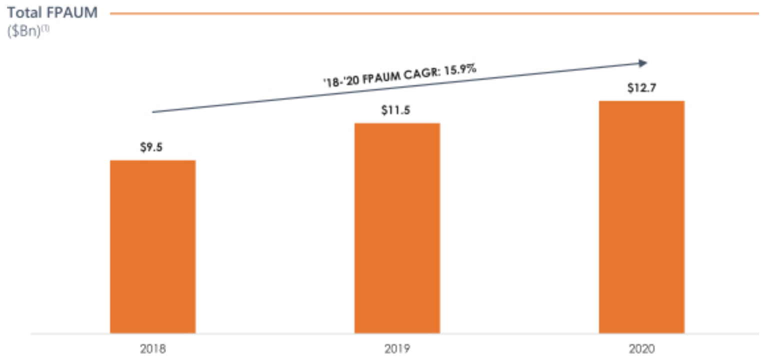


Our global investor base includes some of the world's largest institutional investors, including pension funds, endowments, foundations, corporate pensions and financial institutions. In addition, we have a strong footprint within some of the most prominent family offices and high net worth individuals. We have a significant presence within the lower middle-market private markets industry in North America, where the majority of our capital is currently being deployed as we leverage our differentiated solutions to serve our global investors.

As of December 31, 2020, we had 144 employees, including 72 investment professionals across 10 offices located in 9 states. Over 60 of our employees have an equity interest in P10, collectively owning nearly 73% of the Company on a fully diluted basis prior to this offering.

Between December 31, 2019 and December 31, 2020, our total revenues increased % to $ million, our net income increased % to $ million, and our adjusted net income ("ANI"), a non-GAAP financial measure, increased % to $ million, each determined on a pro forma basis as if the acquisitions of Five Points, TrueBridge and Enhanced were completed as of January 1, 2019. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional discussion regarding ANI and how it is derived.

We managed $12.7 billion in fee-paying assets under management ("FPAUM") from which we earn management and advisory fees as of December 31, 2020. In addition, our FPAUM has grown at a compounded annual growth rate ("CAGR") of 15.9% from December 31, 2018 to December 31, 2020, determined on a pro forma basis as if the acquisitions of Five Points, TrueBridge and Enhanced were completed as of January 1, 2018.



Notes:
1. FPAUM pro forma for acquisitions of Five Points (closed April 1, 2020), TrueBridge (closed October 2, 2020) and Enhanced (closed December 14, 2020) for 2018 and 2019.

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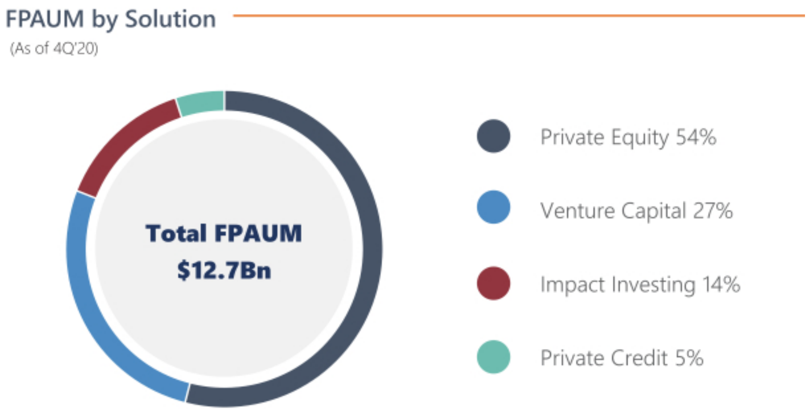
Our Solutions

We operate and invest across private markets through a number of specialized investment solutions. We offer the following solutions to our investors:



Private Equity Solutions (PES)

Under PES, we make direct and indirect investments in middle and lower-middle market private equity across North America. The PES investment team, which is comprised of 33 investment professionals with an average of 24+ years of experience, has deep and long-standing investor and fund manager relationships in the middle and lower-middle market which it has cultivated over the past 20 years, including over 1,800+ investors, 165+ fund managers, 375+ private market funds and 1,800+ portfolio companies. We have 34 active investment vehicles. PES occupies a differentiated position within the private markets ecosystem helping our investors access, perform due diligence, analyze and invest in what we believe are attractive middle and lower-middle market private equity opportunities. We are further differentiated by the scale, depth, diversity and accuracy of our constantly expanding proprietary private markets database that contains comprehensive information on more than 2,500 investment firms, 4,000 funds, 25,000 individual transactions, 30,000 private companies and 175,000 financial metrics. As of December 31, 2020, PES managed $6.9 billion of FPAUM.

Venture Capital Solutions (VCS)

Under VCS, we make investments in venture capital funds across North America and specialize in targeting high-performing, access-constrained opportunities. The VCS investment team, which is comprised of 10 investment professionals with an average of 18+ years of experience, has deep and long-standing investor and fund manager relationships in the venture market which it has cultivated over the past 14+ years, including over 540+ investors, 60+ fund managers, 55 direct investments, 230+ private market funds and 6,500+ portfolio companies. We have 9 active investment vehicles. Our VCS solution is differentiated by our innovative strategic partnerships and our vantage point within the venture capital and technology ecosystems, maximizing advantages for our investors. In addition, since 2011, we have partnered with Forbes to publish the Midas List, a ranking of the top value-creating venture capitalists. As of December 31, 2020, VCS managed $3.5 billion of FPAUM.

Private Credit Solutions (PCS)

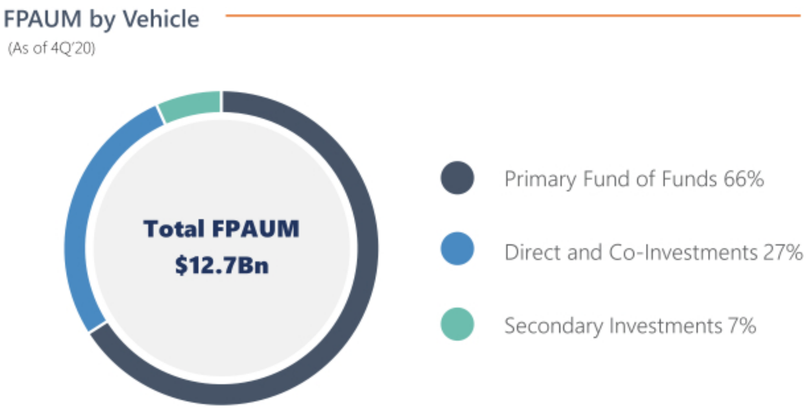
Under PCS, we primarily make debt investments across North America, targeting lower middle market companies owned by leading financial sponsors and also offer certain private equity solutions. The PCS investment team, which is comprised of 17 investment professionals with an average of 21+ years of experience, has deep and long-standing relationships in the private credit market which it has cultivated over the past 22 years, including 180+ investors across 4 active investment vehicles and 64 portfolio companies with over $1.47+ billion capital deployed. Our PCS is differentiated by our relationship-driven sourcing approach providing capital solutions for growth-oriented companies. We are further synergistically strengthened by our PES network of fund managers, characterized by more than 575 credit opportunities annually. We currently maintain 45+ active sponsor relationships and have 60+ platform investments. As of December 31, 2020, PCS managed $0.6 billion of FPAUM.

Impact Investing Solutions (IIS)

Under IIS, we make equity, tax equity, and debt investments in impact initiatives across North America. IIS primarily targets investments in renewable energy development and historic building renovation projects, as well as providing capital to small businesses that are women or minority owned or operating in underserved communities. The IIS investment team, which is comprised of 12 investment professionals with an average of 21+ years of experience, has deep and long-standing relationships in the impact market which it has cultivated over the past 20 years, including deploying capital on behalf of over 81 investors. We currently have 27 active investment vehicles. We are differentiated in both the breadth of impact areas served, the type of capital deployed and the duration of our track record. We have collectively deployed over $3.0 billion into 600+ projects, supporting 380+ businesses across 36 states since 2000, including $550 million capital deployed in impact credit and 535 million KWh of renewable energy produced through 2019. As of December 31, 2020, IIS managed $1.7 billion of FPAUM.

Our Vehicles

We have a flexible business model whereby our investors engage us across multiple specialized private market solutions through different specialized investment vehicles. We offer the following vehicles for our investors:



Primary Fund of Funds

Primary fund of funds refer to investment vehicles which target investments in new private markets funds, which in turn invest directly in portfolio companies. P10's primary fund of funds include both commingled investment vehicles with multiple investors, as well as our customized separate accounts, which typically include one investor. P10's primary investments are made during a fundraising period in the form of capital commitments, which are called upon by the fund manager and utilized to finance its investments in portfolio companies during a predefined investment period. We receive a fee stream that is typically based on our investors' committed, locked-in capital. Capital commitments typically average ten to fifteen years, though they may vary by fund and strategy. We offer primary fund of funds across our private equity and venture capital solutions. Our primary funds comprise approximately $8.4 billion of our FPAUM as of December 31, 2020.

Direct and Co-Investment Funds

Direct and co-investments involve acquiring an equity interest in or making a loan to an operating company, project, property or asset, typically by co-investing alongside an investment by a fund manager or by investing directly in the underlying asset. P10's direct and co-investment funds include both commingled investment vehicles with multiple investors as well as our customized separate accounts, which typically include one investor. Capital committed to direct investments and co-investments is typically invested immediately, thereby advancing the timing of expected returns on investment. We typically receive fees from investors based upon committed capital, with some funds receiving fees based on invested capital; capital commitments, which typically average ten to fifteen years, though they may vary by fund. We offer direct and co-investment funds across our private equity, venture capital, private credit and impact investing solutions. Our direct investing platform comprises approximately $3.5 billion of our FPAUM as of December 31, 2020.

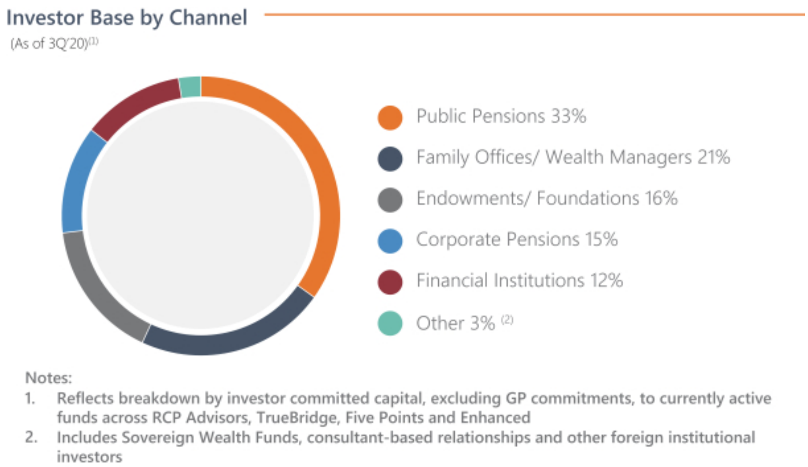
Secondaries

Secondaries refer to investments in existing private markets funds through the acquisition of an existing interest by one investor from another in a negotiated transaction. In so doing, the buyer agrees to take on future funding obligations in exchange for future returns and distributions. Because secondary investments are generally made when a primary investment fund is three to seven years into its investment period and has deployed a significant portion of its capital into portfolio companies, these investments are viewed as more mature. We typically receive fees from investors on committed capital for a decade, the typical life of the fund. We currently offer secondaries funds across our private equity solutions. Our secondary funds comprise approximately $0.8 billion of our FPAUM as of December 31, 2020.

Our Investors

We believe our comprehensive value proposition across our private market solutions, vehicles offering, data analytics, portfolio monitoring and reporting has enabled us to build strong relationships with our existing investors and to attract new high-quality investors. We leverage our differentiated approach to serve a broad set of investors across multiple geographies. As of December 31, 2020 pro forma, we have a global investor base of over 2,400+ investors, across 46 states, 29 countries and 6 continents—including some of the world's largest pension funds, endowments, foundations, corporate pensions and financial institutions. In addition, we have a strong footprint within some of the most prominent family offices and high net worth individuals.

The following chart illustrates the diversification of our pro forma investor base as of September 30, 2020:



Our History

Our entry into becoming a multi-asset class private market solutions provider in the alternative asset management industry originated with our acquisitions of RCP 2 and RCP 3 in October 2017 and January 2018, respectively.

RCP Advisors was founded in 2001 and is a leading sponsor of private equity, funds-of-funds, secondary funds and co-investment funds. Since its founding, RCP Advisors has raised approximately $7 billion of committed capital and maintains one of the largest internal teams dedicated to North America middle and lower-middle market private equity. Since P10 Holdings' acquisition of RCP Advisors, it rebranded its name from P10 Industries, Inc. to P10 Holdings, Inc.

Our mission consists of creating a private market solutions provider in the alternative asset management industry that provides investors differentiated access to a broad set of solutions and specialized investment vehicles across highly attractive asset classes and geographies generating competitive risk-adjusted returns.

We specifically aim to eliminate perceived challenges facing many publicly traded alternative asset management firms, (i) earnings volatility due to lumpiness of carried interest, (ii) tax complexities from the ownership of management and advisory fees and carried interest in publicly traded partnerships and (iii) potential misalignment of interest between investment professionals and the shareholders.

Our common stock is currently publicly traded on the OTC Pink Open Market under the ticker "PIOE" and following the closing we anticipate our Class A common stock will be traded on the NYSE under the ticker "PX".

Our Market Opportunity

We operate in the large and growing private markets industry, which we believe represents one of the most attractive segments within the broader asset management landscape. Specifically, we operate in the Private Equity, Venture Capital, Private Credit, and Impact Investing markets, which we believe represent particularly attractive asset classes and puts us at the center of several favorable trends, including the following:

Accelerating Demand for Private Markets Solutions

We believe the composition of public markets is fundamentally shifting and will drive investment growth in private markets as fewer companies elect to become public corporations or return to being privately held. According to PitchBook Data Inc.'s 2018 Annual M&A report (the "PitchBook Report"), the number of public companies in North America and Europe has declined by 3.8% on an annualized basis between 2008 and 2017, while the number of private equity-backed companies has increased by 4.2%.

Furthermore, investors continue to increase their exposure to passive strategies in search of lower fee alternatives as relative returns in active public market strategies have compressed. We believe the continued move away from active public market strategies into passive strategies will support growth in private market solutions as investors seek higher risk-adjusted returns.

Attractive Historical Private Markets Growth

The private markets have exhibited robust growth. Since 2010, assets under management have grown by 2.7 times from $2.4 trillion in 2010 to $6.5 trillion in the first half of 2019, according to McKinsey & Company's February 2020 report *McKinsey Global Private Markets Review: A New Decade For Private Markets* (the "2020 McKinsey Report"). From 2009 to 2019, the deal value in the lower middle markets has grown by 2.8 times, investments in venture capital have grown by 5.0 times and assets under management of PRI Signatories in impact growth has grown by 4.8 times, according to research conducted by industry sources. In addition, capital targeted in private credit has grown by 2 times from January 2015 to July 2020, according to research conducted by industry sources. According to the 2020 McKinsey Report, fundraising has continued to remain strong with nearly a trillion dollars of total capital raised in 2019. According to the 2020 McKinsey Report, global private markets are expected to continue their strong growth trajectory. Per a recent Preqin Ltd. forecast, global private markets assets under management are expected to grow at an approximate 10% CAGR through 2025. This growth is underpinned by investors search for yield in a lower-for-longer rate environment, in which investors increasingly view allocations to private markets as essential for obtaining diversified exposure to global growth.

Favorable Middle / Lower Middle Market Dynamics

As more companies choose to remain private, we believe smaller companies will continue to dominate market supply, with significantly less capital in pursuit. According to industry sources, only $124 billion of capital is available to U.S. Private Equity Funds between $250 million and $1 billion, versus the $589 billion available to Private Equity funds over $1 billion. In contrast, there are only approximately 11,000 companies with revenues greater than $250 million, versus the more than 151,000 companies with revenues between $10 million and $250 million. We believe this favorable middle and lower-middle market dynamic implies a larger pool of opportunities at compelling purchase price valuations with significant return potential.

Increasing Private Markets Investor Allocations

We believe that alongside growth in the private markets in which we invest, long-term investor allocations are expected to significantly grow over the next several years, which will serve as a tailwind in growing our business. In a survey conducted by Preqin Ltd., 95% and 91% of long-term investors indicated that they were planning to maintain or increase their allocation to Private Equity and Private Credit, respectively. Additionally, according to the Global Impact Investing Network's 2020 report *2020 Annual Impact Investor Survey*, 64% of polled investors noted that they were expecting to increase their allocations to impact investing by more than 5%. In combination with the broader growth in private markets we believe the increase in long-term investor allocations towards private market asset classes will further drive demand of private market solutions across the investor universe.

Democratization of Private Markets

According to PricewaterhouseCoopers' 2017 report *Asset & Wealth Management Revolution: Embracing Exponential Change* (the "2017 PwC Report"), the growing wealth of high-net-worth and mass affluent individuals, and the shift in retirement savings from defined benefit to defined contribution plans, have propelled significant growth in the asset management industry over the last decade. At the same time, both high-net-worth and mass affluent investors continue to remain significantly under-allocated to the private markets in comparison with institutional investors.

As defined contribution plans in the United States continue to grow and become increasingly familiar with private markets, we believe defined contribution plans will be a significant driver of growth in private markets in the future. In addition, on June 3, 2020, the United States Department of Labor issued an information letter confirming that investments in private equity vehicles may be appropriate for 401(k) and other defined contribution plans as a component of the investment alternatives made available under these plans. These plans hold trillions of dollars of assets, and the guidance in the letter may help significantly expand the market for private equity investments over time.

Importance of Asset Class Access

The purview of private markets has meaningfully broadened over the last decade. As investors increase their allocations to private markets, we believe the demand for asset class diversification will rise. Furthermore, as part of this evolution we believe investors will seek out private market solutions providers with scale and an ability to deliver multiple asset classes and vehicle solutions to streamline relationships and pursue cost efficiency.

Proliferation of Private Market Choices

According to research and data from the Securities and Exchange Commission (the "SEC") and Principles for Responsible Investment (PRI), from 2013 to 2019, the number of managers across private markets has increased dramatically. From 2013 to 2019, the number of Private Equity firms, Venture Capital firms, Private Credit firms and Impact Investing firms have more than doubled. We believe that the growing number of private markets focused fund managers increases the operational burden on investors and will lead to a greater reliance on highly trusted advisers to help investors navigate the complexity associated with multi-asset class manager selection.

Rise of ESG and Impact Investing in Private Markets

According to industry sources, the total assets under management of PRI signatories, the cohort of asset managers that have committed to upholding ESG principles, a barometer for the ESG industry, has increased roughly five-fold since 2009, from $18 billion to $86 billion. According to the 2020 McKinsey Report, an ESG approach to private markets has been one of the most talked about developments of the past several years. As public awareness of and activism relating to ESG driven investing have increased, many prominent investors in Private Equity have followed suit, often requiring general partners to pass an ESG screen as part of their diligence processes – demanding transparency into ESG policies, procedures and performance of portfolio assets. In response and in conjunction with regulatory influence, we believe the adoption of ESG and the growth of impact investing will continue to proliferate in private markets.

Investor Demand for Data, Analytics and Technology

We believe many investors do not have an adequate technology and data infrastructure to respond to increasingly complex demands for private market investments. As a result, we believe investors will seek to partner with firms that not only have a proven track record, but also offer tech-enabled non-investment functions, including GP-level reports, enhanced portfolio monitoring, customized performance benchmarking and associated compliance, administrative and tax capabilities. According to Ernst & Young's 2019 report *2019 Global Alternative Fund Survey: When Focusing on the Future, Where do you Look?* (https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/wealth-and-asset-management/ey-global-alts-fund-survey-final.pdf) (the "2019 Ernst & Young Report"), 38% of the private equity fund managers surveyed reported middle- and back-office process enhancement as one of their top three priorities to support growth in assets and to meet the needs of new investors. In the same report, 43% of investors surveyed believe improved investor reporting should be a top-three priority for managers.

Our Competitive Strengths

Specialized Multi-Asset Class Solutions and Comprehensive Vehicle Offering

We believe our specialized multi-asset class solutions offering, distinct market access and wide-ranging relationships continue to be key competitive differentiators for our investors. Our solutions across private equity, venture capital, private credit and impact investing, coupled with our vehicle offerings across primaries, secondaries, direct and co-investments, we believe, provide our investors with a comprehensive framework to successfully navigate and gain exposure to private markets. Our value proposition and solutions offering continue to position us well to compete and win new investor relationships and mandates.

Distinct Middle and Lower-Middle Market Expertise

We believe the private markets exhibit compelling investment opportunities with significant return potential. Our investment expertise in private markets, coupled with our scale, distinctly positions our business within the private markets ecosystem. Our investment talent across our different private market solutions is led by senior investment professionals with sustained track records of successful private markets investing. Our investment team consists of 72 investment professionals with deep industry expertise across middle and lower middle market private equity, venture capital, private credit and impact investing. Our leadership team has an average of over 21 years of experience and our investment professionals across the different solutions have a long track record of working together.

Differentiated Access to Middle and Lower Middle Market Private Equity and Venture Capital Firms

We believe our investors increasingly seek exposure to the middle and lower-middle markets private equity and venture capital firms but may not have the necessary tools to analyze, diligence and gain access to opportunities offered. Due to our scale and tenure within middle and lower-middle market private equity and venture capital, we have cultivated long-standing relationships with leading middle and lower-middle market private equity and venture capital general partners. We have established relationships with over 220 general partners, which provides us with differentiated access to investment opportunities within private markets, benefiting our investors.

Highly Diversified Investor Base with High-Net-Worth Channel

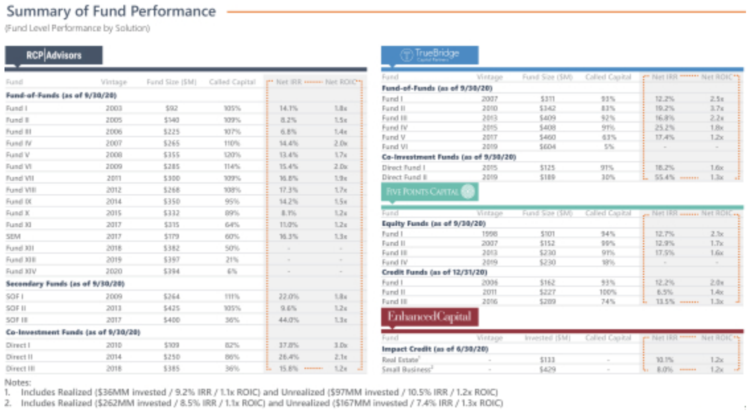
We believe we are a leading provider of private market solutions for a highly diverse global investor base. Our investors include some of the world's largest and most prominent public pension funds, family offices, wealth managers, endowments, foundations, corporate pensions and financial institutions. We believe our multi-asset class solutions have allowed our investors to increase and expand allocations across our various solutions and vehicles, thereby deepening existing and new investor relationships. Our business is well-positioned to continue to service and grow our investor base with 23 professionals dedicated to investor relations and business development.

Premier Data Analytics with Proprietary Database

Our premier data and analytic capabilities, driven by our proprietary database, supports our robust and disciplined sourcing criteria, which fuels our highly selective investment process. Our database stores and organizes a universe of managers and opportunities with powerful tracking metrics that we believe drive optimal portfolio management and monitoring and enable a portfolio grading system as well as repository of investment evaluation scorecards. In particular, our proprietary database offers our investors a highly transparent, versatile and informative platform through which they can track, monitor and diligence portfolios, and we believe the expansive data set within our proprietary database, harvested from our robust network of general partners, enables us to make more informed investment decisions and, in turn, drive strong investment performance. As of December 31, 2020, our database contains comprehensive information on more than 2,500 investment firms, 4,000 funds, 25,000 individual transactions, 30,000 private companies and 175,000 financial metrics.

Strong Investment Performance Track Record

We believe our investment performance track record is a key differentiator for our business relative to our competitors and acts as a key retention mechanism for our investors and selling tool for prospective investors. We attribute our strong investment performance track record to several factors, including: our broad private market relationships and access, our diligent and responsible investment process, our tenured investing experience and our premier data capabilities. In concert, these factors enable us to pursue attractive, risk-adjusted investment opportunities to meet our investors' investment objectives.



Summary of Fund Performance

(Fund Level Performance by Solution)

RCP|Advisors

Fund	Vintage	Fund Size ($M)	Called Capital	Net IRR	Net ROIC
Fund-of-Funds (as of 9/30/20)					
Fund I	2003	$92	105%	14.1%	1.8x
Fund II	2005	$140	109%	8.2%	1.5x
Fund III	2006	$225	107%	6.8%	1.4x
Fund IV	2007	$265	110%	14.4%	2.0x
Fund V	2008	$355	120%	13.4%	1.7x
Fund VI	2009	$285	114%	15.4%	2.0x
Fund VII	2011	$300	109%	16.8%	1.9x
Fund VIII	2012	$268	108%	17.3%	1.7x
Fund IX	2014	$350	95%	14.2%	1.5x
Fund X	2015	$332	89%	8.1%	1.2x
Fund XI	2017	$315	64%	11.0%	1.2x
SEM	2017	$179	60%	16.3%	1.3x
Fund XII	2018	$382	50%	-	-
Fund XIII	2019	$397	21%	-	-
Fund XIV	2020	$394	6%	-	-
Secondary Funds (as of 9/30/20)					
SOF I	2009	$264	111%	22.0%	1.8x
SOF II	2013	$425	105%	9.6%	1.2x
SOF III	2017	$400	36%	44.0%	1.3x
Co-Investment Funds (as of 9/30/20)					
Direct I	2010	$109	82%	37.8%	3.0x
Direct II	2014	$250	86%	26.4%	2.1x
Direct III	2018	$385	36%	15.8%	1.2x

TrueBridge Capital Partners

Fund	Vintage	Fund Size ($M)	Called Capital	Net IRR	Net ROIC
Fund-of-Funds (as of 9/30/20)					
Fund I	2007	$311	93%	12.2%	2.5x
Fund II	2010	$342	83%	19.2%	3.7x
Fund III	2013	$409	92%	16.8%	2.2x
Fund IV	2015	$408	91%	25.2%	1.8x
Fund V	2017	$460	63%	17.4%	1.2x
Fund VI	2019	$604	5%	-	-
Co-Investment Funds (as of 9/30/20)					
Direct Fund I	2015	$125	91%	18.2%	1.6x
Direct Fund II	2019	$189	30%	55.4%	1.3x

Five Points Capital

Fund	Vintage	Fund Size ($M)	Called Capital	Net IRR	Net ROIC
Equity Funds (as of 9/30/20)					
Fund I	1998	$101	94%	12.7%	2.1x
Fund II	2007	$152	99%	12.9%	1.7x
Fund III	2013	$230	91%	17.5%	1.6x
Fund IV	2019	$230	18%	-	-
Credit Funds (as of 12/31/20)					
Fund I	2006	$162	93%	12.2%	2.0x
Fund II	2011	$227	100%	6.5%	1.4x
Fund III	2016	$289	74%	13.5%	1.3x

Enhanced Capital

Fund	Vintage	Invested ($M)	Called Capital	Net IRR	Net ROIC
Impact Credit (as of 6/30/20)					
Real Estate[1]	-	$133	-	10.1%	1.2x
Small Business[2]	-	$429	-	8.0%	1.2x

Notes:
1. Includes Realized ($36MM invested / 9.2% IRR / 1.1x ROIC) and Unrealized ($97MM invested / 10.5% IRR / 1.2x ROIC)
2. Includes Realized ($262MM invested / 8.5% IRR / 1.1x ROIC) and Unrealized ($167MM invested / 7.4% IRR / 1.3x ROIC)

See "Business—Strong Investment Performance Track Record" for additional information concerning our investment performance and for definitions of Net IRR and Net ROIC.

Attractive, Recurring Fee-based Financial Profile

We believe our financial profile and revenue model have the following important attributes:

Highly Predictable Fee-based Revenue Model

Virtually all of our revenue is derived from management and advisory fees based on committed capital typically subject to multi-year commitment periods, usually between ten and fifteen years. As a result, we believe our revenue stream is contractual and highly predictable.

Well Diversified Revenue and Investor Base

As of December 31, 2020, we had 74 revenue generating vehicles across our solutions with over 2,400 investors across public pensions, family offices, wealth managers, endowments, foundations, corporate pension and financial institutions, across 46 states, 29 countries and 6 continents. We therefore believe our business model is highly diversified across both revenue and investor bases.

Attractive Profitability Profile and Operating Margin

We believe our scaled business model, differentiated solutions across middle and lower-middle markets as well as an efficient back-office model has allowed us to achieve a highly competitive profitability profile and operating margin.

Exceptional Management and Investing Teams with Proven M&A Track Records

Our biggest asset is our people and we therefore focus on recruiting, nurturing and retaining top talent, all of whom are proven leaders in their respective field. Our management team has an average of 21 years of industry and investment experience, with a successful track record of sourcing and executing mergers and acquisitions and is supported by a deep bench of talent consisting of 72 investment professionals.

Ownership Structure Aligned with Investors

The alignment between our stockholders, investors and investment professionals is one of our core tenets and is, we believe, imperative for value creation. Our revenue comprised almost entirely of recurring management and advisory fees is earned largely on committed capital, which is typically subject to ten to fifteen year lock up agreements. We believe this offers our investors an attractive, highly predictable revenue stream. Furthermore, we have structured carried interest to stay with investment professionals to maximize economic incentive for investment professionals to outperform on behalf of investors. Ultimately, we believe FPAUM follows investment performance and the more aligned our investment professionals are to the performance of investor capital, the better our company performance will be. Over 60 of our employees have an equity interest in us, collectively owning nearly 73% of the Company on a fully diluted basis prior to this offering.

Our Growth Strategy

We aim to utilize our differentiated positioning and our core principles and values to continue to grow and expand our business. Our growth strategy includes the following key elements:

Maximize Investor Relationships

Enhance Existing Investor Mandates

We believe our current investor base presents a large opportunity for growth as we continue to expand our broad set of solutions and vehicles. As existing and prospective investors reduce the number of managers with whom they work across asset classes, we believe there are significant opportunities to have investors invest with a consistent, single-source multi-asset class private market solutions provider, positioning us to be a platform of choice. As such, our comprehensive solutions, we believe, will lend itself well to compelling cross-selling opportunities with existing investors. Furthermore, as our investors continue to grow their asset bases and expand utilization of our solutions and vehicles, the number of touchpoints with our investors will broaden, deepening our investor relationships even further.

Capture New Investors and Allocations to Private Markets

We believe we are well positioned to capitalize on the growth in private markets and capture additional investors and market share through our differentiated middle and lower-middle market sourcing capabilities, our attractive multi-asset class solutions and vehicles, and our strong investment performance track record. Our long-standing, established relationships across our broad set of solutions provide us extensive access to fund managers and investment opportunities across these asset classes and we remain highly committed to leveraging our best practices from serving our existing investors to similarly situated prospective investors that may benefit from our experience and broad set of private market solutions.

Expand Distribution Channels

We believe we are well positioned in some of the most sought-after segments of the private markets and we believe our differentiated private market solutions will continue to attract both new institutional and private wealth investors. In particular, investible assets of high-net-worth individuals are expected to increase significantly and compared to institutional investors, high-net-worth individuals tend to have lower private market allocations. Our investment platform is designed to provide high-net-worth investors access to private markets and we currently serve over 1,200 high-net-worth investors, which we believe positions us well to continue to capture increasing demand from private wealth investors.

Expand Asset Class Solutions, Broaden Geographic Reach and Grow Private Markets Network Effect

Expand Asset Class Solutions

Our scalable business model is well positioned to expand our multi-asset class offering and we have the capacity and desire to explore adjacent asset classes, broaden our private market solutions capabilities and diversify our business mix. For example, our business development team actively explores the launch of new specialized investment vehicles across both our Venture Capital and Impact Investing solutions to meet increasing investor demand to access middle and lower-middle market venture capital as well as to gain exposure to impact investing trends in private markets, of which we believe we have the existing infrastructure and personnel to launch. By doing so, we believe we will be able to grow our footprint, continue to develop our position within the private markets ecosystem and further leverage our synergistic solutions offering with additional manager relationships and sourcing opportunities.

Broaden Geographic Reach

We have a significant presence within the lower middle-market private markets industry in North America, where the majority of our capital is currently being deployed as we leverage our differentiated solutions to serve our global investors. We believe expanding our presence in Europe and Asia can be a significant growth driver for our business as investors continue to seek a geographically diverse private market exposure. We believe our global investor base will facilitate such potential market penetration and our robust investment process, existing relationships and proven investment capabilities will continue to be core tenets of an international growth strategy.

Grow Private Markets Network Effect

Expanding into additional asset class solutions will enable us to further enhance our integrated network effect across private markets. We believe adding new asset class solutions will foster deeper manager relationships, enabling managers and portfolio companies alike to benefit from our offerings. As an example, our PCS solution is able to capitalize on the sourcing advantages presented by PES’s expansive network of GPs and portfolio companies. Similarly, a portfolio company held by a manager in our PES solution may benefit directly from our IIS solution.

Leverage Data Capabilities

Our proprietary database provides access to valuable data and analytical tools that are the foundation of our investing process. We believe our experience and insights will be increasingly impactful to the decision-making processes of our investment team and our investors. Moreover, we believe our differentiated data capabilities allow us to further support the private markets activities of our investors, enhance our investors experience and drive new innovative solutions.

Selectively Pursue Strategic Acquisitions

We focus on growing organically but may complement our growth with selective strategic acquisition opportunities that expand our footprint, broaden our investor base, and further strengthen our solutions offering. Specifically, we target opportunities with a market leading differentiated platform, an established and committed investor base, strong margins with operating leverage, management and advisory fee-based revenue, strong investment performance and a proven management team. Our leadership team has a proven track record of identifying, acquiring and integrating companies to drive long-term value creation, and we will continue to maintain a highly disciplined approach to pursuing accretive acquisitions.

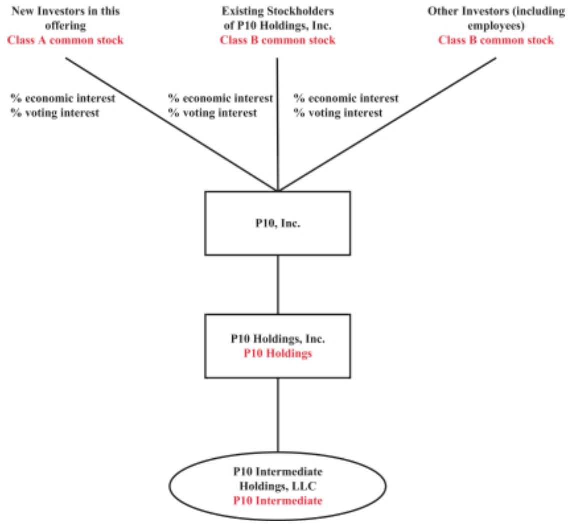
Why We Are Going Public

We have decided to become a public company for the following principal reasons:

- to enhance our profile and position as a leading multi-asset class private market solutions provider;
- to allow us to grow on a standalone basis while maintaining our unique culture, our management team and our independent decision-making processes;
- to enhance our ability to provide continuing and tangible equity compensation to existing employees and attract new employees;
- to provide funding for the repayment of debt and general corporate purposes, and a means to raise capital in the future;
- to permit us to use publicly traded securities to finance strategic acquisitions that we may elect to make in the future; and
- to provide a mechanism for eventual and ongoing liquidity management for our equity owners.

Organizational Structure

Prior to this offering, we undertook certain transactions as part of a corporate reorganization (the "Reorganization") described in "Historical Ownership Structure, the Reorganization and Recent Transactions." Following the Reorganization, P10 became a holding company and its sole asset is an equity interest in P10 Holdings, of which it serves as the sole stockholder. All of the existing stockholders of P10 Holdings and certain other investors, including employees, became the owners of the Class B common stock of P10, Inc. (the "Sunset Holders"). The diagram below depicts our organizational structure following the consummation of the Reorganization (and after giving effect to this offering).



Summary Risk Factors

Our business is subject to numerous risks and uncertainties, including those highlighted in "Risk Factors" immediately following this prospectus summary. These risks include, but are not limited to, the following:

- Our revenue in any given period is dependent on the number of fee-paying investors in such period. While most of our revenue is derived from management and advisory fees based on committed capital that is typically subject to multi-year lock up agreements, though under certain limited circumstances, the committed capital can be withdrawn early, or we can be removed or terminated as the adviser or general partner to a particular client.
- If the investments we make on behalf of our specialized investment vehicles perform poorly, our ability to raise capital for future specialized investment vehicles may be materially and adversely affected.
- The historical performance of our investments should not be considered as indicative of the future results of our investments or our operations or any returns expected on an investment in our Class A common stock.

- The success of our business depends on the identification and availability of suitable investment opportunities for our investors.
- Access to investment funds and other investments we make for our investors is competitive.
- Our failure to deal appropriately with conflicts of interest could damage our reputation and materially and adversely affect our business.
- We have obligations to investors and may have obligations to other third parties that may conflict with your interests.
- Our ability to retain our senior leadership team and attract additional qualified investment professionals is critical to our success.
- We intend to expand our business and may enter into new lines of business or geographic markets, which may result in additional risks and uncertainties in our business, and the associated future transactions could pose additional risks.
- Restrictive covenants in agreements and instruments governing our debt may adversely affect our ability to operate our business.
- Our indebtedness and our future indebtedness may expose us to substantial risks.
- The investment management and investment advisory business is intensely competitive.
- Difficult market conditions can adversely affect our business by reducing the market value of the assets we manage or causing our customized separate account investors to reduce their investments in private markets.
- The COVID-19 pandemic has severely disrupted the global financial markets and business climate and may adversely affect our business, financial condition and results of operations.
- Increased government regulation, compliance failures and changes in law or regulation could adversely affect us.
- Upon completion of this offering, we will be a “controlled company” within the meaning of the NYSE listing standards and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.
- A change of control of our company, including the occurrence of a “Sunset,” could result in an assignment of our investment advisory agreements.
- If we were deemed an “investment company” under the Investment Company Act of 1940 as a result of its ownership of our subsidiaries, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.
- The historical and pro forma financial information in this prospectus may not permit you to assess our future performance, including our costs of operations.
- The protective provision contained in our Amended and Restated Certificate of Incorporation, which is intended to help preserve the value of certain income tax assets, primarily tax net operating loss carryforwards, may have unintended negative effects. We also have a shareholder rights plan to provide similar protections.

Corporate Information

P10, Inc. was incorporated in Delaware on January 20, 2021 as a wholly owned subsidiary of P10 Holdings. It has had no business operations prior to this offering. P10, Inc. became the sole stockholder of P10 Holdings pursuant to the Reorganization described under "Organizational Structure." Our principal executive office is located at 4514 Cole Avenue, Suite 1600, Dallas, Texas 75205, and our phone number is (214) 999-0149. Our website is p10alts.com. Information contained on or accessible through our website is not incorporated by reference into this prospectus and should not be considered a part of this prospectus.

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2013 (the "JOBS Act"). For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from specified disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We may take advantage of these provisions for up to five years or such earlier time when we are no longer an emerging growth company. We will cease to be an emerging growth company if we have more than $1.07 billion in annual revenue, have more than $700 million in market value of our capital stock held by non-affiliates or issue more than $1 billion of non-convertible debt over a three-year period. We may choose to take advantage of some, but not all, of the available exemptions. We have taken advantage of some reduced reporting burdens in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

The JOBS Act provides that an emerging growth company may take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use this extended transition period until we are no longer an emerging growth company or until we affirmatively and irrevocably opt out of the extended transition period. As a result, our financial statements may not be comparable to those for companies that comply with new or revised accounting pronouncements as of public company effective dates.

Controlled Company

Upon completion of this offering, we will be a "controlled company" under the NYSE rules. Under these rules, a "controlled company" may elect not to comply with certain corporate governance requirements, including the requirement to have a board that is composed of a majority of independent directors. We intend to take advantage of these exemptions for so long as we continue to qualify as a “controlled company.” These exemptions do not modify the independence requirements for our audit committee, and we intend to comply with the applicable requirements of the Sarbanes-Oxley Act and rules with respect to our audit committee within the applicable time frame.

The Offering

Class A common stock outstanding immediately prior to this offering	shares
Class A common stock offered by P10, Inc.	shares.
Underwriters’ option to purchase additional shares of Class A common stock from us	shares.
Class A common stock outstanding immediately after this offering	shares of Class A common stock (or shares of Class A common stock if the underwriters exercise their option to purchase additional shares of Class A common stock in full).
Class B common stock outstanding immediately before and after this offering	shares of Class B common stock.
Use of proceeds	We estimate that the net proceeds from the sale of shares of our Class A common stock by us in this offering, after deducting underwriting discounts and commissions but before expenses, will be approximately $ million or approximately $ million if the underwriters exercise their option to purchase additional shares of Class A common stock in full, based on an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus).We may use up to approximately $ million of these proceeds to repay existing indebtedness, $ million to pay the expenses incurred by us in connection with this offering and the remainder for general corporate purposes. See “Use of Proceeds.”
Voting rights	Each share of our Class A common stock will entitle its holder to one vote on all matters to be voted on by stockholders generally. Each share of our Class B common stock will entitle its holder to ten votes until a Sunset becomes effective. After a Sunset becomes effective, each share of our Class B common stock will automatically convert into Class A common stock. In addition, each share of Class B common stock will automatically convert into Class A common stock upon any transfer except to certain permitted holders. The Class B Holders will initially have % of the combined voting power of our common stock (or % if the underwriters

	exercise their option to purchase additional shares of Class A common stock in full). A "Sunset" is triggered by any of the earlier of the following: • the Sunset Holders cease to maintain direct or indirect beneficial ownership of 10% of the outstanding shares of Class A Common Stock (determined assuming all outstanding shares of Class B Common Stock have been converted into Class A Common Stock); • the Sunset Holders collectively cease to maintain direct or indirect beneficial ownership of at least 25% of the aggregate voting power of the outstanding shares of Common Stock; and • upon the tenth anniversary of the effective date of our amended and restated certificate of incorporation. Upon any transfer, Class B common stock converts automatically on a one-for-one basis to shares of Class A common stock, except in the case of transfers to certain permitted transferees. In addition, holders of Class B common stock may elect to convert shares of Class B common stock on a one-for-one basis into Class A common stock at any time. Holders of our Class A common stock and Class B common stock will vote together as a single class on all matters presented to our stockholders for their vote or approval, except as set forth in our amended and restated certificate of incorporation or as otherwise required by applicable law. See "Organizational Structure—Voting Rights of the Class A and Class B Common Stock."
Protective Provisions	Our Amended and Restated Certificate of Incorporation requires any person attempting to become a holder of 4.99% or more of our common stock to seek the approval of our board of directors. This requirement will expire on the third anniversary of our initial public offering and can be waived at the discretion of our board of directors. We also have a shareholder rights plan that prohibits for anyone becoming a holder of 4.99% or more of our common stock (as determined for tax purposes) without prior board of directors' approval. See "Description of Capital Stock—Anti-Takeover Effects of Provisions of Delaware Law and our Amended and Restated Certificate of Incorporation and Bylaws."
Dividend policy	The declaration and payment by us of any future dividends to holders of our Class A common stock will be at the sole discretion of our board of directors.
Controlled Company	The Class B stockholders are each a party to the Stockholders' Agreement and will collectively own a majority of the voting power of our outstanding common stock following the completion of this offering. Accordingly, we are considered a "controlled company" under the NYSE rules. Under these rules, a "controlled company" may elect not to comply with certain corporate governance

	requirements, including the requirement to have a board that is composed of a majority of independent directors. We intend to take advantage of these exemptions for so long as we continue to qualify as a “controlled company”. See “Management – Controlled Company.”
Risk factors	You should read “Risk Factors” for a discussion of risks to carefully consider before deciding to purchase any shares of our Class A common stock.
Series A Junior Participating Preferred Stock Purchase Rights	Our board of directors has authorized the issuance of one right per each outstanding share of our common stock on , 2021. Upon becoming exercisable, each right allows its holder to purchase one one-thousandth of a share of our Series A Junior Participating Preferred Stock. Each fractional share of Series A Junior Participating Preferred Stock gives its holder approximately the same dividend, voting and liquidation rights as one share of our Class A common stock. Please refer to “Description of Capital Stock—Series A Junior Participating Preferred Stock Purchase Rights”.
Proposed ticker symbol	We have applied to list our Class A common stock on the NYSE under the symbol “PX”.

Unless otherwise noted, Class A common stock outstanding and other information based thereon in this prospectus does not reflect any of the following:

- shares of Class A common stock issuable upon exercise of the underwriters’ option to purchase additional shares;
- shares of Class A common stock reserved for issuance upon conversion of Class B common stock to Class A common stock; or
- shares of Class A common stock reserved for issuance under our 2021 Stock Incentive Plan (except that an aggregate of shares of Class A common stock intended to be issued to non-management employees immediately after the closing of this offering and shares of Class A common stock replacing outstanding awards are included in the number of shares of Class A common stock outstanding after this offering).

Unless otherwise indicated in this prospectus, all information in this prospectus assumes that shares of our Class A common stock will be sold at $ per share (the midpoint of the price range set forth on the cover of this prospectus).

Summary Historical and Pro Forma Consolidated Financial Information and Other Data

The following tables set forth certain summary financial information and other data on a historical basis. P10 Holdings, Inc. is considered our predecessor for accounting purposes and its consolidated financial statements will be our historical financial statements following this offering. The summary historical consolidated financial information set forth below as of December 31, 2020, 2019 and 2018, and for each of the years in the three-year period ended December 31, 2020, has been derived from our audited consolidated financial statements included elsewhere in this prospectus.

The summary unaudited pro forma consolidated financial information of P10, Inc. set forth below for the year ended December 31, 2020 gives effect to (i) our acquisitions of Five Points, TrueBridge, ECG and Enhanced Capital Partners, LLC ("ECP"), and (ii) to the Reorganization and initial public offering as described throughout this prospectus, as if each had been completed as of January 1, 2020. The selected unaudited pro forma consolidated balance sheet data set forth below as of December 31, 2020 gives effect to the Reorganization as well as this offering and the application of the net proceeds from this offering, as if each had been completed as of December 31, 2020.

The summary historical and pro forma consolidated financial information should be read in conjunction with "Unaudited Pro Forma Condensed Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated financial statements and the related notes included elsewhere in this prospectus. The following table includes Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) and Adjusted Net Income, which are not measures of financial performance under accounting principles generally accepted in the United States of America ("GAAP"). Refer to the aforementioned sections for further description and discussion of these metrics and reconciliations to the most directly comparable GAAP measures.

	P10, Inc. Year Ended December 31, 2020	P10 Holdings, Inc. Years Ended December 31,		
Income Statement Data (in thousands)	**Pro Forma**	**2020**	**2019**	**2018(1)**
Revenues:				
Management and advisory fees	$	$ 66,125	$ 42,209	$ 32,130
Other revenue		1,243	2,693	1,871
Total revenues		67,368	44,902	34,001
Operating Expenses:				
Compensation and benefits		24,529	12,343	9,829
Professional fees		13,953	4,572	764
General, administrative and other		4,731	4,624	4,373
Amortization of intangibles		15,466	10,552	11,026
Other expenses		—	—	747
Total operating expenses		58,679	32,091	26,739
Income from Operations		8,689	12,811	7,262
Other (expense):				
Interest expense, net		(11,720)	(11,372)	(10,155)
Net (loss) income before income taxes		(3,031)	1,439	(2,893)
Income tax benefit		26,837	10,502	8,787
Net Income	$	$ 23,806	$ 11,941	$ 5,894
Non-GAAP Information (in thousands)				
Adjusted EBITDA	$	$ 34,805	$ 27,310	$ 18,627
Adjusted Net Income		23,937	21,554	13,053

(1) Certain historical amounts have been reclassified to conform with current presentation.

Balance Sheet Data (in thousands)	P10, Inc. As of December 31, 2020 Pro Forma	P10 Holdings, Inc. As of December 31, 2020	2019
Assets			
Cash and cash equivalents	$	$ 11,773	$ 18,710
Deferred tax assets		37,621	21,707
Intangibles, net		143,738	54,814
Goodwill		369,982	97,323
Total assets		582,426	202,804
Liabilities and stockholders' equity			
Debt obligations	$	$290,055	$145,846
Total liabilities		324,146	166,763
Redeemable non-controlling interest		198,439	—
Stockholders' equity		59,841	36,041
Total liabilities and stockholders' equity		582,426	202,804

RISK FACTORS

An investment in our Class A common stock involves risks. You should carefully consider the following information about these risks, together with the other information contained in this prospectus, before investing in our Class A common stock. The events and consequences discussed in these risk factors could, in circumstances we may not be able to accurately predict, recognize or control, have a material adverse effect on our business, growth, reputation, prospects, financial condition, operating results, cash flows, liquidity and stock price.

Risks Related to Our Business

Our revenue in any given period is dependent on the number of fee-paying investors in such period. While most of our revenue is derived from management and advisory fees based on committed capital that is typically subject to multi-year lock up agreements, though under certain limited circumstances, the committed capital can be withdrawn early, or we can be removed or terminated as the adviser or general partner to a particular client.

Our revenue is comprised virtually entirely of management and advisory fees from our registered investment adviser subsidiaries (each, an “Adviser”), with the vast majority of fees earned on committed capital that is typically subject to between 10 and 15 year lock up agreements, although in many cases, the contractual fees decline over the period, after the investment period of three to five years ends. Our investors engage us across multiple private market solutions through different vehicles, including primary fund of funds, direct and co-investment funds and secondary funds. Primary fund of funds and direct and co-investment funds include both commingled investment vehicles with multiple investors as well as customizable separate accounts, which typically include one customer. Our revenue in any given period is dependent on the number of fee-paying investors in such period. For our specialized, commingled funds, our fees may terminate if we are removed for certain cause events such as a key person event or without cause by a super majority of investors. Our customized separate account and advisory account business operates in a highly competitive environment. While investors of our separate account and advisory account businesses may have multi-year contracts, certain of these contracts only provide for fees to the extent a client elects to make an investment. In addition, the separate accounts and advisory contracts may be terminated by the client for cause or without cause upon advance notice to us. In connection with these terminable contracts, we may lose investors as a result of the sale or merger of an investor, a change in an investor’s senior management, competition from other financial advisors and financial institutions and other causes. Moreover, certain of our contracts with state government-sponsored investors are secured through such government’s request for proposal process, and can be subject to renewal. If multiple investors were to exercise their termination rights or fail to renew their existing contracts or investors removed us from managing a fund and we were unable to secure new investors, our fees would decline. In the case of any such events, the management fees and advisory fees we earn in connection with managing such account would immediately cease, which could result in an adverse effect on our revenues. If we experience a change of control (as defined under the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”) or as otherwise set forth in the governing documents of our funds), continuation of the investment management agreements of our funds and our separate account clients would be subject to investor or client consent. We cannot assure you that required consents will be obtained if a change of control occurs.

If the investments we make on behalf of our specialized investment vehicles perform poorly, our ability to raise capital for future specialized investment vehicles may be materially and adversely affected.

Our revenue from our investment management business is derived from fees earned for our management of our specialized investment vehicles and advisory accounts and with respect to certain of our specialized investment vehicles. We have no economic interest, ownership in or beneficiary interest in the performance of the funds (except for a 5% carried interest in RCP FF Small Buyout Co-Investment Fund, LP). RCP 2 and RCP 3 serve as the advisors of the affiliated private equity funds, funds-of-funds, secondary funds and co-investment funds and receive management and advisory fees for the services performed. In the event that our specialized investment vehicles or individual investments perform poorly, the fund manager's revenues and earnings derived from incentive fees will decline, which may result in a decrease in our management and advisory fee revenue and make it more difficult for us to raise capital for new specialized funds or gain new customized separate account investors in the future.

The historical performance of our investments should not be considered as indicative of the future results of our investments or our operations or any returns expected on an investment in our Class A common stock.

In considering the performance information contained in this prospectus, prospective Class A common stockholders should be aware that past performance of our specialized investment vehicles or the investments that we recommend to our investors is not necessarily indicative of future results or of the performance of our Class A common stock. An investment in our Class A common stock is not an investment in any of our specialized investment vehicles. In addition, the historical and potential future returns of specialized investment vehicles that we manage are not directly linked to returns on our Class A common stock. Therefore, you should not conclude that continued positive performance of our specialized investment vehicles or the investments that we recommend to our investors will necessarily result in positive returns on an investment in our Class A common stock. However, poor performance of our specialized investment vehicles could cause a decline in our ability to raise additional funds, and could therefore have a negative effect on our performance and on returns on an investment in our Class A common stock. The historical performance of our funds should not be considered indicative of the future performance of these funds or of any future funds we may raise, in part because:

- market conditions and investment opportunities during previous periods may have been significantly more favorable for generating positive performance than those we may experience in the future;
- the performance of our funds is generally calculated on the basis of net asset value of the funds' investments, including unrealized gains, which may never be realized;
- our historical returns derive largely from the performance of our earlier funds, whereas future fund returns will depend increasingly on the performance of our newer funds or funds not yet formed;
- our newly established funds typically generate lower returns during the period that they initially deploy their capital;
- changes in the global tax and regulatory environment may affect both the investment preferences of our investors and the financing strategies employed by businesses in which particular funds invest, which may reduce the overall capital available for investment and the availability of suitable investments, thereby reducing our investment returns in the future;
- in recent years, there has been increased competition for investment opportunities resulting from the increased amount of capital invested in private markets alternatives and high liquidity in debt markets, which may cause an increase in cost and reduction in the availability of suitable investments, thereby reducing our investment returns in the future; and
- the performance of particular funds also will be affected by risks of the industries and businesses in which they invest.

The success of our business depends on the identification and availability of suitable investment opportunities for our investors.

Our success largely depends on the identification and availability of suitable investment opportunities for our investors, and in particular the success of funds in which our specialized investment vehicles and advisory accounts invest. The availability of investment opportunities will be subject to market conditions and other factors outside of our control and the control of the private markets and fund managers with which we invest.

Past returns of our specialized investment vehicles and advisory accounts have benefited from investment opportunities and general market conditions that may not continue or reoccur, including favorable borrowing conditions in the debt markets. There can be no assurance that our specialized investment vehicles, advisory accounts or the underlying funds in which we invest will be able to avail themselves of comparable opportunities and conditions.

Further, there can be no assurance that the private markets funds we select will be able to identify sufficient attractive investment opportunities to meet their investment objectives.

Competition for access to investment funds and other investments we make for our investors is intense.

We compete in all aspects of our business with a large number of asset management firms, commercial banks, broker-dealers, insurance companies and other financial institutions. With respect to our investment strategies, we primarily compete with other private markets solutions providers within North America that specialize in private equity, venture capital, private credit and impact investing. We seek to maintain excellent relationships with general partners and managers of investment funds, including those in which we have previously made investments for our investors and those in which we may invest in the future, as well as sponsors of investments that might provide co-investment opportunities in portfolio companies alongside the sponsoring fund manager. However, because of the number of investors seeking to gain access to investment funds and co-investment opportunities managed or sponsored by the top performing fund managers, there can be no assurance that we will be able to secure the opportunity to invest on behalf of our investors in all or a substantial portion of the investments we select, or that the size of the investment opportunities available to us will be as large as we would desire. Access to secondary investment opportunities is also highly competitive and is often controlled by a limited number of general partners, fund managers and intermediaries. Our ability to continue to compete effectively will depend upon our ability to attract highly qualified investment professionals and retain existing employees.

Our failure to deal appropriately with conflicts of interest could damage our reputation and materially and adversely affect our business.

As we expand the scope of our business, we increasingly confront potential conflicts of interest relating to our advisory and investment management businesses. For example, we may recommend that various of our advisory investors invest in specialized funds managed by our investment management business. It is possible that actual, potential or perceived conflicts could give rise to investor dissatisfaction, litigation or regulatory enforcement actions. Certain of our subsidiaries are registered investment advisors and they owe their investors a fiduciary duty and are required to provide disinterested advice. Appropriately dealing with conflicts of interest is complex and difficult and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential or actual conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which could materially and adversely affect our business in a number of ways, including an inability to raise additional funds and reluctance of our existing investors to continue to do business with us.

We have obligations to investors and may have obligations to other third parties that may conflict with your interests.

Our subsidiaries that serve as the general partners of, or advisers to, our funds, or to our specialized investment vehicles have fiduciary and contractual obligations to the investors in those funds and accounts, and some of our subsidiaries may have contractual duties to other third parties. As a result, we may take actions with respect to the allocation of investments among our specialized investment vehicles or funds (including funds and accounts that have different fee structures), the purchase or sale of investments in our specialized investment vehicles or funds, the structuring of investment transactions for those specialized investment vehicles or funds, the advice we provide or other actions in order to comply with these fiduciary and contractual obligations.

Our ability to retain our senior leadership team and attract additional qualified investment professionals is critical to our success.

Our success depends on our ability to retain our senior leadership team and to recruit and retain additional qualified investment, sales and other professionals. However, we may not be successful in our efforts to retain our senior leadership team, as the market for investment professionals is extremely competitive. The individuals that comprise our senior leadership team possess substantial experience and expertise and, in many cases, have significant relationships with certain of our investors. Accordingly, the loss of any one of our senior leadership team could adversely affect certain investor relationships or limit our ability to successfully execute our investment strategies, which, in turn, could have a material adverse effect on our business, financial condition and results of operations. In addition, certain of our specialized funds have key person provisions that are triggered upon the loss of services of one or more specified employees and could, upon the occurrence of such event, provide the investors in these funds with certain rights such as rights providing for the termination or suspension of our funds' investment periods and/or wind-down of our funds. Any change to our senior leadership team could materially and adversely affect our business, financial condition and results of operations.

We intend to expand our business and may enter into new lines of business or geographic markets, which may result in additional risks and uncertainties in our business.

Virtually all of our revenue is derived from management and advisory fees based on committed capital that is typically subject to multi-year lock up agreements, typically between 10 and 15 years. We continue to grow our business by offering additional products and services, by entering into new lines of business and by entering into, or expanding our presence in, new geographic markets, including Europe and Asia. Introducing new types of investment structures, products and services could increase our operational costs and the complexities involved in managing such investments, including with respect to ensuring compliance with regulatory requirements and the terms of the investment. To the extent we enter into new lines of business, we will face numerous risks and uncertainties, including risks associated with the possibility that we have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk, the required investment of capital and other resources and the loss of investors due to the perception that we are no longer focusing on our core business. In addition, we may from time to time explore opportunities to grow our business via acquisitions, partnerships, investments or other strategic transactions. There can be no assurance that we will successfully identify, negotiate or complete such transactions, that any completed transactions will produce favorable financial results or that we will be able to successfully integrate an acquired business with ours.

Entry into certain lines of business or geographic markets or introduction of new types of products or services may subject us to new laws and regulations with which we are not familiar, or from which we are currently exempt, and may lead to increased litigation and regulatory risk. In addition, certain aspects of our cost structure, such as costs for compensation, occupancy and equipment rentals, communication and information technology services, and depreciation and amortization will be largely fixed, and we may not be able to timely adjust these costs to match fluctuations in revenue related to growing our business or entering into new lines of business. If a new business generates insufficient revenue or if we are unable to efficiently manage our expanded operations, our business, financial condition and results of operations could be materially and adversely affected.

Future transactions could pose risks.

We frequently evaluate strategic opportunities and tactical acquisitions. We expect from time to time to pursue additional business opportunities and may decide to eliminate or acquire certain businesses, products or services. Such acquisitions or dispositions could be material. There are various risks and uncertainties associated with potential acquisitions and divestitures, including: (1) availability of financing; (2) difficulties related to integrating previously separate businesses into a single unit, including product and service offerings, operational capabilities and business cultures; (3) general business disruption; (4) managing the integration process; (5) diversion of management's attention from day-to-day operations; (6) assumption of costs and liabilities of an acquired business, including unforeseen or contingent liabilities or liabilities in excess of the amounts estimated; (7) failure to realize anticipated benefits and synergies, such as cost savings and revenue enhancements; (8) potentially substantial costs and expenses associated with acquisitions and dispositions; (9) failure to retain and motivate key employees; and (10) difficulties in applying our internal control over financial reporting and disclosure controls and procedures to an acquired business. Any or all of these risks and uncertainties, individually or collectively, could have material adverse effect on our business, financial condition and results of operations.

Our organic growth with selective strategic acquisitions in recent years may be difficult to sustain, as it may place significant demands on our resources and employees and may increase our expenses.

We have grown organically and further evolved by adding complementary solutions and integrating these solutions into our existing offerings to generate cross-selling opportunities across our existing investor base, as demonstrated by the recently announced acquisition of Enhanced. The substantial growth of our business has placed, and if it continues, will continue to place, significant demands on our infrastructure, our investment team and other employees, and will increase our expenses. In addition, we are required to develop continuously our infrastructure as a result of becoming a public company and in response to the increasingly complex investment management industry and increasing sophistication of investors. Legal and regulatory developments also contribute to the level of our expenses. The future growth of our business will depend, among other things, on our ability to maintain the appropriate infrastructure and staffing levels to sufficiently address our growth and may require us to incur significant additional expenses and commit additional senior management and operational resources. We may face significant challenges in maintaining adequate financial and operational controls as well as implementing new or updated information and financial systems and procedures. Training, managing and appropriately sizing our work force and other components of our business on a timely and cost-effective basis may also pose challenges. In addition, our efforts to retain or attract qualified investment professionals may result in significant additional expenses. The Company is a strong believer in raising up the next generation of investment professionals in a way that maximizes alignment with the Company. As such, the Company may, from time to time, grant equity awards in the Company to investment professionals. These awards are typically subject to cliff vesting, which encourages retention and building the platform for the long-term. There can be no assurance that we will be able to manage our growing business effectively or that we will be able to continue to grow, and any failure to do so could adversely affect our ability to generate revenue and control our expenses.

Acquired businesses may not perform as expected, leading to an adverse effect on our earnings and revenue growth.

Acquisitions involve a number of risks, including the following, any of which could have an adverse effect on our business and our earnings and revenue growth: (i) incurring costs in excess of what we anticipated; (ii) potential loss of key wealth management professionals or other team members of the predecessor firm; (iii) inability to generate sufficient revenue to offset transaction costs; (iv) inability to retain investors following an acquisition; (v) incurring expenses associated with the amortization or impairment of intangible assets, particularly for goodwill and other intangible assets; and (vi) payment of more than fair market value for the assets of the acquired business.

While we intend that our completed acquisitions will improve profitability, past or future acquisitions may not be accretive to earnings or otherwise meet operational or strategic expectations. The failure of any of our acquired businesses to perform as expected after acquisition may have an adverse effect on our earnings and revenue growth.

The due diligence process that we undertake in connection with investments may not reveal all facts that may be relevant in connection with an investment.

Before making or recommending investments for our investors, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors and accountants may be involved in the due diligence process in varying degrees depending on the type of investment and the parties involved. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we rely on the resources available to us, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that we will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that are necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment ultimately being successful. In addition, a substantial portion of our specialized funds are funds-of-funds, and therefore we are dependent on the due diligence investigation of the general partner or co-investment partner leading such investment. We have little or no control over their due diligence process, and any shortcomings in their due diligence could be reflected in the performance of the investment we make with them on behalf of our investors. Poor investment performance could lead investors to terminate their agreements with us and/or result in negative reputational effects, either of which could materially and adversely affect our business, financial condition and results of operations.

Our indebtedness and our future indebtedness may expose us to substantial risks.

As of December 31, 2020, we had $290.1 million of consolidated indebtedness outstanding. The Company's indirect wholly owned subsidiary, P10 RCP Holdco, LLC ("HoldCo"), entered into a Credit and Guaranty Facility with HPS Investment Partners, LLC ("HPS"), an unrelated party, as administrative agent and collateral agent on October 7, 2017 (the "Facility"). The Facility provides for a $130.0 million senior secured credit facility in order to refinance the existing debt obligations of RCP Advisors and provide for the financing to repay the seller notes (the "Seller Notes") due resulting from the acquisition of RCP Advisors. The Facility provides for a $125 million five-year term loan and a $5 million one-year line of credit. The line of credit was repaid and subsequently expired during 2018. This Facility was amended on December 14, 2020 to provide additional term loan borrowings. We incurred an additional $159.4 million under the Facility, which matures in October 2022. Except as otherwise set forth therein, each class of loans bears interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof as follows: if a loan bearing interest at a rate determined by reference to Base Rate, at the Base Rate plus the Applicable Margin; (i) or if a LIBO Rate Loan, at the Adjusted LIBO Rate plus the (ii) Applicable Margin (each term as defined in the Facility).

Although we plan to use a portion of the proceeds of this offering to repay some or all of our outstanding debt under our existing Facility, we expect to continue to utilize debt to finance our operations as a public company and potential future acquisitions, which will expose us to the typical risks associated with the use of leverage. Significant future borrowings could make it more difficult for us to withstand adverse economic conditions or business plan variances, to take advantage of new business opportunities, or to make necessary capital expenditures. Any portion of our cash flow required for debt service would not be available for our operations, distributions, dividends or other purposes. Any substantial decrease in net operating cash flows or any substantial increase in expenses could make it difficult for us to meet our debt service requirements or force us to modify our operations.

Restrictive covenants in agreements and instruments governing our debt may adversely affect our ability to operate our business.

The terms in our agreements and instruments governing our debt contain various provisions that limit our and our subsidiaries' ability to, among other things:

- create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any indebtedness;
- create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind;
- declare, order, pay, make or set apart any sum for any Restricted Junior Payment (as defined in the Facility);
- create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction;
- make or own any investments in any person, including any joint venture;
- not permitting certain financial conditions to occur;
- enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or dispose of, in one transaction or a series of transactions, all or any part of its business, assets or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, leased (as lessee), or licensed (as licensee), or make any acquisition or purchase any management fee tails;
- sell, assign, pledge or otherwise encumber or dispose of any capital stock of any of its subsidiaries;
- enter into sale-leaseback transactions;
- enter into certain transactions with affiliates;
- engage in certain business activities;
- make certain modifications to organizational documents or certain material contracts;
- make certain modifications to certain other debt documents; and
- change its fiscal year.

The restrictions in the agreements and instruments governing our debt may prevent us from taking actions that we believe would be in the best interests of our business, and may make it difficult for us to successfully execute our business strategy or effectively compete with companies that are not similarly restricted. We also may incur future debt obligations that might subject us to additional restrictive covenants that could affect our financial and operational flexibility. Our ability to comply with these covenants in future periods will largely depend on our ability to successfully implement our overall business strategy. We cannot assure you that we will be granted waivers or amendments to these agreements or instruments if for any reason we are unable to comply with these agreements and instruments. The breach of any of these covenants and restrictions could result in a default under the agreements and instruments governing our debt which could result in an acceleration of our indebtedness.

Restrictive covenants in agreements and instruments governing our future indebtedness may adversely affect our ability to operate our business.

The terms of any of our future debt instruments or agreements may contain, various provisions that limit our and our subsidiaries' ability to, among other things:

- incur additional debt;
- provide guarantees in respect of obligations of other persons;
- make loans, advances and investments;
- make certain payments in respect of equity interests, including, among others, the payment of dividends and other distributions, redemptions and similar payments, payments in respect of warrants, options and other rights, and payments in respect of subordinated indebtedness;
- enter into transactions with investment funds and affiliates;
- create or incur liens;
- enter into negative pledges;
- sell all or any part of the business, assets or property, or otherwise dispose of assets;
- make acquisitions or consolidate or merge with other persons;
- enter into sale-leaseback transactions;

- change the nature of our business;
- change our fiscal year;
- make certain modifications to organizational documents or certain material contracts;
- make certain modifications to certain other debt documents; and
- enter into certain agreements, including agreements limiting the payment of dividends or other distributions in respect of equity interests, the repayment of indebtedness, the making of loans or advances, or the transfer of assets.

Although we may negotiate certain exceptions to these events, these restrictions may limit our flexibility in operating our business. Furthermore, any violation of these or other covenants in a future debt instrument could result in a default or event of default. Our obligations under future debt instruments may be secured by substantially all of our assets. In the case of an event of default, creditors may exercise rights and remedies, including the rights and remedies of a secured party, under any such future agreement and applicable law.

See "—Our indebtedness and our future indebtedness, may expose us to substantial risks."

Dependence on leverage by certain funds and portfolio companies subjects us to volatility and contractions in the debt financing markets and could adversely affect the ability of our specialized investment vehicles to achieve attractive rates of return on those investments.

Certain of the specialized funds we manage, the funds in which we invest and portfolio companies within our funds and customized separate accounts currently rely on leverage or may in the future rely on leverage. If our specialized funds or the companies in which our specialized investment vehicles invest raise capital in the structured credit, leveraged loan and high yield bond markets, the results of their operations may suffer if such markets experience dislocations, contractions or volatility, for instance due to future or worsening impacts from the COVID-19 pandemic. In addition, it is expected that major banking institutions will transition away from the use of the London Interbank Offered Rate ("LIBOR") after 2021, which remains a cause of significant uncertainty in the markets in which we are active. We are currently evaluating the potential impact of the eventual replacement of the LIBOR interest rate. Any such events could adversely impact the availability of credit to businesses generally, the cost or terms on which lenders are willing to lend, or the strength of the overall economy.

The absence of available sources of sufficient credit and/or debt financing for extended periods of time or an increase in either the general levels of interest rates or in the risk spread demanded by sources of indebtedness would make it more expensive to finance those investments. Certain investments may also be financed through fund-level debt facilities, which may or may not be available for refinancing at the end of their respective terms. Finally, the interest payments on the indebtedness used to finance our specialized funds' investments are generally deductible expenses for income tax purposes, subject to limitations under applicable tax law and policy. Any change in such tax law or policy to eliminate or substantially limit these income tax deductions, as has been discussed from time to time in various jurisdictions, would reduce the after-tax rates of return on the affected investments, which may have an adverse impact on our business, results of operations and financial condition.

Similarly, private markets fund portfolio companies regularly utilize the corporate debt markets to obtain additional financing for their operations. Leverage incurred by a portfolio company may cause the portfolio company to be vulnerable to increases in interest rates and may make it less able to cope with changes in business and economic conditions. Any adverse impact caused by the use of leverage by portfolio companies in which we directly or indirectly invest could in turn adversely affect the returns of our specialized investment vehicles and advisory accounts. If the investment returns achieved by our funds are reduced, it could result in negative reputational effects, which could materially and adversely affect our business, financial condition and results of operations.

Defaults by investors in certain of our specialized funds could adversely affect that fund's operations and performance.

Our business is exposed to the risk that investors that owe us money may not pay us. We believe that this risk could potentially increase due to the current COVID-19 pandemic. If investors in our specialized investment vehicles default on their obligations to us, there may be adverse consequences on the investment process, and we could incur losses and be unable to meet underlying capital calls. For example, investors in most of our specialized funds make capital commitments to those funds that we are entitled to call from those investors at any time during prescribed periods. We depend on investors fulfilling and honoring their commitments when we call capital from them for those funds to consummate investments and otherwise pay their obligations when due. Any investor that did not fund a capital call would be subject to several possible penalties, including having a meaningful amount of its existing investment forfeited in that fund. However, the impact of the penalty is directly correlated to the amount of capital previously invested by the investor in the fund.

If an investor has invested little or no capital, for instance early in the life of the fund, then the forfeiture penalty may not be as meaningful. Failure to fund capital calls may occur more frequently in the event of an economic slowdown. In addition, changes to asset allocation policies or new laws or regulations resulting from declines in public equity markets due to COVID-19 may restrict or prohibit investors from investing in new or successor funds or funding existing commitments. A failure of investors to honor a significant amount of capital calls for any particular fund or funds could have a material adverse effect on the operation and performance of those funds.

Our failure to comply with investment guidelines set by our investors could result in damage awards against us or a reduction in FPAUM, either of which would cause our earnings to decline and adversely affect our business.

When investors retain us to manage assets on their behalf, certain guidelines are agreed to regarding investment allocation and strategy that we are required to observe in the management of their portfolios. Our failure to comply with these guidelines and other limitations could result in investors causing the termination of the investment management agreement with us, as these agreements generally are terminable without cause on generally 90 days' notice. Investors could also sue us for breach of contract and seek to recover damages from us. In addition, such guidelines may restrict our ability to pursue certain allocations and strategies on behalf of our investors that we believe are economically desirable, which could similarly result in losses to an investor account or termination of the account and a corresponding reduction in FPAUM. Even if we comply with all applicable investment guidelines, an investor may be dissatisfied with its investment performance or our services or fees and may terminate their customized separate accounts or advisory accounts or be unwilling to commit new capital to our specialized investment vehicles or advisory accounts. Any of these events could cause a reduction to FPAUM and consequently cause our earnings to decline and materially and adversely affect our business, financial condition and results of operations.

Misconduct by our employees, advisors or third-party service providers could harm us by impairing our ability to attract and retain investors and subjecting us to significant legal liability and reputational harm.

There is a risk that our employees, advisors or third-party service providers could engage in misconduct that adversely affects our business. We are subject to a number of obligations and standards arising from our advisory and investment management businesses and our discretionary authority over the assets we manage. The violation of these obligations and standards by any of our employees, advisors or third-party service providers would adversely affect our investors and us. Our business often requires that we deal with confidential matters of great significance to companies and funds in which we may invest for our investors. If our employees, advisors or third-party service providers were to improperly use or disclose confidential information, we could be subject to legal or regulatory action and suffer serious harm to our reputation, financial position and current and future business relationships. It is not always possible to detect or deter employee, advisor or third-party service provider misconduct, and the extensive precautions we take to detect and prevent this activity may not be effective in all cases. If one of our employees, advisors or third-party service providers were to engage in misconduct or were to be accused of such misconduct, our business and our reputation could be materially and adversely affected. See "—Increased government regulation, compliance failures and changes in law or regulation could adversely affect us."

Valuation methodologies for certain assets in our specialized investment vehicles can be significantly subjective, and the values of assets established pursuant to such methodologies may never be realized, which could result in significant losses for our specialized investment vehicles.

There are no readily ascertainable market prices for a large number of the investments in our specialized investment vehicles, advisory accounts or the funds in which we invest. The value of the investments of our specialized investment vehicles is determined periodically by us based on the fair value of such investments as reported by the underlying fund managers. Our valuation of the funds in which we invest is largely dependent upon the processes employed by the managers of those funds. The fair value of investments is determined using a number of methodologies described in the particular funds' valuation policies. These policies are based on a number of factors, including the nature of the investment, the expected cash flows from the investment, the length of time the investment has been held, restrictions on transfer and other recognized valuation methodologies. The methodologies we use in valuing individual investments are based on a variety of estimates and assumptions specific to the particular investments, and actual results related to the investment may vary materially as a result of the inaccuracy of such assumptions or estimates. In addition, because the illiquid investments held by our specialized investment vehicles, advisory accounts and the funds in which we invest may be in industries or sectors that are unstable, in distress, or undergoing some uncertainty, such investments are subject to rapid changes in value caused by sudden company-specific or industry-wide developments.

Because there is significant uncertainty in the valuation of, or in the stability of the value of, illiquid investments, the fair values of such investments as reflected in a fund's net asset value do not necessarily reflect the prices that would actually be obtained if such investments were sold. Realizations at values significantly lower than the values at which investments have been reflected in fund net asset values could result in losses for the applicable fund and the loss of potential incentive fees by the fund's manager and us. Also, a situation in which asset values turn out to be materially different from values reflected in fund net asset values could cause investors to lose confidence in us and may, in turn, result in difficulties in our ability to raise additional capital, retain investors or attract new investors.

Further, the SEC has highlighted valuation practices as one of its areas of focus in investment advisor examinations and has instituted enforcement actions against advisors for misleading investors about valuation. If the SEC were to investigate and find errors in our methodologies or procedures, we and/or members of our management could be subject to penalties and fines, which could harm our reputation and have a material adverse effect on our business, financial condition and results of operations.

Investors may be unwilling to commit new capital to our specialized investment vehicles or advisory accounts as a result of our decision to become a public company, which could materially and adversely affect our business, financial condition and results of operations.

Some of our investors may negatively view the prospect of our becoming a publicly traded company, including concerns that as a public company we will shift our focus from the interests of our investors to those of our public stockholders. Some of our investors may believe that we will strive for near-term profit instead of superior risk-adjusted returns for our investors over time or grow our FPAUM for the purpose of generating additional management and advisory fees without regard to whether we believe there are sufficient investment opportunities to effectively deploy the additional capital. There can be no assurance that we will be successful in our efforts to address such concerns or to convince investors that our decision to pursue an initial public offering will not affect our longstanding priorities or the way we conduct our business. A decision by a significant number of our investors not to commit additional capital to our specialized investment vehicles or advisory accounts to cease doing business with us altogether could inhibit our ability to achieve our investment objectives and may materially and adversely affect our business, financial condition and results of operations.

Our investment management activities may involve investments in relatively illiquid assets, and we and our investors may lose some or all the amounts invested in these activities or fail to realize any profits from these activities for a considerable period of time.

The investments made by our specialized investment vehicles and recommended by our advisory services may include illiquid assets. The private markets funds in which we invest capital generally invest in securities that are not publicly traded. Even if such securities are publicly traded, many of these funds may be prohibited by contract or applicable securities laws from selling such securities for a period. Accordingly, the private markets funds in which we and our investors invest capital may not be able to sell investments when they desire and therefore may not be able to realize the full value of such investments. Particularly in the case of securities, such funds will generally not be able to sell these securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. Accordingly, the private markets funds in which we invest our investors' capital may not be able to sell securities when they desire and therefore may not be able to realize the full value of such securities. The ability of private markets funds to dispose of investments is dependent in part on the public equity and debt markets, to the extent that the ability to dispose of an investment may depend upon the ability to complete an initial public offering of the portfolio company in which such investment is held or the ability of a prospective buyer of the portfolio company to raise debt financing to fund its purchase. Furthermore, large holdings of publicly traded equity securities can often be disposed of only over a substantial period, exposing the investment returns to risks of downward movement in market prices during the disposition period. Contributing capital to these funds is risky, and we may lose some or the entire amount of our specialized funds' and our investors' investments or the investment made by our funds. Poor investment performance could result in negative reputational effects, which could materially and adversely affect our business, financial condition and results of operations.

In addition, our specialized funds directly or indirectly invest in businesses with capital structures that have significant leverage. The leveraged capital structure of such businesses increases the exposure of the funds' portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of such business or its industry. If these portfolio companies default on their indebtedness, or otherwise seek or are forced to restructure their obligations or declare bankruptcy, we could lose some or all our investment and suffer reputational harm. See "Dependence on leverage by certain funds and portfolio companies subjects us to volatility and contractions in the debt financing markets and could adversely affect the ability of our specialized investment vehicles to achieve attractive rates of return on those investments."

The portfolio companies in which private markets funds have invested or may invest will sometimes involve a high degree of business and financial risk. These companies may be in an early stage of development, may not have a proven operating history, may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may be subject to extensive regulatory oversight, may require substantial additional capital to support their operations, finance expansion or maintain their competitive position, may have a high level of leverage, or may otherwise have a weak financial condition. In addition, these portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel. Portfolio companies in non-U.S. jurisdictions may be subject to additional risks, including changes in currency exchange rates, exchange control regulations, risks associated with different types (and lower quality) of available information, expropriation or confiscatory taxation and adverse political developments.

In addition, during periods of difficult market conditions, including the current one triggered by the COVID-19 pandemic, or slowdowns in a particular investment category, industry or region, portfolio companies may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased costs. During these periods, these companies may also have difficulty in expanding their businesses and operations and may be unable to pay their expenses as they become due. A general market downturn or a specific market dislocation may result in lower investment returns for the private markets funds or portfolio companies in which our specialized investment vehicles invest, which consequently would materially and adversely affect investment returns for our specialized investment vehicles.

Our specialized investment vehicles may face risks relating to undiversified investments.

We cannot give assurance as to the degree of diversification that will be achieved in any of our specialized investment vehicles. Difficult market conditions or slowdowns affecting a particular asset class, geographic region or other category of investment could have a significant adverse impact on a given specialized investment vehicle if its investments are concentrated in that area, which would result in lower investment returns. Accordingly, a lack of diversification on the part of a specialized investment vehicle could adversely affect its investment performance and, as a result, our business, financial condition and results of operations.

Our specialized investment vehicles make investments in funds and companies that we do not control.

Investments by most of our specialized investment vehicles will include debt instruments and equity securities of companies that we do not control. Our specialized investment vehicles may invest through co-investment arrangements or acquire minority equity interests and may also dispose of a portion of their equity investments in portfolio companies over time in a manner that results in their retaining a minority investment. Consequently, the performance of our specialized investment vehicles will depend significantly on the investment and other decisions made by third parties, which could have a material adverse effect on the returns achieved by our specialized investment vehicles. Portfolio companies in which the investment is made may make business, financial or management decisions with which we do not agree. In addition, the majority stakeholders or our management may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the values of our investments and the investments we have made on behalf of investors could decrease and our financial condition, results of operations and cash flow could suffer as a result.

Investments by our specialized investment vehicles or advisory accounts may in many cases rank junior to investments made by other investors.

In many cases, the companies in which our specialized investment vehicles invest have indebtedness or equity securities or may be permitted to incur indebtedness or to issue equity securities, that rank senior to our investors' investments in our specialized investment vehicles or advisory accounts. By their terms, these instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of our investors' investments. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which one or more of our specialized investment vehicles or advisory accounts hold an investment, holders of securities ranking senior to our investors' investments would typically be entitled to receive payment in full before distributions could be made in respect of our investors' investments. After repaying senior security holders, the company may not have any remaining assets to use for repaying amounts owed in respect of our investors' investments. To the extent that any assets remain, holders of claims that rank equally with our investors' investments would be entitled to share on an equal and ratable basis in distributions that are made from those assets. Also, during periods of financial distress or following an insolvency, our ability to influence a company's affairs and to take actions to protect investments by our specialized investment vehicles or advisory accounts may be substantially less than that of those holding senior interests.

We may not be able to maintain our desired fee structure as a result of industry pressure from private markets investors to reduce fees, which could have a material adverse effect on our profit margins and results of operations.

We may not be able to maintain our current fee structure for our funds as a result of industry pressure from private markets investors to reduce fees. In order to maintain our desired fee structure in a competitive environment, we must be able to continue to provide investors with investment returns and service that incentivize our investors to pay our desired fee rates. While in our acquisitions, we typically do not purchase the incentive fees, or carried interest, from the owners, but rather only acquire the management and advisory fees, which provide a stable source of extended-term revenue, we cannot assure that we will succeed in providing investment returns and service that will allow us to maintain our desired fee structure. Fee reductions on existing or future new business could have a material adverse effect on our profit margins and results of operations.

Our risk management strategies and procedures may leave us exposed to unidentified or unanticipated risks.

Risk management applies to our investment management operations as well as to the investments we make for our specialized investment vehicles. We have developed and continue to update strategies and procedures specific to our business for managing risks, which include market risk, liquidity risk, operational risk and reputational risk. Management of these risks can be very complex. These strategies and procedures may fail under some circumstances, particularly if we are confronted with risks that we have underestimated or not identified. In addition, some of our methods for managing the risks related to our investors' investments are based upon our analysis of historical private markets behavior. Statistical techniques are applied to these observations to arrive at quantifications of some of our risk exposures. Historical analysis of private markets returns requires reliance on valuations performed by fund managers, which may not be reliable measures of current valuations. These statistical methods may not accurately quantify our risk exposure if circumstances arise that were not observed in our historical data. In particular, as we enter new lines of business, our historical data may be incomplete. Failure of our risk management techniques could materially and adversely affect our business, financial condition and results of operations, including the fund manager's right to receive incentive fees, which may result in a decrease in our management and advisory fee revenue.

Restrictions on our ability to collect and analyze data regarding our investors' investments could adversely affect our business.

Our proprietary database supports our robust and disciplined sourcing criteria, which fuels our highly selective investment process. We rely on our database to provide a highly transparent, versatile and informative platform through which investors can track, monitor and diligence portfolios. We depend on the continuation of our relationships with the fund managers and sponsors of the underlying funds and investments to maintain current data on these investments and private markets activity. The termination of such relationships by a critical mass of such fund managers and sponsors or the imposition of widespread restrictions on our ability to use the data we obtain for our reporting and monitoring services could adversely affect our business, financial condition and results of operations.

Operational risks, data security breaches, loss or leakage of data and other interruptions of our information technology systems or those of our third-party service providers may disrupt our business, compromise sensitive information related to our business, prevent us from accessing critical information, which may result in losses or limit our growth.

We rely heavily on our financial, accounting, compliance, monitoring, reporting and other data processing systems. In the ordinary course of business, we collect, store and transmit confidential information including but not limited to intellectual property, proprietary business information and personal information. It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information. Any failure or interruption of our systems, including the loss of data, whether caused by fire, other natural disaster, power or telecommunications failure, service interruptions, system malfunction, computer viruses, acts of terrorism or war or otherwise, could result in a disruption of our business, liability to investors, regulatory intervention or reputational damage, and thus materially and adversely affect our business. Although we have back-up systems in place, including back-up data storage, our back-up procedures and capabilities in the event of a failure or interruption may not be adequate. In recent years, we have substantially upgraded and expanded the capabilities of our data processing systems and other operating technology, and we expect that we will need to continue to upgrade and expand these capabilities in the future to avoid disruption of, or constraints on, our operations. We may incur significant costs to further upgrade our data processing systems and other operating technology in the future.

We are dependent on the effectiveness of our information security policies, procedures and capabilities to protect our computer and telecommunications systems and the data such systems contain or transmit. An external information security breach, such as a "hacker attack," a virus or worm, or an internal problem with information protection, including inadvertent or intentional actions by our employees such as failure to control access to sensitive systems, could materially interrupt our business operations or cause disclosure or modification of sensitive or confidential information. The risk of a security breach or disruption, particularly through cyberattacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity, and sophistication of attempted attacks and intrusions from around the world have increased. We may not be able to anticipate all types of security threats, and we may not be able to implement preventive measures effective against all such security threats. The techniques used by cyber criminals change frequently, may not be recognized until launched, and can originate from a wide variety of sources, including outside groups such as third-party service providers, organized crime affiliates, terrorist organizations, or hostile foreign governments or agencies. Any such failure or breach could result in material financial loss, regulatory actions, breach of investor contracts, reputational harm or legal liability, which, in turn, could cause a decline in our earnings or stock price. The costs related to significant security breaches or disruptions could be material and exceed the limits of the cybersecurity insurance we maintain against such risks.

Furthermore, significant disruptions of our information technology systems or security breaches could result in the loss, misappropriation, and/or unauthorized access, use, or disclosure of, or the prevention of access to, confidential information, which could result in financial, legal, business, and reputational harm to us. For example, any such event that leads to unauthorized access, use, or disclosure of personal information, including personal information regarding our investors or employees, could harm our reputation directly, compel us to comply with federal and/or state breach notification laws and foreign law equivalents, subject us to mandatory corrective action, and otherwise subject us to liability under laws and regulations that protect the privacy and security of personal information, which could result in significant legal and financial exposure and reputational damages that could adversely affect our business, financial condition and results of operations.

Finally, we rely on third-party service providers for certain aspects of our business, including for certain information systems and technology and administration of our specialized funds. If the information technology systems of our third-party service providers become subject to disruptions or security breaches, we may have insufficient recourse against such third parties and we may have to expend significant resources to mitigate the impact of such an event, and to develop and implement protections to prevent future events of this nature from occurring. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair the quality of the funds' operations and could affect our reputation and hence adversely affect our business, financial condition and results of operations.

We may face damage to our professional reputation and legal liability if our services are not regarded as satisfactory or for other reasons.

As a leading provider of private market solutions, we depend to a large extent on our relationships with our investors and our reputation for integrity and high-caliber professional services to attract and retain investors. As a result, if an investor is not satisfied with our services, such dissatisfaction may be more damaging to our business than to other types of businesses. The importance of our reputation may increase as we seek to expand our investor base and into new private markets.

In recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings against financial advisors has been increasing. Our asset management and advisory activities may subject us to the risk of significant legal liabilities to our investors and third parties, including our investors' stockholders or beneficiaries, under securities or other laws and regulations for materially false or misleading statements made in connection with securities and other transactions. In our investment management business, we make investment decisions on behalf of our investors that could result in substantial losses. Any such losses also may subject us to the risk of legal and regulatory liabilities or actions alleging negligent misconduct, breach of fiduciary duty or breach of contract. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. We may incur significant legal expenses in defending litigation. In addition, litigation or regulatory action against us may tarnish our reputation and harm our ability to attract and retain investors. Substantial legal or regulatory liability could materially and adversely affect our business, financial condition or results of operations or cause significant reputational harm to us, which could seriously harm our business.

Our business depends on a strong and trusted brand, and any failure to maintain, protect, and enhance our brand would have an adverse impact on our business.

Investor and institutional recognition of the P10 trademark and related brands and the association of these brands with our products and services are an integral part of our business. The occurrence of any events or rumors that cause investors and/or institutions to no longer associate these brands with our products and services may materially adversely affect the value of our brand names and demand for our products and services.

In addition, trademarks or trade names that we own now or in the future may be challenged, infringed, declared generic, or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need to build name recognition with potential investors. Moreover, third parties may file for registration of trademarks similar or identical to our trademarks; if they succeed in registering or developing common law rights in such trademarks, and if we are not successful in challenging such third-party rights, we may not be able to use these trademarks to develop brand recognition of our products and services. Furthermore, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively, which could materially and adversely affect our business, financial condition or results of operations.

International operations are subject to certain risks, which may affect our revenue.

We intend to grow our non-U.S. business, including growth into new regions with which we have less familiarity and experience, and this growth is important to our overall success. While we have a significant presence within the lower middle-market private markets industry in North America, where the majority of our capital is currently being deployed, we intend to leverage our differentiated solutions to serve our global investors. Our international operations, presently in existence or which we may establish in the future, carry special financial and business risks, which could include the following:

- greater difficulties in managing and staffing foreign operations;
- fluctuations in foreign currency exchange rates that could adversely affect our results;
- unexpected changes in trading policies, regulatory requirements, tariffs and other barriers;
- longer transaction cycles;
- higher operating costs;

- local labor, protections conditions and regulations;
- adverse consequences or restrictions on the repatriation of earnings;
- potentially adverse tax consequences, such as trapped foreign losses;
- less stable political and economic environments;
- terrorism, political hostilities, war, outbreak of disease and other civil disturbances or other catastrophic events that reduce business activity;
- cultural and language barriers and the need to adopt different business practices in different geographic areas; and
- difficulty collecting fees and, if necessary, enforcing judgments.

As part of our day-to-day operations outside the United States, we would be required to create compensation programs, employment policies, compliance policies and procedures and other administrative programs that comply with the laws of multiple countries. We would also be required to communicate and monitor standards and directives across our global operations. Our failure to successfully manage and grow our geographically diverse operations could impair our ability to react quickly to changing business and market conditions and to enforce compliance with non-U.S. standards and procedures.

Any payment of distributions, loans or advances to and from our subsidiaries could be subject to restrictions on or taxation of dividends or repatriation of earnings under applicable local law, monetary transfer restrictions, foreign currency exchange regulations in the jurisdictions in which our subsidiaries operate or other restrictions imposed by current or future agreements, including debt instruments, to which our non-U.S. subsidiaries may be a party. Our business, financial condition and results of operations could be adversely impacted, possibly materially, if we are unable to successfully manage these and other risks of international operations in a volatile environment. If our international business increases relative to our total business, these factors could have a more pronounced effect on our operating results or growth prospects.

We are subject to risks in using custodians, counterparties, administrators and other agents.

Many of our funds depend on the services of custodians, counterparties, administrators and other agents to carry out certain securities and derivatives transactions and other administrative services. We are subject to risks of errors and mistakes made by these third parties, which may be attributed to us and subject us or our investors to reputational damage, penalties or losses. The terms of the contracts with these third-party service providers are often customized and complex, and many of these arrangements occur in markets or relate to products that are not subject to regulatory oversight. We may be unsuccessful in seeking reimbursement or indemnification from these third-party service providers.

Our funds are subject to the risk that the counterparty to one or more of these contracts defaults, either voluntarily or involuntarily, on its performance under the contract. Any such default may occur suddenly and without notice to us. Moreover, if a counterparty defaults, we may be unable to take action to cover our exposure, either because we lack contractual recourse or because market conditions make it difficult to take effective action. This inability could occur in times of market stress, which is when defaults are most likely to occur. In addition, our risk-management models may not accurately anticipate the effects of market stress or counterparty financial condition, and as a result, we may not have taken sufficient action to reduce our risks effectively. Default risk may arise from events or circumstances that are difficult to detect, foresee or evaluate. In addition, concerns about, or a default by, one large participant could lead to significant liquidity problems for other participants, which may in turn expose us to significant losses.

In the event of a counterparty default, particularly a default by a major investment bank or a default by a counterparty to a significant number of our contracts, one or more of our funds may have outstanding trades that they cannot settle or are delayed in settling. As a result, these funds could incur material losses and the resulting market impact of a major counterparty default could harm our business, financial condition and results of operation.

In the event of the insolvency of a custodian, counterparty or any other party that is holding assets of our funds as collateral, our funds might not be able to recover equivalent assets in full as they will rank among the custodian's or counterparty's unsecured creditors in relation to the assets held as collateral. In addition, our funds' cash held with a custodian or counterparty generally will not be segregated from the custodian's or counterparty's own cash, and our funds may therefore rank as unsecured creditors in relation thereto.

We may not be able to fully utilize our net operating loss ("NOL") and other tax carryforwards, including as a result of this offering and subsequent offerings, which may have the effect of devaluing significant deferred tax assets of the company.

As of December 31, 2020, we had $247.2 million of NOL carryforwards, a portion of which will expire each year if not used to reduce taxable income. Our ability to utilize NOLs and other tax carryforwards to reduce taxable income in future years could be limited for various reasons, including as a result of one or more ownership changes under Section 382 of the Internal Revenue Code of 1986 ("Section 382"), if future taxable income is insufficient to recognize the full benefit of such NOL carryforwards prior to their expiration and/or if the IRS successfully asserts that a transaction or transactions were concluded with the principal purpose of evasion or avoidance of U.S. federal income tax. There can be no assurance that we will have sufficient taxable income in later years to enable us to use the NOLs before they expire, or that the IRS will not successfully challenge the use of all or any portion of the NOLs.

Section 382 subjects us to limitations in the use of NOLs if we experience an "ownership change." For the purposes of Section 382, an ownership occurs if the owner shift, as calculated under Section 382 is greater than 50%. We are uncertain if this offering and subsequent offerings will increase the owner shift to be greater than 50%.

If an owner shift as calculated under Section 382 greater than 50% occurs, we will be limited in our ability to realize a tax benefit from the use of our deferred tax assets, whether or not we are profitable in future years. These consequences include, without limitation, limiting the amount of federal NOL that can be used to offset taxable income to the Section 382 annual limitation. Generally, the annual limitation equals the product of (i) the fair market value of all of our outstanding equity immediately prior to the ownership change, multiplied by (ii) the applicable federal long-term, tax exempt rate.

In addition, if we have a net unrealized built-in gain (generally determined by comparing market capitalization plus total liabilities to the adjusted tax basis of assets) at the time of the ownership change, certain built-in gains recognized within five years after the ownership change (the "recognition period") may increase the amount of the otherwise available annual limitation. Any such recognized built-in gains that are unused may be carried forward to later post-change years. Internal Revenue Service ("IRS") Notice 2003-65 provides an approach which treats built-in gain assets of our Company as generating recognized built-in gain each year without regard to whether such assets are not disposed of at a gain during the recognition period. However, in September 2019 the IRS released proposed Section 382 regulations that would eliminate the beneficial provisions of IRS Notice 2003-65. If finalized as proposed, these regulations would limit the increase in the annual Section 382 limitation for recognized built-in gains to those gains that are actually realized through the disposition of built-in gain assets. These regulations have not been finalized but provide for an effective date of 30 days after the final regulations are published. For transactions that have been announced to the public or for which a binding commitment has been entered into when the final regulations are published, the provisions of IRS Notice 2003-65 should still be available.

The unused portion of the recognized built-in gain carries forward to later post-change years. We have not calculated any recognized built-in gain with respect to the potential ownership change but we expect to do so subsequent to such ownership change and would expect to apply for such recognition.

Risks Related to Our Industry

The investment management and investment advisory business is intensely competitive.

The investment management and investment advisory business is intensely competitive, with competition based on a variety of factors, including investment performance, the quality of service provided to investors, brand recognition and business reputation. We compete with a variety of traditional and alternative asset management firms, commercial banks, broker-dealers, insurance companies and other financial institutions. Several factors serve to increase our competitive risks:

- some of our competitors have more relevant experience, greater financial and other resources and more personnel than we do;
- there are relatively few barriers to entry impeding new asset management firms, including a relatively low cost of entering these lines of business, and the successful efforts of new entrants into our various lines of business have resulted in increased competition;
- some of our competitors have recently raised, or are expected to raise, significant amounts of capital, and many of them have investment objectives similar to ours, which may create additional competition for investment opportunities that our funds seek to exploit;
- some of our funds may not perform as well as competitors' funds or other available investment products;
- several of our competitors have significant amounts of capital, and many of them have similar investment objectives to ours, which may create additional competition for investment opportunities and may reduce the size and duration of pricing inefficiencies that many alternative investment strategies seek to exploit;
- if, as we expect, allocation of assets to alternative investment strategies increases, there may be increased competition for alternative investments and access to fund general partners and managers;
- certain investors may prefer to invest with private partnerships rather than a public company;
- other industry participants will from time to time seek to recruit our investment professionals and other employees away from us;
- some of our competitors may have a lower cost of capital, which may be exacerbated to the extent potential changes to the Code limit the deductibility of interest expense;
- some of our competitors may have access to funding sources that are not available to us, which may create competitive disadvantages for us with respect to investment opportunities;
- some of our competitors may be subject to less regulation and accordingly may have more flexibility to undertake and execute certain businesses or investments than we can and/or bear less compliance expense than we do;
- some of our competitors may have more flexibility than us in raising certain types of investment funds under the investment management contracts they have negotiated with their investors; and
- some of our competitors may have better expertise or be regarded by investors as having better expertise in a specific asset class or geographic region than we do.

This competitive pressure could adversely affect our ability to make successful investments and restrict our ability to raise future funds, either of which would materially and adversely impact our business, financial condition and results of operations.

Difficult market conditions can adversely affect our business by reducing the market value of the assets we manage or causing our customized separate account investors to reduce their investments in private markets.

The future global market and economic climate may deteriorate because of many factors beyond our control, including rising interest rates or inflation, reduced availability of credit, changes in laws and regulation, terrorism or political uncertainty and severe public health events such as, for example, the recent global COVID-19 pandemic. In addition, volatility and disruption in the equity and credit markets can adversely affect the portfolio companies in which private markets funds invest and adversely affect the investment performance of our funds and advisory accounts. We may not be able to or may choose not to manage our exposure to these market conditions. Market deterioration could cause us, the specialized investment vehicles we manage or the funds in which they invest to experience tightening of liquidity, reduced earnings and cash flow, and impairment charges, as well as challenges in raising additional capital, obtaining investment financing and making investments on attractive terms. These market conditions can also have an impact on our ability and the ability of funds in which we and our investors invest to liquidate positions in a timely and efficient manner. More costly and restrictive financing also may adversely impact the returns of our co-investments in leveraged buyout transactions and therefore, adversely affect the results of operations and financial condition of our co-investment funds.

Our business could generate lower revenue in a general economic downturn or a tightening of global credit markets. These conditions may result in reduced opportunities to find suitable investments and make it more difficult for us, or for the funds in which we and our investors invest, to exit and realize value from existing investments, potentially resulting in a decline in the value of the investments held in our investors' portfolios. Such a decline could cause our revenue and net income to decline by causing some of our investors to reduce their investments in private markets in favor of investments they perceive as offering greater opportunity or lower risk, which would result in lower fees being paid to us.

A general economic downturn or a tightening of global credit markets may also reduce the commitments our investors are able to devote to alternative investments generally and make it more difficult for the funds in which we invest to obtain funding for additional investments at attractive rates, which would further reduce our profitability.

While our financial profile features a highly predicable, recurring revenue stream of virtually all management and advisory fees, earned primarily on committed capital from long-term, contractually locked up funds, our profitability may be adversely affected by our fixed costs and the possibility that we would be unable to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions. If our revenue declines without a commensurate reduction in our expenses, our net income will be reduced. Accordingly, difficult market conditions could materially and adversely affect our business, financial condition and results of operations.

The COVID-19 pandemic has severely disrupted the global financial markets and business climate and may adversely affect our business, financial condition and results of operations.

Beginning in March 2020, the global financial markets and business climate have been adversely affected by the global outbreak of COVID-19. The spread of the COVID-19 pandemic throughout the world has led many countries to institute a variety of measures, including stay-at-home orders, restrictions on travel, bans on public gatherings, the closing of non-essential businesses or limiting their hours of operation, and other restrictions on businesses and their operations, to contain viral spread. These measures have in turn caused reductions in demand for certain goods and services, reductions in business activity and financial transactions, supply chain interruptions and overall economic and significant financial market volatility. While some of the initial restrictions have been relaxed or lifted to generate more economic activity, the risk of future COVID-19 outbreaks remains, and restrictions have been and may continue to be imposed to mitigate risks to public health in jurisdictions where additional outbreaks have been detected. Moreover, even where restrictions are and remain lifted, the availability of viable treatment options or of a vaccine could lead people to continue to self-isolate and not participate in the economy at pre-pandemic levels for a prolonged period, potentially further delaying global economic recovery. As a result, we are unable to predict the ultimate duration and adverse impact of COVID-19 on our business, financial condition and results of operations. COVID-19 has impacted, and may further impact, our business in various ways. Adverse effects on our business due to COVID-19 include, but are not limited to, the following:

- *Management fees; Advisory fees*. A slowdown in fundraising activity could result in delayed or decreased management and advisory fees as compared to prior periods. Additionally, changes to asset allocation policies or new laws or regulations resulting from declines in public equity markets may restrict or prohibit investors from investing in new or successor funds or funding existing commitments. If we experience a slowdown in the pace of capital deployment, it may result in delayed or decreased management and advisory fees for those funds and accounts that pay management and advisory fees based on invested capital.
- *Liquidity*. Our liquidity and cash flows may be adversely affected by declines or delays in realized management fee revenues and advisory fee revenues. As of December 31, 2020, we had $11.8 million of cash and cash equivalents.
- *Investment opportunities*. While the market dislocation caused by COVID-19 may present attractive investment opportunities due to increased volatility in the financial markets, we may not be able to complete those investments, which could negatively affect our revenue, particularly for funds that pay management fees and advisory fees based on invested capital.
- *Investors, general partners and fund managers*. A significant portion of our business activity involves meeting with investors, general partners and fund managers to build and strengthen our relationships. Prior to the pandemic, much of this activity was done in person. Although we have shifted to telephone and video conferences to build and maintain our relationships, it is unclear whether this shift will have a negative impact on our ability to service our investors, connect with new investors, market our funds, source new investment opportunities and conduct due diligence on investments. We depend on investors fulfilling their commitments when we call capital from them for those funds to consummate investments and otherwise pay their obligations when due. Our funds' operations and performance can be directly impacted if our investors face liquidity challenges related to the COVID-19 pandemic or otherwise and are unable to fulfill their commitments.
- *Operations*. The ability of our employees to conduct their daily work in our offices helps to ensure a level of productivity and operational security that may not be achieved when working remotely for an extended period. Remote working environments could strain our technology resources and introduce operational risks, including heightened cybersecurity risk, as remote working environments can be less secure and more susceptible to hacking attacks. See "—Risks Related to our Business—Operational risks, data security breaches, loss or leakage of data and other interruptions of our information technology systems or those of our third-party service providers may disrupt our business, compromise sensitive information related to our business, prevent us from accessing critical information, result in losses or limit our growth. In addition, third-party service providers on whom we may be reliant for certain aspects of our business, including fund administration activities and cloud-based services, could be affected by an inability to perform due to adverse impacts of COVID-19.
- *Employee well-being*. We recognize that COVID-19 threatens our employees' safety, well-being and morale. If our senior management or other key personnel become ill or are otherwise unable to perform their duties for an extended period, we may experience a loss of productivity or a delay in the implementation of certain strategic plans. We primarily operate in the North American, middle and lower-middle market. As of December 31, 2020, we had 144 employees operating in ten offices throughout the United States. Local COVID-19-related laws may be subject to rapid change depending on public health developments, which can lead to confusion and make compliance with laws uncertain and subject us to increased risk of litigation for non-compliance. We may also be exposed to the risk of litigation by our employees against us for, among other things, failure to take adequate steps to protect their safety or well-being, particularly in the event they become sick after returning to the office.
- *Portfolio companies*. Operational disruptions and increased volatility and disruption in the equity and credit markets caused by the COVID-19 pandemic can adversely affect the portfolio companies in which private

markets funds invest and adversely affect the investment performance of our funds and advisory accounts, exposing us to increased reputational risk, potential loss of investors and potential decline in future revenue.

We believe COVID-19's adverse impact on our business, financial condition and results of operations will be significantly driven by a number of factors that we are unable to predict or control, including, for example: the severity and duration of the pandemic, including the availability of a treatment or vaccine for COVID-19; the pandemic's impact on global financial markets and business conditions; the timing, scope and effectiveness of additional governmental responses to the pandemic; the timing and path of economic recovery; and the negative impact on our investors, third-party fund managers, counterparties, investee portfolio companies, vendors and other business partners that may indirectly adversely affect us. In addition, regulatory oversight and enforcement may become more rigorous for public companies in general, and for the financial services industry in particular, as a result of the recent volatility in the financial markets. We activated our Business Continuity Plans in March 2020, which have assured the ability for all aspects of our business to continue operating without interruption.

Increased government regulation, compliance failures and changes in law or regulation could adversely affect us.

Governmental authorities around the world in recent years have called for or implemented financial system and participant regulatory reform in reaction to volatility and disruption in the global financial markets, financial institution failures and financial frauds. Such reform includes, among other things, additional regulation of investment funds, as well as their managers and activities, including compliance and risk management oversight; restrictions on specific types of investments and the provision and use of leverage; implementation of capital requirements; limitations on compensation to managers; and books and records, reporting and disclosure requirements. We cannot predict with certainty the impact on us, our funds or separate accounts, or on private markets funds generally, of any such reforms. Any of these regulatory reform measures could have an adverse effect on our funds' and separate accounts' investment strategies or our business model. We may incur significant expense to comply with such reform measures. Additionally, legislation, including proposed legislation regarding executive compensation and taxation of carried interest, may adversely affect our ability to attract and retain key personnel.

Our advisory and investment management businesses are subject to regulation in the United States, including by the SEC, the Small Business Administration ("SBA"), the Commodity Futures Trading Commission, the Internal Revenue Service (the "IRS") and other regulatory agencies, pursuant to, among other laws, the Investment Advisers Act, the Securities Act, the Small Business Investment Act of 1958, the Internal Revenue Code of 1986, as amended, (the "Code"), the Commodity Exchange Act, and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any change in such regulation or oversight may have a material adverse impact on our operating results. Our failure to comply with applicable laws or regulations could result in fines, suspensions of personnel or other sanctions, including revocation of our registration as an investment adviser. Even if a sanction imposed against us or our personnel is small in monetary amount, the adverse publicity arising from the imposition of sanctions against us by regulators could harm our reputation and cause us to lose existing investors or fail to gain new investors. We also may rely on third-party service providers for certain aspects of compliance. Any failure, interruption or deterioration of the services of such third-party service providers could materially adversely affect our ability to provide services to our clients, harm our reputation, business or results of operations or result in regulatory intervention.

As a result of highly publicized financial scandals, investors have exhibited concerns over the integrity of the U.S. financial markets, and the regulatory environment in which we operate is subject to further regulation in addition to those rules already promulgated. For example, there are a significant number of regulations that may affect our business under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"). The SEC has increased its regulation of the asset management and private equity industries in recent years, focusing on the private equity industry's fees, allocation of expenses to funds, valuation practices, allocation of fund investment opportunities, marketing and advertising, disclosures to fund investors, the allocation of broken-deal expenses and general conflicts of interest disclosures. The SEC has also heightened its focus on the valuation processes employed by investment advisers. The lack of readily ascertainable market prices for many of the investments made by our funds or separate accounts or the funds in which we invest could subject our valuation policies and processes to increased scrutiny by the SEC. We may be adversely affected because of new or revised legislation or regulations imposed by the SEC, other U.S. or foreign governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The exit of the United Kingdom from the European Union ("EU") may subject us to new and increased regulations if we can no longer rely on "passporting" privileges that allow U.K. financial institutions to access the EU single market without restrictions. We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations.

To the extent that one or more Advisers is a "fiduciary" under ERISA, with respect to benefit plan investors, it is subject to ERISA, and to regulations promulgated thereunder. ERISA and applicable provisions of the Code impose certain duties on persons who are fiduciaries under ERISA, prohibit certain transactions involving ERISA plan investors and provide monetary penalties for violations of these prohibitions. Our failure to comply with these requirements could have a material adverse effect on our business. In addition, a court could find that one of our co-investment funds has formed a partnership-in-fact conducting a trade or business and would therefore be jointly and severally liable for the portfolio company's unfunded pension liabilities.

Certain subsidiaries of P10 Holdings are registered as an investment adviser with the SEC and are subject to the requirements and regulations of the Investment Advisers Act. Such requirements relate to, among other things, restrictions on entering transactions with investors, maintaining an effective compliance program, incentive fees, solicitation arrangements, allocation of investments, recordkeeping and reporting requirements, disclosure requirements, limitations on agency cross and principal transactions between an adviser and their advisory investors, as well as general anti-fraud prohibitions. As a registered investment adviser, each Adviser has fiduciary duties to its investors. A failure to comply with the obligations imposed by the Advisers Act, including recordkeeping, advertising and operating requirements, disclosure obligations and prohibitions on fraudulent activities, could result in investigations, sanctions and reputational damage, and could materially and adversely affect our business, financial condition and results of operations. Several of the Advisers provide investment advisory and other services to funds which operate as Small Business Investment Companies ("SBICs") and are licensed by the SBA. SBICs supply small businesses with financing in both the equity and debt arenas. There are various requirements that apply to SBICs under SBA rules and regulations. These rules and regulations are sometimes highly complex. The SBA is authorized to institute proceedings and impose sanctions for violations of rules and regulations applicable to SBICs, including forcing the liquidation of an SBIC. The failure of an Adviser to comply with the requirements of the SBA could have a material adverse effect on us.

Our separate accounts and funds are not registered under the Investment Company Act because we generally only form separate accounts for, and offer interests in our funds to, persons who we reasonably believe to be "qualified purchasers" as defined in the Investment Company Act. In addition, certain funds are not registered under the Investment Company Act because we limit such funds to 100 or fewer "accredited investors" as defined in the Investment Company Act.

We are subject to stringent privacy laws, information security laws, regulations, policies and contractual obligations related to data privacy and security and changes in such laws, regulations, policies and contractual obligations could adversely affect our business.

We are subject to data privacy and protection laws and regulations that apply to the collection, transmission, storage and use of personally identifying information, which among other things, impose certain requirements relating to the privacy, security and transmission of personal information. The legislative and regulatory landscape for privacy and data protection continues to evolve in jurisdictions worldwide, and there has been an increasing focus on privacy and data protection issues with the potential to affect our business. Failure to comply with any of these laws and regulations could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could materially and adversely affect our business, financial condition and results of operations.

There are numerous U.S. federal and state laws and regulations relating to privacy and security of personal information. For example, the State of California enacted the California Consumer Privacy Act of 2018 ("CCPA"), which went into effect on January 1, 2020 and requires companies that process information on California residents to make new disclosures to consumers about their data collection, use and sharing practices, allow consumers to opt out of certain data sharing with third parties and provide a new cause of action for data breaches. Additionally, California voters approved a new privacy law, the California Privacy Rights Act ("CPRA"), in the November 3, 2020 election. Effective starting on January 1, 2023, the CPRA will significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. New legislation proposed or enacted in various other states will continue to shape the data privacy environment nationally. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to confidential, sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts.

In addition, all 50 U.S. states and the District of Columbia have enacted breach notification laws that may require us to notify investors, employees or regulators in the event of unauthorized access to or disclosure of personal or confidential information experienced by us or our service providers. These laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements. We also may be contractually required to notify investors or other counterparties of a security breach. Although we may have contractual protections with our service providers, any actual or perceived security breach could harm our reputation and brand, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived breach. Any contractual protections we may have from our service providers may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections. In addition to government regulation, privacy advocates and industry groups have and may in the future propose self-regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards.

At the federal level, the United States Congress is also considering various proposals for data privacy and security legislation. We are subject to the rules and regulations promulgated under the authority of the Federal Trade Commission, which regulates unfair or deceptive acts or practices, including with respect to data privacy and security. Additionally, the Gramm-Leach-Bliley Act of 1999 (along with its implementing regulations) restricts certain collection, processing, storage, use and disclosure of personal information, requires notice to individuals of privacy practices and provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines.

Internationally, many jurisdictions have established their own data security and privacy legal frameworks with which we may need to comply, including, but not limited to, the EU. The EU has adopted the General Data Protection Regulation ("GDPR"), which went into effect in May 2018 and contains numerous requirements and changes from previously existing EU law, including more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies. The GDPR requires data controllers to implement more stringent operational requirements for processors and controllers of personal data, including, for example, transparent and expanded disclosure to data subjects (in a concise, intelligible and easily accessible form) about how their personal information is to be used, imposes limitations on retention of information, introduces mandatory data breach notification requirements, and sets higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. The GDPR imposes strict rules on the transfer of personal data to countries outside the EU, including the United States. For example, in 2016, the EU and United States agreed to a transfer framework for data transferred from the EU to the United States, called the Privacy Shield, but the Privacy Shield was invalidated in July 2020 by the Court of Justice of the EU. The standard contractual clauses issued by the European Commission for the transfer of personal data may be similarly invalidated by the Court of Justice of the EU. It remains to be seen whether these standard contractual clauses will remain available and whether additional means for lawful data transfers will become available. Fines for noncompliance with the GDPR are significant-the greater of €20 million or 4% of global turnover. The GDPR provides that EU member states may introduce further conditions, including limitations, to make their own further laws and regulations limiting the processing of 'special categories of personal data,' including personal data related to health, biometric data used for unique identification purposes and genetic information, as well as personal data related to criminal offences or convictions, which could limit our ability to collect, use and share European data, or could cause our compliance costs to increase, ultimately having an adverse impact on our business, and harm our business and financial condition.

Further, the United Kingdom's vote in favor of exiting the EU, often referred to as Brexit, and ongoing developments in the United Kingdom have created uncertainty regarding data protection regulation in the United Kingdom. As of January 1, 2021, and the expiry of transitional arrangements agreed to between the United Kingdom and EU, data processing in the United Kingdom is governed by a United Kingdom version of the GDPR (combining the GDPR and the Data Protection Act 2018), exposing us to two parallel regimes, each of which potentially authorizes similar fines and other potentially divergent enforcement actions for certain violations. Pursuant to the Trade and Cooperation Agreement, which went into effect on January 1, 2021, the United Kingdom and EU agreed to a specified period during which the United Kingdom will be treated like an EU member state in relation to transfers of personal data to the United Kingdom for four months from January 1, 2021. This period may be extended by two further months. Unless the European Commission makes an 'adequacy finding' in respect of the United Kingdom before the expiration of such specified period, the United Kingdom will become an 'inadequate third country' under the GDPR and transfers of data from the European Economic Area ("EEA") to the United Kingdom will require an 'transfer mechanism,' such as the standard contractual clauses. Furthermore, following the expiration of the specified period, there will be increasing scope for divergence in application, interpretation and enforcement of the data protection law as between the United Kingdom and EEA. Other countries have also passed or are considering passing laws requiring local data residency or restricting the international transfer of data.

In addition to the foregoing, a breach of privacy laws or data security laws, particularly those resulting in a significant security incident or breach involving the misappropriation, loss or other unauthorized use or disclosure of sensitive or confidential investor or employee information, could have a material adverse effect on our business, reputation and financial condition. As a data controller, we are accountable for any third-party service providers we engage to process personal data on our behalf. We attempt to mitigate the associated risks by performing security assessments and due diligence of our vendors and taking appropriate steps to require all such third-party providers with data access to sign agreements that accord with the requirements of the GDPR, and obligating such providers to only process data according to our instructions and to take sufficient security measures to protect such data. There is no assurance that these contractual measures and our own privacy and security-related safeguards will protect us from all risks associated with the third-party processing, storage and transmission of such information.

It is possible that the data privacy laws to which we are subject may be interpreted and applied in a manner that is inconsistent with our practices and our efforts to comply with the evolving data protection rules may be unsuccessful. If so, this could result in government-imposed fines or orders requiring that we change our practices, which could adversely affect our business. We must devote significant resources to understanding and complying with this changing landscape. Failure to comply with federal, state and international laws regarding privacy and security of personal information could expose us to penalties under such laws. Any such failure by us or our third-party processors to comply with data protection and privacy laws could result in significant government-imposed fines or orders requiring that we change our practices, claims for damages or other liabilities, regulatory investigations and enforcement action, litigation and significant costs for remediation, any of which could adversely affect our business. Even if we are not determined to have violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which may materially and adversely affect our business, financial condition and results of operations.

Evolving laws and government regulations could adversely affect us.

Governmental regulation of the global financial markets and financial institutions is intense and is continually evolving. This includes regulation of investment funds, as well as their managers and activities, through the implementation of compliance, risk management and anti-money laundering procedures; restrictions on specific types of investments and the provision and use of leverage; capital requirements; limitations on compensation to fund managers; and books and records, reporting and disclosure requirements. The effects on us, our funds, or on private markets funds generally, of future regulation, or of changes in the interpretation and enforcement of existing regulation, could have an adverse effect on our funds' investment strategies or our business model. Policy changes and regulatory reform by the U.S. federal government may create regulatory uncertainty for our funds' portfolio companies and our investment strategies and adversely affect the profitability of our funds' portfolio companies.

Ongoing political developments could adversely impact our investment management and investment advisory businesses. The financial services industry is currently experiencing an uncertain political and regulatory environment. The U.S. federal government has recently been pursuing deregulatory measures, including changes to the Volcker Rule, the U.S. Risk Retention Rules, capital and liquidity requirements, the Financial Stability Oversight Council's authority and other aspects of the Dodd-Frank Act. Various proposals focused on deregulation of the U.S. financial services industry may have the effect of increasing competition for our businesses. For example, increased competition from banks and other financial institutions in the credit markets could have the effect of reducing credit spreads, which may adversely affect the revenues we receive from our credit and other funds whose strategies include the provision of credit to borrowers. On the other hand, it is also possible that the financial services industry may face an increasingly difficult political and regulatory environment, especially with the change in administration. U.S. politicians have expressed support for policies that call for greater regulatory oversight of the financial services industry, including the private equity industry. If these proposals were to become policy such developments could potentially have a material adverse effect on our business and the business of the funds in which our funds and our other investors invest.

Governmental policy changes and regulatory or tax reform could also have a material effect on our funds. For example, regulatory or tax reform in jurisdictions where we may be conducting business and jurisdictions in which our investors in our funds are located may increase administrative costs, increase taxes borne by our funds or our investors, or otherwise adversely affect our funds or our ability to successfully fundraise on behalf of our funds. A prolonged environment of regulatory uncertainty may make the identification of attractive investment opportunities and the deployment of capital more challenging. In addition, our ability to identify business and other risks associated with new investments depends in part on our ability to anticipate and accurately assess regulatory and other changes that may have a material effect on the businesses in which we choose to invest. The failure to accurately predict the possible outcome of policy changes and regulatory reform could have a material adverse effect on the returns generated from our funds' investments and our revenues.

In recent years, the United States has imposed tariffs on various products imported into the United States. These tariffs have resulted in, and may continue to trigger, retaliatory actions by affected countries, including the imposition of tariffs on the United States by other countries. Certain foreign governments have instituted or are considering imposing trade sanctions on certain U.S. goods and denying U.S. companies access to critical raw materials. Governmental actions related to the imposition of tariffs or other trade barriers or changes to international trade agreements or policies, could increase costs, decrease margins, reduce the competitiveness of products and services offered by current and future portfolio companies and adversely affect the revenues and profitability of companies whose businesses rely on goods imported from outside of the United States. In addition, if we fail to monitor and adapt to changes in policy and the regulations to which we are or may become subject, we could be subject to enforcement actions, which may materially and adversely affect our businesses, financial condition and results of operations.

The IRS could challenge the amount, timing and/or use of our NOL carryforwards, and new information could also impact the usability of our NOL carryforwards.

The amount of our NOL carryforwards has not been audited or otherwise validated by the IRS. Among other things, the IRS could challenge the amount, the timing and/or our use of our NOLs. Any such challenge, if successful, could significantly limit our ability to utilize a portion or all our NOL carryforwards. In addition, calculating whether an ownership change has occurred within the meaning of Section 382 is subject to inherent uncertainty, both because of the complexity of applying Section 382 and because of limitations on a publicly traded and over-the-counter traded company's knowledge as to the ownership of, and transactions in, its securities. Moreover, this offering and subsequent offerings may result in an ownership change under Section 382, as discussed above, depending on the amount of stock we issue. Therefore, the calculation of the amount of our utilizable NOL carryforwards could be changed as a result of a successful challenge by the IRS or as a result of new information about the ownership of, and transactions in, our securities.

Possible changes in legislation could negatively affect our ability to use the tax benefits associated with our NOL carryforwards.

The rules relating to U.S. federal income taxation are periodically under review by persons involved in the legislative and administrative rulemaking processes, by the IRS and by the U.S. Department of the Treasury, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes, including decreases in the tax rate. Future revisions in U.S. federal tax laws and interpretations thereof could adversely impact our ability to use some or all of the tax benefits associated with our NOL carryforwards, even if these carryforwards are not otherwise subject to limitation, as described above, or in addition to such other limitations.

Changes in tax laws may adversely affect us, and the IRS or a court may disagree with tax positions taken by us, which may result in adverse effects on our financial condition or the value of our common stock.

The Tax Cuts and Jobs Act, or the TCJA, enacted on December 22, 2017, significantly affected U.S. tax law, including by changing how the U.S. imposes tax on certain types of income of corporations and by reducing the U.S. federal corporate income tax rate to 21%. It also imposed new limitations on several tax benefits, including deductions for business interest, use of net operating loss carryforwards, taxation of foreign income, and the foreign tax credit, among others.

The CARES Act, enacted on March 27, 2020, in response to the COVID-19 pandemic, further amended the U.S. federal tax code, including in respect of certain changes that were made by the TCJA, generally on a temporary basis. There can be no assurance that future tax law changes will not increase the rate of the corporate income tax significantly, impose new limitations on deductions, credits or other tax benefits, or make other changes that may adversely affect our business, cash flows or financial performance. In addition, the IRS has yet to issue guidance on a few important issues regarding the changes made by the TCJA and the CARES Act. In the absence of such guidance, we will take positions with respect to several unsettled issues. There is no assurance that the IRS or a court will agree with the positions taken by us, in which case tax penalties and interest may be imposed that could adversely affect our business, cash flows or financial performance.

Other future changes in tax laws or regulations, or the interpretation thereof, tax policy initiatives and reforms under consideration and the practices of tax authorities could adversely affect us. Such changes may include (but are not limited to) the tax rate applicable to operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid, or the taxation of partnerships and other passthrough entities. We are unable to predict what tax reform may be proposed or enacted in the future or what effect such changes would have on our business, but such changes could affect our financial position and overall or effective tax rates in the future, reduce after-tax returns to our stockholders, and increase the complexity, burden and cost of tax compliance. If our effective tax rate increases, our operating results and cash flow could be adversely affected. Our effective income tax rate can vary significantly between periods due to a few complex factors including, but not limited to, projected levels of taxable income, tax audits conducted and settled by tax authorities, and adjustments to income taxes upon finalization of income tax returns.

Federal, state and foreign anti-corruption and sanctions laws create the potential for significant liabilities and penalties and reputational harm.

We are also subject to several laws and regulations governing payments and contributions to political persons or other third parties, including restrictions imposed by the Foreign Corrupt Practices Act ("FCPA") as well as trade sanctions and export control laws administered by the Office of Foreign Assets Control ("OFAC"), the U.S. Department of Commerce and the U.S. Department of State. The FCPA is intended to prohibit bribery of foreign governments and their officials and political parties and requires public companies in the United States to keep books and records that accurately and fairly reflect those companies' transactions. OFAC, the U.S. Department of Commerce and the U.S. Department of State administer and enforce various export control laws and regulations, including economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign states, organizations and individuals. These laws and regulations relate to a few aspects of our business, including servicing existing fund investors, finding new fund investors, and sourcing new investments, as well as activities by the portfolio companies in our investment portfolio or other controlled investments.

Similar laws in non-U.S. jurisdictions, such as EU sanctions or the U.K. Bribery Act, as well as other applicable anti-bribery, anti-corruption, anti-money laundering, or sanction or other export control laws in the U.S. and abroad, may also impose stricter or more onerous requirements than the FCPA, OFAC, the U.S. Department of Commerce and the U.S. Department of State, and implementing them may disrupt our business or cause us to incur significantly more costs to comply with those laws. Different laws may also contain conflicting provisions, making compliance with all laws more difficult. If we fail to comply with these laws and regulations, we could be exposed to claims for damages, civil or criminal financial penalties, reputational harm, incarceration of our employees, restrictions on our operations and other liabilities, which could negatively affect our business, operating results and financial condition. In addition, we may be subject to successor liability for FCPA violations or other acts of bribery, or violations of applicable sanctions or other export control laws committed by companies in which we or our funds invest or which we or our funds acquire. While we have developed and implemented policies and procedures designed to ensure strict compliance by us and our personnel with the FCPA and other anti-corruption, sanctions and export control laws in jurisdictions in which we operate, such policies and procedures may not be effective in all instances to prevent violations. Any determination that we have violated the FCPA or other applicable anti-corruption, sanctions or export control laws could subject us to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect our business prospects, financial condition, results of operations or the market value of our Class A common stock.

Regulation of investment advisors outside the United States could adversely affect our ability to operate our business.

While the majority of our capital deployment is in the United States, we provide investment advisory and other services and raise funds in a number of countries and jurisdictions outside the United States. In many of these countries and jurisdictions, which include the European Union and the Cayman Islands, we and our operations, and in some cases our personnel, are subject to regulatory oversight and requirements. In general, these requirements relate to registration, licenses for our personnel, periodic inspections, the provision and filing of periodic reports, and obtaining certifications and other approvals. Across the EU, we are subject to the European Union Alternative Investment Fund Managers Directive (“AIFMD”), under which we are subject to regulatory requirements regarding, among other things, registration for marketing activities, the structure of remuneration for certain of our personnel and reporting obligations. Individual member states of the EU have imposed additional requirements that may include internal arrangements with respect to risk management, liquidity risks, asset valuations, and the establishment and security of depository and custodial requirements. Because some EEA countries have not yet incorporated the AIFMD into their agreement with the EU, we may undertake marketing activities and provide services in those EEA countries only in compliance with applicable local laws. Outside the EEA, the regulations to which we are subject primarily to registration and reporting obligations.

It is expected that additional laws and regulations will come into force in the EEA, the EU and other countries in which we operate over the coming years. These laws and regulations may affect our costs and manner of conducting business in one or more markets, the risks of doing business, the assets that we manage or advise, and our ability to raise capital from investors. In addition, the pending exit of the United Kingdom from the EU may have adverse economic, political and regulatory effects on the operation of our business. Any failure by us to comply with either existing or new laws or regulations could have a material adverse effect on our business, financial condition and results of operations.

We are subject to increasing scrutiny from institutional investors with respect to ESG costs of investments made by our funds, which may constrain investment opportunities for our funds and adversely affect our ability to raise capital from such investors.

In recent years, certain institutional investors have placed increasing importance on environmental, social and governance (“ESG”) implications of investments made by private equity and other funds to which they commit capital. Certain investors have also demonstrated increased activism with respect to existing investments, including by urging asset managers to take certain actions that could adversely affect the value of an investment, or refrain from taking certain actions that could improve the value of an investment. At times, investors have conditioned future capital commitments on the taking or refraining from taking of such actions. Investors’ increased focus and activism related to ESG and similar matters may constrain our investment opportunities. In addition, institutional investors may decide to not commit capital to future fundraises as a result of their assessment of our approach to and consideration of the ESG cost of investments made by us. To the extent our access to capital from such investors is impaired, we may not be able to maintain or increase the size of our funds or raise sufficient capital for new funds, which may adversely affect our revenues.

Volatile market, political and economic conditions can adversely affect investments made by our specialized investment vehicles and advisory accounts.

Since 2008, there has been continued volatility and disruption in the global financial markets. Volatility and disruption in the equity and credit markets could adversely affect the portfolio companies in which the private markets funds invest, which, in turn, would adversely affect the performance of our specialized investment vehicles and advisory accounts. For example, the lack of available credit or the increased cost of credit may materially and adversely affect the performance of funds that rely heavily on leverage such as leveraged buyout funds. Disruptions in the debt and equity markets may make it more difficult for funds to exit and realize value from their investments, because potential buyers of portfolio companies may not be able to finance acquisitions and the equity markets may become unfavorable for initial public offerings. In addition, the volatility will directly affect the market prices of securities issued by many companies for reasons unrelated to their operating performance and may adversely affect the valuation of the investments of our specialized investment vehicles and advisory accounts. Any or all of these factors may result in lower investment returns. Governmental authorities have undertaken, and may continue to undertake, a variety of initiatives designed to strengthen and stabilize the economy and the financial markets. However, there can be no assurance that these initiatives will be successful, and there is no way to predict the ultimate impact of the disruption or the effect that these initiatives will have on the performance of our specialized investment vehicles or advisory accounts.

Investments in many industries have experienced significant volatility over the last several years. The ability to realize investments depends not only on our investments and the investments made by the private markets funds and portfolio companies in which we invest and their respective results and prospects, but also on political and economic conditions, which are out of our control. Continued volatility in political or economic conditions, including an outbreak or escalation of major hostilities, declarations of war, terrorist actions or other substantial national or international calamities or emergencies, could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Organizational Structure

A change of control of our company, including the occurrence of a "Sunset," could result in an assignment of our investment advisory agreements.

Under the Investment Advisers Act, each of the investment advisory agreements for the funds and other accounts we manage must provide that it may not be assigned without the consent of the particular fund or other investor. An assignment may occur under the Investment Advisers Act if, among other things, an Adviser undergoes a change of control. After a "Sunset" becomes effective (as described in "Organizational Structure—Voting Rights of Class A and Class B Common Stock"), the Class B common stock will convert into Class A common stock that is one vote per share instead of ten votes per share, and the Stockholders Agreement will expire, meaning that the Class B Holders party thereto will no longer control the appointment of directors or be able to direct the vote on all matters that are submitted to our stockholders for a vote. These events could be deemed a change of control of an Adviser, and thus an assignment. If such a deemed assignment occurs, we cannot be certain that each Adviser will be able to obtain the necessary consents from its funds and other investors, which could cause us to lose the management fees and advisory fees we earn from such funds and other investors.

If we were deemed an "investment company" under the Investment Company Act of 1940 as a result of its ownership of our subsidiaries, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

An issuer will generally be deemed to be an "investment company" for purposes of the Investment Company Act if:

- it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities; or
- absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis.

We believe that we are engaged primarily in the business of providing alternative asset management investment services and not in the business of investing, reinvesting or trading in securities. We also believe that the primary source of income from each of our businesses is properly characterized as income earned in exchange for the provision of services. We hold ourselves out as an alternative asset management investment firm and do not propose to engage primarily in the business of investing, reinvesting or trading in securities. Accordingly, we do not believe that either P10 Holdings or any subsidiary is, or following this offering will be, an "orthodox" investment company as defined in section 3(a)(1)(A) of the Investment Company Act and described in the first bullet point above. Further, following this offering, P10 Holdings will not have significant assets other than its equity interests in certain wholly owned subsidiaries and voting interests of certain general partner entities for our sponsored funds. The general partner entities hold no underlying assets other than being parties to the investment management agreements with our Advisors for their respective funds and serve to allocate carried interest to employees of the Advisors. We do not believe the equity interests of P10 Holdings in its wholly owned subsidiaries or the voting interests in the general partners of these subsidiaries are investment securities. As a result, we believe that less than 40% of P10, Inc.'s total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis after this offering will comprise assets that could be considered investment securities. Accordingly, we do not believe P10, Inc. is, or following this offering will be, an inadvertent investment company by virtue of the 40% test in section 3(a)(1)(C) of the Investment Company Act as described in the second bullet point above. In addition, we believe P10, Inc. is not an investment company under section 3(b)(1) of the Investment Company Act because it is primarily engaged in a non-investment company business.

The Investment Company Act and the rules thereunder contain detailed parameters for the organization and operations of investment companies. Among other things, the Investment Company Act and the rules thereunder limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities, prohibit the issuance of stock options, and impose certain governance requirements. We intend to conduct our operations so that P10, Inc. will not be deemed to be an investment company under the Investment Company Act. However, if anything were to happen that would cause P10, Inc. to be deemed to be an investment company under the Investment Company Act, requirements imposed by the Investment Company Act, including limitations on our capital structure, ability to transact business with affiliates (including us) and ability to compensate key employees, could make it impractical for us to continue our business as currently conducted, impair the agreements and arrangements between and among the Advisors, the general partners, the funds, us or our senior leadership team, or any combination thereof and materially and adversely affect our business, financial condition and results of operations.

The historical and pro forma financial information in this prospectus may not permit you to assess our future performance, including our costs of operations.

The historical financial information in this prospectus does not reflect the added costs we expect to incur as a public company or the resulting changes that will occur in our capital structure and operations. In preparing our pro forma financial information, we have given effect to, among other items, the Reorganization described in "Historical Ownership Structure, the Reorganization and Recent Transactions" and a deduction and charge to earnings of estimated taxes based on an estimated tax rate (which may be different from our actual tax rate in the future). The estimates we used in our pro forma financial information may not be similar to our actual experience as a public company. For more information on our historical financial information and pro forma financial information, see "Unaudited Pro Forma Condensed Consolidated and Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements included elsewhere in this prospectus.

The protective provision contained in our Amended and Restated Certificate of Incorporation, which is intended to help preserve the value of certain income tax assets, primarily tax net operating loss carryforwards, may have unintended negative effects. We also have a shareholder rights plan to provide similar protection.

Pursuant to Code Sections 382 and 383, use of our NOLs may be limited by an "ownership change" as defined under Section 382 of the Code, and the Treasury Regulations thereunder. In order to protect the Company's significant NOLs, we included a provision to protect our NOLs in our amended and restated certificate of incorporation (the "Protective Provision").

The Protective Provision is designed to assist the Company in protecting the long-term value of its accumulated NOLs by limiting certain transfers of the Company's common stock. The Protective Provision's transfer restrictions generally restrict any direct or indirect transfers of the common stock if the effect would be to increase the direct or indirect ownership of the common stock by any person from less than 4.99% to 4.99% or more of the common stock, or increase the percentage of the common stock owned directly or indirectly by a person owning or deemed to own 4.99% or more of the common stock (with percentage ownership determined under applicable U.S. federal income tax rules). Any direct or indirect transfer attempted in violation of the Protective Provision will be void as of the date of the prohibited transfer as to the purported transferee.

The Protective Provision also requires any person attempting to become a holder of 4.99% or more of our common stock to seek the approval of our Board. We also have a shareholder rights plan that prohibits anyone becoming a holder of 4.99% or more of our common stock (as determined for tax purposes) without prior board of directors' approval.

The Protective Provision and shareholder rights plan may have an unintended "anti-takeover" effect because our Board may be able to prevent any future takeover. Similarly, any limits on the amount of stock that a shareholder may own could have the effect of making it more difficult for shareholders to replace current management. Additionally, because the Protective Provision may have the effect of restricting a shareholder's ability to dispose of or acquire our common stock, the liquidity and market value of our common stock might suffer.

Our amended and restated certificate of incorporation will designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, and the federal district courts as the exclusive forum for Securities Act claims, which could limit our stockholders' ability to obtain what such stockholders believe to be a favorable judicial forum for disputes with us or our directors, officers, other employees, or agents.

Our amended and restated certificate of incorporation will provide that, unless we, in writing, select or consent to the selection of an alternative forum, all complaints asserting any internal corporate claims (defined as claims, including claims in the right of our company: (i) that are based upon a violation of a duty by a current or former director, officer, employee, or stockholder in such capacity; or (ii) as to which the DGCL confers jurisdiction upon the Court of Chancery), to the fullest extent permitted by law, and subject to applicable jurisdictional requirements, shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have, or declines to accept, subject matter jurisdiction, another state court or a federal court located within the State of Delaware). Further, unless we select or consent to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.
Our choice-of-forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring or holding any interest in our common stock shall be deemed to have notice of and to have consented to the forum selection provisions described in our certificate of incorporation. These choice-of-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and such persons. It is possible that a court may find these provisions of our certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, in which case we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially adversely affect our business, financial condition, or results of operations and result in a diversion of the time and resources of our management and board of directors.

General Risk Factors

Our management has historically operated our business as a privately owned company.

Our management team has historically operated our business as a privately owned company. Compliance with public company requirements will place significant additional demands on our management and will require us to enhance our public investor relations, legal, financial and tax reporting, internal audit, compliance with the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and corporate communications functions. These additional efforts may strain our resources and divert management's attention from other business concerns, which could adversely affect our business and profitability.

Fulfilling our public company financial reporting and other regulatory obligations will be expensive and time consuming.

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. For example, we will be subject to the reporting requirements of the Exchange Act and will be required to comply with the applicable requirements of the Sarbanes-Oxley Act and the Dodd-Frank Act, as well as rules and regulations subsequently implemented by the SEC and the NYSE, including the establishment and maintenance of effective disclosure controls and internal controls over financial reporting and implementation of public company corporate governance practices. We expect that compliance with these requirements will increase our legal and financial compliance costs and will make some activities more time consuming and costly. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. We may need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and as a result, their application in practice may evolve over time as regulatory and governing bodies provide new guidance. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We will continue to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management’s time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us, and our business, financial condition and results of operations could be materially and adversely affected.

As a result of disclosure of information as a public company, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If the claims are successful, our business, financial condition and results of operations could be materially and adversely affected. Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business operations and financial results. These factors could also make it more difficult for us to attract and retain qualified colleagues, executive officers and members of our board of directors.

We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance on desired terms. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors or our board committees or to serve as executive officers.

Upon completion of this offering, we will be a “controlled company” within the meaning of the NYSE listing standards and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

After this offering, holders of our Class B common stock will continue to control a majority of the voting power of our outstanding common stock. So long as no Sunset has occurred and the Class B stockholders who are party to the Stockholders’ Agreement hold at least approximately   % of all of the outstanding shares of the Company’s common stock, the Class B stockholders are expected to hold a majority of the Company’s outstanding voting power and thereby will control the outcome of matters submitted to a stockholder vote. As a result of the voting power held by those Class B stockholders who are party to the Stockholders’ Agreement, we will qualify as a "controlled company" within the meaning of the corporate governance standards of the NYSE. Under these rules, a listed company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including the requirement that (i) a majority of our board of directors consist of independent directors, (ii) director nominees be selected or recommended to the board by independent directors and (iii) we have a compensation committee that is composed entirely of independent directors.

Following this offering, we intend to rely on some or all of these exemptions. As a result, we will not have a majority of independent directors, our compensation committee will not consist entirely of independent directors and our directors will not be nominated or selected by independent directors. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

Our internal controls over financial reporting do not currently meet all of the standards contemplated by Section 404 of the Sarbanes-Oxley Act ("Section 404") that we will eventually be required to meet as a public company. We are in the process of addressing our internal controls over financial reporting and are establishing formal committees to oversee our policies and processes related to financial reporting and to the identification of key financial reporting risks, assessment of their potential impact and linkage of those risks to specific areas and activities within our organization.

While we do not believe we have any material weaknesses in our internal controls, we do not currently have comprehensive documentation of our system of controls, nor do we yet fully document or test our compliance with this system on a periodic basis in accordance with Section 404. Furthermore, we have not yet fully tested our internal controls in accordance with Section 404 and, due to our lack of documentation, such a test would not be possible to perform at this time. As a result, we cannot conclude in accordance with Section 404 that we do not have a material weakness, or possibly a combination of significant deficiencies that could aggregate to the level of a material weakness in our internal controls in accordance with such rules.

Section 404 defines the requirements for attestation of internal controls over financial reporting. Section 404(a) requires management to provide an annual attestation of the adequacy of design and operating effectiveness of internal control over financial reporting. Section 404(b) adds the requirement to obtain an opinion over the design and effectiveness of controls from a company's independent registered public accounting firm. Emerging growth companies are exempt from this requirement for a period of five years, or until it no longer qualifies as an emerging growth company, whichever occurs first. We will begin the process of documenting and testing our internal control procedures to satisfy the requirements of Section 404(a), which requires annual management assessments of the effectiveness of our internal control over financial reporting. As a public company, we will be required to complete our initial assessment in a timely manner. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC or violations of the NYSE listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if and in the event that we are subject to 404(b) our independent registered public accounting firm reports a material weakness or significant deficiency is identified in our internal control over financial reporting. This could materially and adversely affect us and lead to a decline in the price of our Class A common stock. In addition, we will incur incremental costs in order to improve our internal control over financial reporting and comply with Section 404, including increased auditing and legal fees and costs associated with hiring additional accounting, operational and administrative staff. We may need to hire additional personnel to design and apply controls to areas of significant complex transactions and technical accounting matters once we are a public company.

As an emerging growth company, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404(b) until the later of either the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating.

There may not be an active trading market for shares of our Class A common stock, which may cause our Class A common stock to trade at a discount from its initial offering price and make it difficult to sell the shares you purchase.

Prior to this offering, P10's common stock was traded on the OTC Pink Open Market. There has been no public trading market for shares of our Class A common stock. It is possible that, after this offering, an active trading market will not develop or continue, which would make it difficult for you to sell your shares of Class A common stock at an attractive price or at all. The initial public offering price per share of our Class A common stock will be determined by agreement among us and the representatives of the underwriters and may not be indicative of the price at which the shares of our Class A common stock will trade in the public market after this offering.

The disparity in the voting rights among the classes of our common stock and inability of the holders of our Class A common stock to influence decisions submitted to a vote of our stockholders may have an adverse effect on the price of our Class A common stock.

Holders of our Class A common stock and Class B common stock will vote together as a single class on almost all matters submitted to a vote of our stockholders. Shares of our Class A common stock and Class B common stock entitle the respective holders to identical non-economic rights, except that each share of our Class A common stock will entitle its holder to one vote on all matters to be voted on by stockholders generally, while each share of our Class B common stock will entitle its holder to ten votes until a Sunset becomes effective. See "Organizational Structure—Voting Rights of the Class A and Class B Common Stock." After a Sunset becomes effective, each share of our Class B common stock will convert into Class A common stock. The Class B Holders will initially have   % of the combined voting power of our common stock (or   % if the underwriters exercise their option to purchase additional shares of Class A common stock in full). Because this concentrated control could discourage others from initiating any potential merger, takeover or other change of control transaction that may otherwise be beneficial to our businesses, the market price of our Class A common stock could be adversely affected. The difference in voting rights could adversely affect the value of our Class A common stock to the extent that investors view, or any potential future purchaser of our company views, the superior voting rights and implicit control of the Class B common stock to have value.

Our dual class structure may depress the trading price of our Class A common stock.

Our dual class structure may result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with dual or multiple class share structures in certain of their indexes. S&P Dow Jones and FTSE Russell have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500. These changes exclude companies with multiple classes of shares of common stock from being added to these indices. In addition, several stockholder advisory firms have announced their opposition to the use of dual or multiple class structures. As a result, the dual class structure of our common stock may prevent the inclusion of our Class A common stock in these indices and may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for our Class A common stock. Any actions or publications by stockholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A common stock.

We are an emerging growth company, and reduced reporting and disclosure requirements applicable to emerging growth companies could make our Class A common stock less attractive to investors.

We are an emerging growth company and, for as long as we continue to be an emerging growth company, we may choose to continue to take advantage of exemptions from various reporting requirements applicable to other public companies but not to "emerging growth companies," including, but not limited to, not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years following the completion of this offering. We will cease to be an emerging growth company upon the earliest of: (i) the end of the fiscal year following the fifth anniversary of this offering, (ii) the first fiscal year after our annual gross revenues are $1.07 billion or more, (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities or (iv) the end of any fiscal year in which the market value of our Class A common stock held by non-affiliates exceeded $700 million as of the end of the second quarter of that fiscal year. We cannot predict if investors will find our Class A common stock less attractive if we choose to rely on these exemptions. If some investors find our Class A common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our Class A common stock, and the price of our Class A common stock may be more volatile.

Our share price may decline due to the large number of shares eligible for future sale and for exchange.

The market price of our Class A common stock could decline as a result of sales of a large number of shares of Class A common stock in the market after this offering or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. After the consummation of this offering, we will have outstanding shares of Class A common stock and shares of Class B common stock, which are convertible into Class A common stock at the election of the holder and upon most transfers. See "Description of Capital Stock—Common Stock."

We, our directors and officers, and certain of our existing stockholders representing in the aggregate approximately % of our total outstanding common stock have agreed with the underwriters not to dispose of or hedge any of our common stock, subject to specified exceptions, during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Morgan Stanley & Co. LLC. Subject to this agreement, we may issue and sell additional shares of Class A common stock in the future.

We may pay dividends to our stockholders, but our ability to do so is subject to the discretion of our board of directors and may be limited by our holding company structure and applicable provisions of Delaware law.

After the consummation of this offering, we may pay cash dividends to our stockholders. Our board of directors may, in its discretion, decrease the level of dividends or discontinue the payment of dividends entirely. Our ability to declare and pay dividends to our stockholders is subject to Delaware law (which may limit the amount of funds available for dividends). If, as a consequence of these various limitations and restrictions, we are unable to generate sufficient distributions from our business, we may not be able to make, or may be required to reduce or eliminate, the payment of dividends on our Class A common stock.

The market price of our Class A common stock may be volatile, which could cause the value of your investment to decline.

Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our Class A common stock in spite of our operating performance. In addition, our operating results could be below the expectations of public market analysts and investors, and in response, the market price of our Class A common stock could decrease significantly. You may be unable to resell your shares of our Class A common stock at or above the initial public offering price.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and may negatively affect the market price of our Class A common stock.

Provisions in our amended and restated certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and bylaws will include provisions that:

- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- establish that our board of directors is divided into three classes, with each class serving three-year staggered terms;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent, except that action by written consent will be allowed for as long as we are a controlled company;
- specify that special meetings of our stockholders can be called only by our board of directors, chief executive officer(s), or the chairman of our board of directors;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- authorize our board of directors to issue, without further action by the stockholders, up to 10,000,000 shares of undesignated preferred stock; and
- reflect two classes of common stock, as discussed above.

These and other provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, we will be a Delaware corporation and governed by the Delaware General Corporation Law (the "DGCL"). Section 203 of the DGCL generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder, in particular those owning 15% or more of our outstanding voting stock, for a period of three years following the date on which the stockholder became an "interested" stockholder. While we have elected in our amended and restated certificate of incorporation not to be subject to Section 203 of the DGCL, our amended and restated certificate of incorporation contains provisions that have the same effect as Section 203 of the DGCL, except that they provide that the Sunset Holders, their affiliates, groups that include the Sunset Holders and certain of their direct and indirect transferees will not be deemed to be "interested stockholders," regardless of the percentage of our voting stock owned by them, and accordingly will not be subject to such restrictions. See "Description of Capital Stock."

You will experience immediate and substantial dilution as a result of this offering and may experience additional dilution in the future.

We expect the initial public offering price of our Class A common stock will be substantially higher than the pro forma net tangible book per share of our Class A common stock. Therefore, investors purchasing shares of Class A common stock in this offering will pay a price per share that substantially exceeds our pro forma net tangible book per share after this offering. As a result, investors will:

- incur immediate dilution of $ per share; and

- contribute the total amount invested to date to fund our company but will own only approximately % of the shares of our Class A common stock outstanding. See “Dilution.”

Investors in this offering will experience further dilution upon the issuance of restricted shares of our Class A common stock under any equity incentive plans, including the 2021 Incentive Plan. See “Compensation—Equity Compensation.”

If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our Class A common stock, the price of our Class A common stock could decline.

The trading market for our Class A common stock will rely in part on the research and reports that industry or financial analysts publish about us or our business. We do not currently have and may never obtain research coverage by industry or financial analysts. If no or few analysts commence coverage of us, the trading price of our stock would likely decrease. Even if we do obtain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our Class A common stock could decline. If one or more of these analysts cease to cover our Class A common stock, we could lose visibility in the market for our stock, which in turn could cause our Class A common stock price to decline.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, which reflect our current views with respect to, among other things, future events and financial performance, our operations, strategies and expectations. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "plan" and similar expressions are intended to identify forward-looking statements. Any forward-looking statements contained in this prospectus are based upon our historical performance and on our current plans, estimates and expectations. The inclusion of this or any forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. Such forward-looking statements are subject to various risks, uncertainties and assumptions, including but not limited to global and domestic market and business conditions, our successful execution of business and growth strategies and regulatory factors relevant to our business, as well as assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include, but are not limited to, those described under "Risk Factors." These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this prospectus. We operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

ORGANIZATIONAL STRUCTURE

On January 20, 2021, we were incorporated as a Delaware corporation and a wholly owned subsidiary of P10, a Delaware corporation. Our business is currently conducted through P10 and its subsidiaries.

Pursuant to this offering, we will issue   shares of our Class A common stock to the purchasers in this offering (or   shares if the underwriters exercise their option to purchase additional shares in full) in exchange for net proceeds of approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares in full).

Historical Ownership Structure, the Reorganization and Recent Transactions

Prior to the completion of this offering, we completed a Reorganization. The following actions were taken in connection with the Reorganization:

- P10 formed P10, Inc., as a new wholly owned Delaware corporation subsidiary.
- P10, Inc. adopted and filed an amended and restated certificate of incorporation to, among other things, provide for Class A common stock and Class B common stock. See "Description of Capital Stock."
- P10, Inc. formed a new wholly owned Delaware corporation subsidiary ("Merger Corp Sub") and a new wholly owned Delaware limited liability company subsidiary ("Merger LLC Sub").
- Merger Corp Sub merged with and into P10 Holdings, with P10 Holdings surviving, and the P10 Holdings shareholders received Class B common stock in exchange for their currently owned P10 Holdings stock, on a 1-for-1 basis (one share of Class B common stock of P10, Inc. for each share of P10 Holdings stock). P10 Holdings became a wholly owned subsidiary of P10, Inc.
- Merger LLC Sub merged (the "LLC Merger") with and into P10 Intermediate Holdings LLC ("P10 Intermediate"), a subsidiary of P10 in which P10 owned all of the outstanding common units and in which

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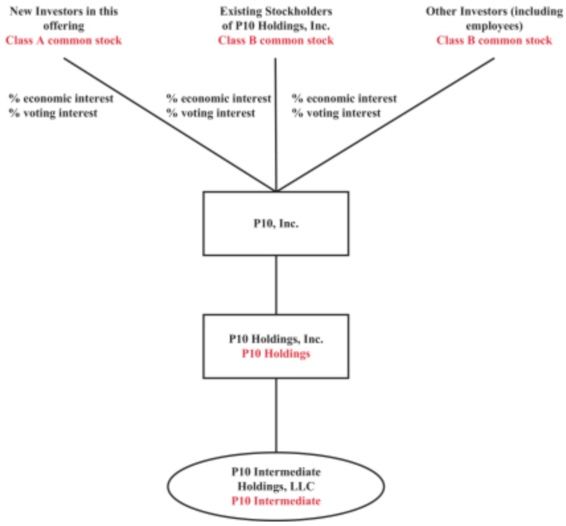
members of our management, including employees, and other investors, owned preferred units, with P10 Intermediate surviving. The preferred unit holders received Class B common stock of P10, Inc. in exchange for their preferred units, on a 1-for-1 basis (one share of Class B common stock of P10, Inc. for each preferred unit). After P10 contributed its equity in the surviving P10 Intermediate to the surviving P10, P10 Intermediate became a wholly owned subsidiary of the surviving P10.

- We will issue shares of our Class A common stock to the underwriters in this offering.
- We will issue shares of Class A common stock reserved for issuance under our 2021 Stock Incentive Plan (except that an aggregate of shares of Class A common stock intended to be issued to non-management employees immediately after the closing of this offering and shares of Class A common stock replacing outstanding awards are included in the number of shares of Class A common stock outstanding after this offering).

The diagram below illustrates our structure and anticipated ownership immediately after this offering (assuming no exercise of the underwriters' option to purchase additional shares).



Our Class B Common Stock

We have outstanding shares of Class B common stock held of record by stockholders. Each share of our Class B common stock will entitle its holder to ten votes per share until a Sunset becomes effective. After a Sunset becomes effective, each share of Class B common stock will automatically convert into Class A common stock. In addition, each share of Class B common stock will automatically convert into Class A common stock upon any transfer except to certain permitted holders. See "—Voting Rights of Class A and Class B Common Stock."

Because a Sunset may not take place for some time, it is expected that the Class B common stock will continue to entitle its holders to ten votes per share, and the Class B Holders will continue to exercise voting control over the

Company, for the near future. The Class B Holders will initially have % of the combined voting power of our common stock (or % if the underwriters exercise their option to purchase additional shares of Class A common stock in full).

Upon any transfer, Class B common stock converts automatically on a one-for-one basis to shares of Class A common stock, except in the case of transfers to certain permitted transferees. In addition, holders of Class B common stock may elect to convert shares of Class B common stock on a one-for-one basis into Class A common stock at any time.

Our current stockholders believe that the contributions of the current ownership group and management team have been critical in P10 Holdings' growth to date. We have a history of employee equity participation and believe that this practice has been instrumental in attracting and retaining a highly experienced team and will continue to be an important factor in maximizing long-term stockholder value following this offering. We believe that ensuring that our key decision-makers will continue to guide the direction of P10 results in a high degree of alignment with our stockholders, and that issuing to our continuing voting members the Class B common stock with ten votes per share will help maintain this continuity.

Our Class A Common Stock

The shares of our Class A common stock that will be outstanding after this offering (or shares if the underwriters exercise their option to purchase additional shares in full), shares of which will be sold pursuant to this offering, and of which will be issued to our employees under our 2021 Stock Incentive Plan as replacements for existing awards or, for our non-management employees, as an opportunity to participate in equity ownership of us, will have one vote per share and share ratably with our Class B common stock in all distributions.

Stockholders Agreement and Registration Rights

Prior to this offering, P10, Inc. entered into a stockholders agreement (the "Stockholders Agreement") with certain investors, including employees, pursuant to which the investors were granted piggyback and demand registration rights.

Voting Rights of Class A and Class B Common Stock

Except as provided in our amended and restated certificate of incorporation or by applicable law, holders of Class A common stock and Class B common stock vote together as a single class. Each share of our Class A common stock will entitle its holder to one vote per share. Each share of our Class B common stock will entitle its holder to ten votes until a Sunset becomes effective. After a Sunset becomes effective, each share of Class B common stock will automatically convert into Class A common stock. In addition, each share of Class B common stock will automatically convert into Class A common stock upon any transfer except to certain permitted holders.

A "Sunset" is triggered by the earlier of the following: (a) the Sunset Holders cease to maintain direct or indirect beneficial ownership of 10% of the outstanding shares of Class A Common Stock (determined assuming all outstanding shares of Class B Common Stock have been converted into Class A Common Stock); (b) the Sunset Holders collectively cease to maintain direct or indirect beneficial ownership of at least 25% of the aggregate voting power of the outstanding shares of Common Stock; and (c) upon the tenth anniversary of the effective date of the amended and restated certificate of incorporation.

Immediately after this offering, our Class B common stockholders will collectively hold approximately % of the combined voting power of our common stock (or % if the underwriters exercise their option to purchase additional shares in full).

USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares of our Class A common stock by us in this offering, after deducting underwriting discounts and commissions but before expenses, will be approximately $ million, or approximately $ million if the underwriters exercise their option to purchase additional shares of Class A common stock in full, based on an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus).

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the number of shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of one million shares in the number of shares of Class A common stock offered by us would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use approximately $ million of the net proceeds from this offering to repay principal and interest under the Facility (or approximately $ million if the underwriters exercise their option to purchase additional shares of Class A common stock in full) and approximately $ million to pay the expenses incurred in connection with this offering and the remainder for general corporate purposes.

As of December 31, 2020, we had $261.7 million outstanding under our Facility. The Facility matures in October 2022 and, except as otherwise set forth therein, each class of loans bears interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof as follows: if a loan bearing interest at a rate determined by reference to Base Rate, at the Base Rate plus the Applicable Margin; (i) or if a LIBO Rate Loan, at the Adjusted LIBO Rate plus the (ii) Applicable Margin (each term as defined in the Facility). See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Historical Liquidity and Capital Resources” for additional discussion of the Facility.

DIVIDEND POLICY

We do not currently pay dividends on our common stock. We currently intend to retain all available funds and any future earnings for the operation and expansion of our business and, therefore, we do not anticipate declaring or paying dividends on our common stock in the foreseeable future. The payment of dividends on our common stock will be at the discretion of our board of directors and will depend on our results of operations, capital requirements, financial condition, prospects, contractual arrangements, any limitations on payment of dividends present in our future debt agreements, and other factors that our board of directors may deem relevant.

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CAPITALIZATION

The following table sets forth the cash and capitalization as of December 31, 2020 of P10 Holdings on a historical basis and P10, Inc. on an as adjusted basis to give effect to our issuance and sale of shares of Class A common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range listed on the cover page of this prospectus, after (i) deducting underwriting discounts and commissions and estimated offering expenses payable by us and (ii) the application of the proceeds from this offering, as described under "Use of Proceeds."

You should read this information together with our audited financial statements and related notes appearing elsewhere in this prospectus and the information set forth under the headings "Unaudited Pro Forma Consolidated Financial Information and Other Data," "Selected Consolidated Financial and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of December 31, 2020	
(in thousands, except share amounts)	**Actual P10 Holdings**	**As Adjusted P10, Inc. Pro Forma (unaudited)**
Cash	$ 11,773	$
Debt Obligations	290,055	
Redeemable noncontrolling interest	198,439	
Stockholders' Equity:		
Common stock — $0.001 par value; 110,000,000 shares authorized, 89,411,175 issued, and 89,234,816 outstanding	89	
Class A common stock (no shares authorized, issued and outstanding, actual; million shares authorized, million shares issued and outstanding, pro forma as adjusted)	—	
Class B common stock (no shares authorized, issued and outstanding, actual; million shares authorized, million shares issued and outstanding, pro forma as adjusted)	—	
Treasury stock	(273)	
Additional paid-in capital	324,284	
Accumulated deficit	264,259	
Total stockholders' equity	59,841	
Total capitalization	$ 582,426	$

(1)

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range listed on the cover page of this prospectus, would increase (decrease) the as adjusted amount of each of cash, additional paid-in capital, total stockholders' equity and total capitalization by approximately $ million, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The table above does not include:

- shares of Class A common stock issuable upon exercise of the underwriters' option to purchase additional shares; or
- shares of Class A common stock issuable upon exercise of options to purchase shares of Class A common stock that will be issued in substitution for certain existing options of P10 Holdings that the Company does not expect to be exercised prior to the closing of this offering, at a weighted-average price of $ per share.

DILUTION

If you invest in our Class A common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our Class A common stock and the pro forma net tangible book value per share of our Class A common stock after this offering. Dilution results from the fact that the per share offering price of the Class A common stock is substantially in excess of the book value per share attributable to the existing equity holders.

Our pro forma net tangible book as of December 31, 2020 was approximately $ million, or $ per share of our Class A common stock. Pro forma net tangible book value represents the amount of total tangible assets less total liabilities, and pro forma net tangible book value per share represents pro forma net tangible book value divided by the number of shares of Class A common stock outstanding.

(in thousands)	
Pro forma assets	$
Pro forma liabilities	
Pro forma book value	$
Less:	
Goodwill	
Intangible assets	
Pro forma net tangible book value	$
Less:	
Proceeds from offering net of underwriting discounts	
Offering expenses	
Pro forma net tangible book deficit	$

After giving effect to the sale of shares of Class A common stock in this offering at an assumed initial public offering price of $ per share (the midpoint of the price range on the cover of this prospectus) and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value would have been $ million, or $ per share. This represents an immediate increase in pro forma net tangible book value of $ per share to existing equity holders and an immediate dilution in net tangible book value of $ per share to new investors.

The following table illustrates this dilution on a per share basis assuming the underwriters do not exercise their option to purchase additional shares:

Assumed initial public offering price per share (the midpoint of the price range on the cover of this prospectus)	$
Pro forma net tangible book value per share as of December 31, 2020	$
Increase in pro forma net tangible book value per share attributable to new investors	$
Pro forma net tangible book value per share after this offering(1)	$
Dilution in pro forma net tangible book value per share to new investors(1)	$

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the pro forma net tangible book value per share after this offering by $ and the dilution in pro forma net tangible book value per share to new investors by $, assuming the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

The following table summarizes, on the same pro forma basis as of December 31, 2020, the total number of shares of Class A common stock purchased from us, the total cash consideration paid to us and the average price per share paid by the existing equity holders and by new investors purchasing shares in this offering.

	Shares Purchased		Total Consideration(1)		
	Number	Percent	Amount	Percent	Average Price Per Share
Existing Equity Holders		%	$	%	$
New Investors		%		%	
Total		100%	$	100%	$

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the range of the estimated initial public offering price set forth on the cover page of this prospectus, would increase (decrease) total consideration paid by new investors and total consideration paid by all stockholders by $ million, assuming the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same. If the underwriters exercise their option to purchase additional shares of Class A common stock in full, the pro forma as adjusted net tangible book value per share as of December 31, 2020 would be approximately $ per share of Class A common stock and the dilution in pro forma as adjusted net tangible book value per share to new holders of our Class A common stock would be $ per share of Class A common stock.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED AND COMBINED FINANCIAL INFORMATION

Introduction

The following unaudited pro forma condensed consolidated and combined financial statements of P10, Inc. and its subsidiaries present the combination of the financial information of (i) P10 Holdings and its consolidated subsidiaries, including P10 Holding's recently acquired consolidated subsidiaries (ii) Five Points, (iii) TrueBridge, and (iv) Enhanced Capital Group, LLC (ECG), as well as P10 Holding's acquisition of a non-controlling equity investment in Enhanced Capital Partners, LLC (ECP).

The following unaudited pro forma financial information also gives effect to the Reorganization and the initial public offering contemplated in this prospectus ("IPO"), which includes the offering of Class A common shares of P10, Inc. and the conversion of all existing common and preferred shares of P10 Holdings, Inc. and its subsidiaries into Class B common shares of P10, Inc. as further described in "Historical Ownership Structure, the Reorganization and Recent Transactions" and "The Offering" sections of this prospectus. The net proceeds of the IPO are expected to be used for the pay down of existing debt, pay the expenses incurred in connection with the offering and for general corporate purposes.

Description of P10

As described elsewhere in this document, prior to the IPO, there will be certain corporate reorganization activities resulting in P10, Inc., a holding company, being the registrant and reporting entity, with substantially all of its business operations to be conducted and its assets to be held by P10 Holdings, Inc., which will be a wholly owned subsidiary of P10, Inc. Hereafter, P10 Holdings, Inc. and its subsidiaries will be referred to as "P10" or "the Company," and P10, Inc. will refer solely to P10, Inc. and not any of its subsidiaries.

P10 is an alternative asset management investment firm who provides investment management and advisory services to affiliated private equity funds, funds-of-funds, secondary funds, co-investment funds and private credit funds. P10 completed its acquisitions of Five Points, TrueBridge, ECG and ECP during the year ended December 31, 2020, as described further below.

Description of Five Points

Five Points is an independent investment manager focused exclusively on the U.S. lower middle market. Five Points manages direct private credit, equity and small market, sector-focused buyout fund-of-funds strategies. On April 1, 2020, P10 (through its subsidiary P10 Intermediate) completed the acquisition of 100% of the capital stock of Five Points to be the Company's private credit solution. The transaction was accounted for under the acquisition method of accounting pursuant to Accounting Standards Codification Topic 805, Business Combinations ("ASC 805"). Five Points was acquired for total consideration of $66.9 million.

Description of TrueBridge

TrueBridge is an investment advisor who provides investment advisory services to various private venture capital funds. On October 2, 2020, P10 (through P10 Intermediate) completed the acquisition of 100% of the outstanding equity of TrueBridge to be the venture capital solution in the Company's platform. TrueBridge was acquired for total consideration of $189.1 million and was accounted for under the acquisition method of accounting pursuant to ASC 805.

Description of ECG and ECP

ECG is an alternative asset manager and provider of tax credit transaction and consulting services focused on underserved areas and other socially responsible investments such as renewable energy (Impact investing). The alternative asset management business includes providing management, transaction, and consulting services to various entities which have historically been wholly owned by subsidiaries and affiliates of ECG. ECP's primary business is to participate in various state sponsored premium tax credit investment programs through debt, equity, and equity-related investments. Prior to the acquisition by P10 as described below, ECG and ECP were related parties due to common beneficial ownership. Subsequent to the transaction, ECG and ECP remain related parties due to the common ownership by P10.

On December 14, 2020, P10 (through P10 Intermediate) completed the acquisition of 100% of the equity interests in ECG and a non-controlling portion of ECP's outstanding equity, comprised of a 49% voting interest and a 50% economic interest, for total consideration of $111.2 million to be the Impact investing solution in the Company's platform. Subsequent to the acquisition, ECG became a consolidated subsidiary of P10 and was accounted for as a business combination under ASC 805. As P10 acquired a non-controlling equity interest in ECP, ECP is reported as an unconsolidated equity method investment of P10 accounted for under ASC 323.

Upon the completion of the acquisitions, certain agreements contemplated in the Securities Purchase Agreement became effective immediately upon the closing of the acquisitions. These agreements resulted in significant restructuring activities which occurred concurrently with the acquisitions and materially impacted the pre-acquisition ECG and ECP entities, and are summarized as follows:

- *Reorganization Agreement*: As described in the notes to the ECG financial statements included with this prospectus, prior to and through the date of the acquisition by P10, ECG had certain consolidated subsidiaries and funds whose primary activities consisted of issuing qualified debt or equity instruments to tax credit investors in order to make investments in qualified businesses, which are referred to as the "Permanent Capital Subsidiaries." Pursuant to the Reorganization Agreement, upon the closing of P10's acquisition of ECG, the Permanent Capital Subsidiaries were contributed by ECG to Enhanced Permanent Capital, LLC ("Enhanced PC"), which was a newly formed entity. The purpose of this reorganization was to create the new joint venture (Enhanced PC), and to allow for P10 to acquire only the elements of ECG's historic business which align with P10's core business activities; namely, the provision of management and advisory services under long-term fixed fee contracts with their customers.

  In exchange for this contribution of the Permanent Capital Subsidiaries, ECG obtained a non-controlling equity interest in Enhanced PC consisting of 0% of the voting interests and economic interests entitling P10 to 68.75% of the profits or losses generated by Enhanced PC. ECP also contributed certain of its subsidiaries to Enhanced PC in exchange for the remaining equity interest in Enhanced PC, consisting of 100% of the voting interest and economic interest entitling ECP to 31.25% of the profits or losses generated by Enhanced PC. The ownership in Enhanced PC was evaluated by management, and it was determined to be a variable interest. ECG was concluded to not be the primary beneficiary of Enhanced PC and, accordingly, Enhanced PC is not consolidated by ECG. Rather, the equity ownership in Enhanced PC will be reflected as an equity method investment by ECG in accordance with ASC 323.

  As a result of the reorganizations which occurred concurrently with the closing of the acquisition, the allocation of the consideration paid by P10 to the fair value of the assets acquired and liabilities assumed in the acquisition of ECG and ECP does not ascribe any value directly to the net assets of the Permanent Capital Subsidiaries which were contributed by ECG to Enhanced PC. Instead, the fair value of P10's resulting equity method investment in Enhanced PC, which was acquired through these reorganizations, was determined.

- *Advisory Agreement:* Upon the closing of P10's acquisition of ECG and non-controlling interest in ECP, the Advisory Agreement between ECG and Enhanced PC immediately became effective. Under this agreement, ECG will provide advisory services to Enhanced PC related to the assets and operations of the subsidiaries owned by Enhanced PC, which consist of the entities contributed by both ECG and ECP. In exchange for those services, ECG will receive advisory fees from Enhanced PC based on a fixed fee schedule under which annual fees decline between $1.0 million and $4.0 million each year, totaling $76.0 million over 7 years. This agreement is subject to customary termination provisions. This Advisory Agreement initially relates to the existing portfolio of the permanent capital subsidiaries at the date of the acquisition but contemplates that advisory services will also be provided for future funds sponsored by Enhanced PC for fixed fees similar to the existing fee structure, but to be finally determined as each future fund, if any, is launched.

- *Administrative Services Agreement:* Upon the closing of P10's acquisition of ECG and ECP, the Administrative Services Agreement between ECG and Enhanced Capital Holdings, Inc. ("EC Holdings") immediately became effective. Under this agreement, ECG will pay EC Holdings a fee in exchange for the use of their employees in ECG's business, including providing services to Enhanced PC, at the direction of ECG. EC Holdings owns the remaining equity of ECP which is not owned by P10 and its subsidiaries, and EC Holdings is owned by the Enhanced Capital Employee Stock Ownership Plan. EC Holdings ownership of ECP was not changed by the acquisitions by P10. EC Holdings has no ownership of ECG before or after the acquisitions by P10. EC Holdings' operations are similar to that of a professional employer organization, providing outsourced services for other entities, but all of its services are provided to ECG.

Refer to further discussion below regarding related pro forma adjustments.

Description of the IPO and Reorganization

As described elsewhere in this prospectus, in connection with the IPO, P10, Inc. is offering shares of its Class A common stock. The net proceeds of the offering are expected to be used to pay down the existing indebtedness of P10, pay certain costs incurred in connection with the offering, and general corporate purposes.

Additionally, in connection with the IPO, certain reorganization and restructuring activities are expected to occur. All of the existing equity of P10 and its consolidated subsidiaries, including the convertible preferred units of P10 Intermediate are expected to be converted into Class B common shares of P10, Inc. based on . Further, prior to the IPO, P10 had outstanding equity-based awards comprised of employee and director options to acquire shares of P10 Holdings, Inc. Options which have vested as of the IPO will be converted into fully vested shares of P10, Inc. based on , and unvested options will be converted into options of P10, Inc., which will vest in accordance with the vesting schedule of the awards that existed prior to the IPO.

Basis of Pro Forma Presentation

The following unaudited pro forma condensed consolidated and combined financial information has been prepared in accordance with Article 11 of Regulation S-X and are based on the historical consolidated financial statements of P10, Five Points, TrueBridge, ECG, and ECP adjusted to reflect the acquisitions of these entities by P10 and the expected effects of the IPO and Reorganization as described above. Transaction details related to the IPO and Reorganization, reclassification adjustments and other pro forma adjustments have been described below and within the notes to the unaudited pro forma condensed consolidated and combined financial statements.

As P10 completed its acquisitions of Five Points, TrueBridge, ECG and ECP during the year ended December 31, 2020, P10's historical consolidated balance sheet as of December 31, 2020 already includes the effect of these acquisitions. Therefore, no adjustments were made to the unaudited pro forma condensed consolidated and combined balance sheet as of December 31, 2020 to give effect to these acquisitions. Adjustments were made to the pro forma condensed consolidated and combined balance sheet to give effect of the expected IPO contemplated in this prospectus as if it was completed on December 31, 2020.

The unaudited pro forma condensed consolidated and combined statement of operations combine the historical results of operations of these entities for the fiscal year ended December 31, 2020. Adjustments have been made to incorporate the operating results of Five Points, TrueBridge and ECG, as well P10's share of the profits and losses generated by ECP through P10's non-controlling equity method investment in ECP, as if the acquisitions were completed on January 1, 2020. These adjustments also give effect to the Reorganization Agreement, Administrative Services Agreement, and Advisory Services Agreement described above, as those became effective immediately upon the completion of the acquisitions of ECG and ECP and are necessary to the understanding of the entities and their operations after the acquisition and related reorganizations. The unaudited pro forma condensed consolidated and combined financial information is for informational purposes only and is not intended to represent or to be indicative of the combined results of operations or financial position that the combined company would have reported had the acquisitions of business by P10 and the expected Reorganization and IPO been completed as of the dates set forth in this unaudited pro forma condensed consolidated and combined financial information.

Considerations Regarding Pro Forma Financial Information

The unaudited pro forma condensed consolidated and combined financial information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed consolidated and combined financial statements. The pro forma financial information has been prepared using, and should be read in conjunction with:

- P10's historical audited financial statements as of and for the years ended December 31, 2020 and 2019;
- Five Points' historical unaudited financial statements as of and for the three month periods ended March 31, 2020 and 2019; and
- TrueBridge's, ECG's, and ECP's historical unaudited financial statements as of and for the nine month periods ended September 30, 2020 and 2019.

The above historical financial statements are included in this prospectus. They also should be read in conjunction with the risk factors described in the section entitled "Risk Factors" elsewhere in this prospectus.

P10 has not finalized the purchase accounting for the acquisitions of TrueBridge, ECG or ECP. As such, the adjustments included in the pro forma financial information is preliminary and subject to change. The final fair value calculations and purchase price allocations, and associated amortization of acquired intangible assets and other effects, may be materially different than that reflected in the pro forma information presented herein. The actual results may differ significantly from those reflected in the unaudited pro forma condensed consolidated and combined financial information for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited pro forma condensed consolidated and combined financial information and actual results.

The pro forma adjustments reflected include certain adjustments related to the reorganization of ECG and ECP in the formation of Enhanced PC as previously described, and the related agreements which became effective upon the closing of the transaction as described above. Specifically, the estimated effects of the Advisory Agreement and Administrative Services Agreement will be reflected in the pro forma adjustments as such, combined with the restructuring activities, are expected to result in substantially different operating results when compared to the historical ECG and ECP results. As such, these effects are reflected in the pro forma adjustments in accordance with Section 3280 of the Financial Reporting Manual produced by the SEC's Division of Corporation Finance as they are considered to be factually supportable, directly attributable to the acquisitions of ECG and ECP, and are expected to have a continuing impact on the statement of operations.

With the exception of these matters related to reorganizations of ECG and ECP, the unaudited pro forma condensed consolidated and combined financial statements do not reflect the benefits of expected cost savings (or associated costs to achieve such savings), opportunities to earn additional revenue or other factors that may result as a consequence of the merger and, accordingly, do not attempt to predict or suggest future results. The unaudited pro forma condensed consolidated and combined financial statements do not reflect the effect of any regulatory actions that may impact the results of the combined company following the merger.

Additionally, the accompanying pro forma financial information should be read in conjunction with the discussions regarding the proposed Reorganization and IPO, and expected sources and uses of the resulting net proceeds, described throughout this prospectus.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED AND COMBINED BALANCE SHEET OF P10, INC. AND ITS SUBSIDIARIES
December 31, 2020
(In thousands)

	(A) P10 Holdings, Inc. Historical	(B) IPO and Reorganization Adjustments		(C) Pro Forma Combined Balance Sheet
Assets				
Cash and cash equivalents	$ 11,773	$	(1)	$
Restricted cash	1,010			
Accounts receivable	2,494			
Due from related parties	2,667			
Investment in unconsolidated subsidiaries	2,158			
Prepaid expenses and other assets	3,368			
Property and equipment, net	1,124			
Right-of-use assets	6,491			
Deferred tax assets, net	37,621			
Intangibles, net	143,738			
Goodwill	369,982			
Total assets	$ 582,426	$		$
Liabilities and Stockholders' Equity				
Liabilities				
Accounts payable and accrued expenses	$ 13,608	$	(2)	$
Due to related parties	2,200			
Other liabilities	254			
Deferred revenues	10,347			
Lease liabilities	7,682			
Debt obligations	290,055		(3)	
Total liabilities	324,146			
Redeemable noncontrolling interest	198,439			
Class A ordinary shares subject to possible redemption	—		(4)	
Total mezzanine equity	61,418			
Stockholders' equity				
Common stock	89		(5)	
Treasury stock	(273)		(5)	
Additional paid-in capital	324,284		(5)	
Accumulated deficit	(264,259)		(6)	
Total stockholders' equity	59,841			
Total liabilities and stockholders' equity	$ 582,426	$		$

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED AND COMBINED STATEMENT OF OPERATIONS OF P10, INC. AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In thousands, except per unit amounts)

	(A) P10 Holdings, Inc. Historical	(B) Five Points Capital, Inc. Historical	(C) TrueBridge Capital Partners, LLC Historical	(D) Enhanced Capital Group, LLC Historical	(E) Acquisition Transaction Adjustments	(F) Pro Forma Adjustments	(G) IPO and Reorganization Adjustments	(H) Pro Forma Adjusted Statement of Operations
Revenues:								
Management and advisory fees	$ 66,125	$ 4,334	$ 14,637	$ 10,908	$4,731 **(1)**	$ 19,000 **(11)**		
Other revenue	1,243	—	143	2,552	(2,696) **(2)**	—		
Total revenues	**67,368**	**4,334**	**14,780**	**13,460**	**2,036**	**19,000**		
Operating expenses:								
Compensation and benefits	24,529	6,914	8,539	—	12,844 **(3)**	613 **(12)**		
Professional fees	13,953	566	2,131	2,031	693 **(4)**			
General administrative and other	4,731	279	903	7,204	(4,683) **(5)**			
Amortization of intangibles	15,466	—	—	—	15,824 **(6)**			
Management fee expenses	—	—	2,740	—	(2,740) **(3)**			
Total operating expenses	**58,679**	**7,759**	**14,313**	**9,235**	**21,938**	**613**		
Income from operations	**8,689**	**(3,425)**	**467**	**4,225**	**(19,902)**	**18,387**		
Other Income (Expense):								
Income (Loss) from unconsolidated subsidiary	—	—	—	368	163 **(7)**	— **(13)**		
Interest expense, net	(11,720)	—	—	(7,019)	(3,673) **(8)**	—	**(15)**	
Changes in valuation on ECP note receivable	—	—	—	(3,230)	—	—		
Other	—	—	—	**20**	(20) **(9)**	—		
Total other income (expense), net	**(11,720)**	**—**	**—**	**(9,861)**	**(3,530)**	**—**		
Income (loss) before income tax provision	**(3,031)**	**(3,425)**	**467**	**(5,636)**	**(23,432)**	**18,387**		
Income tax benefit (expense)	26,837	—	—	—	4,921 **(10)**	(3,861) **(14)**	**(16)**	
Net income (loss)	**23,806**	**(3,425)**	**467**	**(5,636)**	**(18,511)**	**14,526**		
Less income attributable to redeemable noncontrolling interests	**(720)**	**—**	**—**	**—**				
Net income (loss) attributable to common units	**$ 23,086**	**$ (3,425)**	**$ 467**	**$ (5,636)**	**$ (18,511)**	**$ 14,526**		
Earnings per unit/share:								
Basic	$ 0.26							**(17)**
Diluted	$ 0.25							
Weighted average common shares/units outstanding:								
Basic	89,235							
Diluted	92,720							

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The accompanying unaudited pro forma condensed consolidated and combined financial information of P10, Inc. and its subsidiaries, and notes thereto, are presented in accordance with Article 11 of Regulation S-X, and have been derived from the historical consolidated financial statements of P10 Holdings and its subsidiaries (P10 or the Company), Five Points, TrueBridge, ECG and ECP as further described in the “Introduction” section preceding the accompanying pro forma financial information. Certain historical amounts of the acquired entities have been reclassified to conform to P10’s financial statement presentation. The accompanying financial information also gives effect to the IPO of P10, Inc. and related Reorganization, which are further described in the preceding Introduction section.

The acquisitions of Five Points, TrueBridge, and ECG are accounted for in accordance with ASC 805. The valuations and related purchase accounting have not been finalized for TrueBridge, ECG and ECP, and the preliminary amounts included in the pro forma financial information, including the amortization associated with the acquired intangible assets, are subject to change. The final purchase price allocation and the resulting effect on our financial positions and results of operations may be materially different from the pro forma amounts included herein. The acquisition of the equity interests in ECP is accounted for as an unconsolidated equity method investment under ASC 323 as P10 has significant influence, but not control, over ECP and, accordingly, only P10’s share of ECP’s net income or loss for the period will be included as Income (Loss) from an unconsolidated subsidiary.

Additionally, the Reorganization activities have not been completed and the results of the IPO, and related sources and uses of funds, are not certain. Accordingly, the effects of these pro forma adjustments reflect preliminary estimates and are subject to changes including, but not limited to:

- The number of shares of Class A common stock offered and the related pricing;
- The number of shares of Class B common stock after giving effect to the expected conversion of existing shares of P10 and P10 Intermediate;
- The use of proceeds, including the amount of debt to be paid down; and
- The factors described in and incorporated by reference into this prospectus, including those identified in the section entitled “Risk Factors” elsewhere in this prospectus.

The unaudited pro forma condensed consolidated and combined financial statements reflect pro forma adjustments that are described in the accompanying notes and are based on available information and certain assumptions that P10, Inc. believes are reasonable; However, actual results may differ from those reflected in these unaudited pro forma condensed consolidated and combined financial statements. In P10, Inc.’s opinion, all adjustments that are necessary to present fairly the pro forma information have been made. The unaudited pro forma condensed consolidated and combined financial statements do not purport to represent what the combined company’s financial position or results of operations would have been if the merger and related transactions had actually occurred on the dates indicated above, nor are they indicative of the combined company’s future financial position or results of operations. The unaudited pro forma condensed consolidated and combined financial statements should be read in conjunction with the historical financial statements and related notes thereto of each of these entities for the periods presented, as incorporated by reference into this prospectus.

Note 2. Unaudited Pro Forma Condensed Consolidated and Combined Balance Sheet

For purposes of preparing the unaudited pro forma condensed consolidated and combined balance sheet as of December 31, 2020, the Reorganization and the IPO will be accounted for as if they had occurred on

December 31, 2020. The unaudited pro forma condensed consolidated and combined financial statements are comprised of the following historical information and pro forma adjustments:

A) Derived from the condensed consolidated balance sheet of P10 Holdings, Inc. and its subsidiaries as of December 31, 2020. See P10's consolidated financial statements and the related notes appearing elsewhere in this prospectus.

B) Reflects the effects of the Reorganization and Initial Public Offering as described throughout the accompanying prospectus, including (i) the offering and expected issuance of Class A common shares of P10, Inc. in exchange for cash proceeds, (ii) the conversion of existing equity instruments of P10 Holdings, Inc. and its subsidiaries into equity instruments of P10, Inc., and (iii) the use of expected net proceeds to pay down debt of P10 and its subsidiaries.

C) Reflects the unaudited condensed consolidated and combined pro forma balance sheet of P10, Inc. after giving effect to the pro forma adjustments described herein.

The pro forma adjustments are based on our preliminary estimates and assumptions that are subject to change and are reflective of the Reorganization and IPO as described above. The following provides additional information regarding the pro forma adjustments described above:

1) Reflects the expected cash effects of the Reorganization and IPO transaction. The adjustment is comprised of $ of net proceeds from the issuance of P10, Inc. Class A common shares and the expected use of a portion of those proceeds to pay down a portion of the Company's existing debt, related accrued interest, and expected early repayment penalties totaling $ million. Additionally, this adjustment reflects the payment of $ in preferred dividends to the owners of P10 Intermediate shares in connection with the Reorganization.

2) Reflects the payment of $ million of accrued interest as of December 31, 2020 upon the pay down of the Company's debt using a portion of the net proceeds of the IPO.

3) Reflects the pay down of debt upon the closing of the IPO, which includes (i) $ million for the Credit and guaranty facility, (ii) $ million for Notes payable to Sellers and (iii) $ of the debt which was assumed in the acquisition of ECG.

   Upon the pay down of the credit and guaranty facility, an early payment penalty of $ million is expected to be incurred. A corresponding adjustment to retained earnings reflecting the early payment penalty is reflected as described further below.

4) Reflects the conversion of the redeemable preferred shares of P10 Intermediate to Class B common shares of P10, Inc. after giving effect to the Reorganization and IPO. Upon conversion, the holders of these redeemable preferred shares will also receive a distribution representing the accrued preferred returns totaling $ million as described in pro forma adjustment 1 above. A corresponding adjustment of $ million was made to retained earnings to reflect this distribution.

5) Reflects the impacts of the Reorganization and IPO described in pro forma adjustment B. After all transactions are completed, there is expected to be million shares of P10, Inc. $ par value Class A common stock, and million shares of P10, Inc. $ par value Class B common stock. The remaining effects are comprised of the following:

Proceeds from the issuance of equity in the IPO	$
Offering and underwriting costs	
Retirement of treasury stock	
Conversion of redeemable non-controlling interests	
Accrued preferred equity distributions	
Total adjustment to additional paid in capital	$

6) Reflects the adjustments to retained earnings due to the expected early repayment penalty of $ million upon the extinguishment of the debt as described in pro forma adjustment 3.

Note 3. Unaudited Pro Forma Condensed Consolidated and Combined Statement of Operations

For the purposes of preparing the unaudited pro forma condensed consolidated and combined statement of operations for the year ended December 31, 2020, the Reorganization and IPO, acquisitions and related transactions are accounted for as if they had occurred on January 1, 2020. The unaudited pro forma condensed consolidated and combined financial statement of operations is comprised of the following historical information and pro forma adjustments:

A) Derived from the condensed consolidated statement of operations of P10 Holdings, Inc. and its subsidiaries for the year ended December 31, 2020. See P10's consolidated financial statements and the related notes appearing elsewhere in this prospectus.

B) Derived from the unaudited statement of operations of Five Points for the three-month period ended March 31, 2020. As Five Points was acquired by P10 as of April 1, 2020, the results of Five Points' operations for the period from April 1, 2020 through December 31, 2020 are already reflected in P10's historical consolidated statements of operations for the year ended December 31, 2020. See Five Points' financial statements and the related notes appearing elsewhere in this prospectus.

C) Derived from the unaudited statement of operations of TrueBridge for the nine-month period ended September 30, 2020. TrueBridge was acquired by P10 on October 2, 2020 and, accordingly, the results of TrueBridge's operations for the period from October 2, 2020 through December 31, 2020 are already reflected in P10's historical financial statements for the year ended December 31, 2020. See TrueBridge's financial statements and the related notes appearing elsewhere in this prospectus.

D) Derived from the unaudited consolidated statement of operations of Enhanced Capital Group, LLC (ECG) for the nine month period ended September 30, 2020. On December 14, 2020, P10 completed the acquisition of 100% of the equity interest in ECG, as well as a 49% voting interest and a 50% economic interest in ECP as described above. The acquisition of ECG is recorded as a business combination, and the acquisition of the equity interests in ECP is recorded as an unconsolidated equity method investment. As ECP is recorded as an equity method investment, its historical statements of operations are not reflected in the Historical columns herein. Rather, P10's share of the profits or losses of ECP, representing P10's non-controlling equity method investment, will be reflected in the pro forma adjustments column as further described below in note E.

Additionally, as described above, ECG contributed its Permanent Capital Subsidiaries in exchange for a non-controlling equity interest in Enhanced PC. As a result of the reorganization and contribution, a substantial portion of the historic operating activities of ECG will be removed reflecting the contribution of the Permanent Capital Subsidiaries, and there will be a related adjustment to increase or decrease income (loss) from equity method investments, reflecting the effect that this would have on the Company's equity method investment in Enhanced PC. As further described in the following notes, ECP and Enhanced PC would report net losses on a pro forma basis for the year ended December 31, 2020. In accordance with ASC 323, an investor would suspend the equity method of accounting and cease to record the investor's share of losses of an investee when those losses exceed the cost basis of the investment, unless the investor has guaranteed the losses of the investee or otherwise committed to provide further financial support for the investee. The cost basis for the equity investments in ECP and Enhanced PC were $0 and $1, respectively. P10 and its subsidiaries have not guaranteed the losses of ECP or Enhanced PC, or otherwise committed to provide future financial support. Accordingly, although the Company's calculated share of the net losses recognized by these investees is disclosed in pro forma adjustments 7 and 13 below, this loss is not reflected in the pro forma financial information as the loss in excess of the carrying value would not be recognized in the consolidated financial statements of P10.

As ECG has historically been reported as an investment company, the presentation of its historically reported statements of operations differs significantly from the presentation of that of P10, and the other entities reflected herein. As such, while no adjustments have been made to the historic amounts in this column, the presentation from that historically reported has been revised to align more closely with the presentation and classification in the statement of operations of P10. See ECG's and ECP's financial statements and the related notes appearing elsewhere in this prospectus.

E) Reflects the transaction adjustments to present the effects of the acquisitions of Five Points, TrueBridge, ECG and ECP as if they had occurred on January 1, 2020.

Pro forma adjustments reflected in this column are primarily comprised of:

- Adjustments to amortization expense for acquired intangible assets,
- Adjustments to interest expense, net for the issuance of new debt to fund the acquisitions, the extinguishment of debt extinguished in connection with the acquisitions, and debt contributed in connection with the reorganization of ECG,
- Adjustments to reflect the removal of operating results of the ECG Permanent Capital Subsidiaries which were contributed to Enhanced PC in accordance with the Reorganization Agreement as previously described,
- Adjustments to reflect the income (loss) from unconsolidated subsidiaries for the equity method investment in ECP,
- Adjustments to reflect the income (loss) from unconsolidated subsidiaries for the equity method investment in Enhanced PC, which was obtained through the contribution of the Permanent Capital Subsidiaries in accordance with the Reorganization Agreement as previously described, and
- The results of operations of the acquired ECG entities for October 1, 2020 through December 13, 2020, representing the results of ECG's operations for the period between the historical financial information of ECG and the period which ECG is included in the P10 Holdings historical financial statements, subsequent to its acquisition.

This column does not reflect the effects of the Advisory Services Agreement as described above. While that agreement was contemplated in the purchase agreement, for purposes of clarity those effects are separately shown in column F.

F) Reflects autonomous entity adjustments which are necessary to illustrate the effects of the reorganization activities which occurred in connection with the acquisitions of ECG and ECP. Specifically, this reflects the expected impact of the Advisory Services Agreement between ECG and Enhanced PC, and certain related incremental costs under the associated Administrative Services Arrangement, as described further in the introduction to the unaudited pro forma financial information. Under this agreement which became effective upon the close of the transaction, ECG will earn a fixed fee over a period of seven years for managing the permanent capital subsidiaries of Enhanced PC (which were contributed by both ECG and ECP at the acquisition date). While management has not generally included pro forma adjustments to reflect expected revenue increases, costs savings or synergies, and costs in order to achieve those synergies, it was concluded that based on the nature of this agreement (as it was specifically contemplated in the purchase agreement and relates to services which did not previously generate revenues when the Permanent Capital Subsidiaries were owned by ECG) and its significance to the acquisition of ECG and ECP, it was determined that it would be prudent information to illustrate how the operating results of the combined company might have looked had the acquisition occurred effective January 1, 2020.

G) Reflects the effects of the Reorganization and IPO as described throughout the accompanying prospectus. We note that the primary effects of the Reorganization and IPO on the Company's statement of operations are as follows:

- The pay down of debt of P10 and its subsidiaries, which results in adjustments to remove the related interest expense;

- The impact on the weighted average shares outstanding. As the Reorganization and IPO resulted in the conversion of all existing equity into Class B common shares of P10, Inc. and the issuance of Class A common shares of P10, Inc., these adjustments reflect the number of shares post-IPO and what the unaudited pro forma earnings per share would have been.

H) Reflects the unaudited condensed consolidated and combined pro forma statements of operations of P10, Inc. after giving effect to the pro forma adjustments described herein.

The pro forma adjustments are based on our preliminary estimates and assumptions that are subject to change, and are reflective of the acquisitions, Reorganization and IPO as described above. The following provides additional information regarding the pro forma adjustments described above:

1) Reflects the management and advisory fee revenues of $4.7 million recorded by ECG for the period from October 1, 2020 through December 13, 2020.

2) Reflects the adjustments to revenues in the acquisitions of TrueBridge and ECG. P10 did not acquire the carried interest and other assets of TrueBridge which generated other revenue of $0.1 million in the historical financial information prior to the acquisition. As such, those historic amounts are removed.

The remaining adjustment of $2.6 million reflect the revenues of ECG in the historical financial information generated by the Permanent Capital Subsidiaries which were contributed to Enhanced PC as described above. As such, those historic amounts are removed.

3) This adjustment reflects the reclassification of historical financial amounts for acquired entities to conform with P10's presentation. Specifically, $5.8 million included in ECG's historic general and administrative expenses, and $2.7 million included in TrueBridge's historic management fee expenses, were reclassified to compensation and benefits. This reclassification had no impact on total operating expenses. This adjustment also reflects an increase of $4.3 million to record the compensation and benefits reported by ECG for the period between October 1, 2020 and December 13, 2020.

Included within the Five Points and TrueBridge historical compensation and benefits amounts are $4.5 million and $5.4 million, respectively, of non-recurring transaction related bonuses. Similarly, included within the $4.3 million ECG adjustment described above is $2.3 million of non-recurring transaction related bonuses. There have been no adjustments made to remove these non-recurring charges.

4) This adjustment of $0.7 million is comprised of a $0.2 million reduction reflecting the professional expenses recorded by ECG's Permanent Capital Subsidiaries which were contributed to Enhanced PC, and a $0.9 million increase reflecting the professional fees recorded by ECG for the period from October 1, 2020 through December 13, 2020.

Included within the P10, Five Points and TrueBridge historical professional fee amounts are $6.5 million, $0.5 million, and $2.1 million, respectively, of non-recurring transaction related professional fees associated with the acquisitions of Five Points, TrueBridge and Enhanced. Similarly, included within the $0.9 million ECG adjustment described above is $0.8 million of non-recurring transaction related professional fees.

5) Reflects the reclassification of $5.8 million of historical ECG general and administrative expenses to compensation and benefits as described in pro forma adjustment 3, offset by $1.1 million reflecting the general and administrative expenses recorded by ECG for the period from October 1, 2020 through December 13, 2020.

6) Reflects the adjustments of amortization of intangible assets to (i) remove any historical amortization of intangible assets related to Five Points, TrueBridge, and ECG reflected in the historical results, and to (ii) adjust for the amortization of acquired Five Points, TrueBridge and ECG intangibles as if the acquisition occurred and amortization began on January 1, 2020. These following table summarizes these adjustments:

	Year Ended December 31, 2020
Pro forma amortization expense	$ 21,315
Historical amortization expense	(5,490)
Adjustment to amortization expense	$ 15,824

7) Reflects the adjustments of income (loss) from unconsolidated subsidiaries related to the equity method investments obtained through the acquisitions of ECG and ECP, as well as the related contribution of the Permanent Capital Subsidiaries and effects of the Reorganization Agreement, as described above, and is comprised of several factors:

- ECG recorded $0.2 million of income on existing equity method investments held by ECG prior to the acquisition for the period from October 1, 2020 through December 31, 2020.
- P10 acquired a 49% voting interest and a 50% economic interest ownership in ECP in the acquisition on December 14, 2020. As a result, P10 will receive 50% of the profits or losses generated by ECP. Accordingly, this pro forma adjustment reflects an income (loss) in equity method investments equal to 50% of the historic ECP income (loss) for the period from January 1, 2020 through December 13, 2020.
- In connection with the acquisitions and related activity as described above, ECG acquired non-voting interests which provide ECG with 68.75% of the profits or losses generated by Enhanced PC. ECP acquired the remaining equity interests of Enhnaced PC consisting of 100% of the voting interest and 31.25% of the profits or losses generated by Enhanced PC. This resulted in the following adjustments:
  - P10 will record income (loss) in equity method investment equal to 68.75% of the income (loss) of Enhanced PC, which reflects the historical income (loss) generated by the permanent capital subsidiaries contributed by ECG and ECP.
  - As ECP contributed their legacy permanent capital subsidiaries, the historic income (loss) of ECP would be adjusted by this amount. However, as a result of their 31.25% interest in Enhanced PC, 31.25% of the income (loss) will be recovered through their equity method investment. The remaining amount will be recorded by ECG due to their 68.75% interest in Enhanced PC.

Both ECP and Enhanced PC recorded net losses for the year-ended December 31, 2020 on a pro forma basis. As described in the preceding sections and in the notes to the consolidated financial statements of P10 for the year ended December 31, 2020 contained elsewhere in this prospectus, the Company's cost basis and carrying value of the investments in ECP and Enhanced PC was de minimis, and at December 31, 2020, the carrying value of these equity method investments were $0 each. Accordingly, the Company would suspend the equity method of accounting and would not recognize these losses in the Company's statement of operations but would continue to track losses in excess of the cost basis. Accordingly, no adjustment is reflected in the accompanying pro forma statements of operations for these losses in excess of our cost basis.

8) Reflects adjustments to interest expense for (i) reductions in debt for amounts extinguished at the time of the acquisition of ECG and for the debt of the contributed Permanent Capital Subsidiaries and (ii) the increase in debt for the amounts issued to fund the acquisitions of TrueBridge, ECG and ECP, as if these extinguishments and issuances occurred on January 1, 2020.

Debt of ECG, which was not held by the Permanent Capital Subsidiaries, totaling $64.4 million as of the acquisition date was extinguished using the proceeds from the acquisition. As this debt was not assumed by

P10, the related interest expense is removed through these pro forma adjustments. Additionally, the Permanent Capital Subsidiaries which were contributed by ECG to Enhanced PC held $60.0 million of debt as of the acquisition date. As P10 did not assume this debt, the related interest expense is removed, resulting in a total reduction to pro forma interest expense of $6.9 million for the year ended December 31, 2020.

These reductions in interest expense were offset by the effects of the $159.4 million of incremental debt issued by P10 Intermediate in order to fund the acquisitions of TrueBridge, ECG and ECP. These borrowings carry an interest rate of 3 month LIBOR plus 6.00%. Based on the average interest rates during the period, this resulted in an increase to interest expense of $10.6 million for the year ended December 31, 2020. These adjustments do not give any effect to the anticipated pay down of Company debt in connection with the IPO, which is described in pro forma adjustment 15 below.

9) Reflects an immaterial amount of other expenses recorded by the Permanent Capital Subsidiaries of ECG which were contributed to Enhanced PC.

10) Reflects the income tax benefit (expense) related to the pro forma adjustments detailed in this column at a tax rate of 21%, which represents the Federal corporate income tax rate.

11) Reflects the impacts of the Advisory Services Agreement between ECG and Enhanced PC. In exchange for providing advisory and management services to the Enhanced PC, ECG will receive a fixed fee over a period of seven years. This includes the provision of services related to the Permanent Capital Subsidiaries, which were consolidated subsidiaries of ECG in the historical ECG financial statements prior to the effects of the Reorganization Agreement, which became effective upon the completion of the acquisition. In the first year of the contract, ECG is expected to earn $19.0 million of advisory fees, which will be earned ratably throughout that annual period. As previously noted, this only reflects advisory fees for the existing subsidiaries which were contributed to Enhanced PC by both ECG and ECP, and any future advisory arrangements for funds or programs created after the acquisition will be subject to separate agreements. No effect has been given to any estimated future revenues other than those explicitly stated in the Advisory Services Agreement which became effective upon the acquisition. As a result, an adjustment to increase advisory services revenues by $19.0 million was reflected in the year ended December 31, 2020.

We have assessed the collectability of these revenues in light of the observed losses associated with the Permanent Capital Subsidiaries which were contributed to Enhanced PC, and will represent substantially all of the operations of Enhanced PC. We have evaluated the expected future cash flows of Enhanced PC, which are expected to be sufficient such that it is probable that we will collect all of the promised consideration to which we will be entitled in exchange for the services that will be transferred to Enhanced PC.

12) Reflects the estimated increase in compensation associated with the Administration Services Agreement which is expected to result from the provision of services under the Advisory Services Agreement, which is necessary to reflect ECG operating as an autonomous entity after the contribution of the Permanent Capital Subsidiaries to Enhanced PC.

13) As a result of the advisory services charged by ECG to Enhanced PC as described in pro forma adjustment, Enhanced PC will recognize a corresponding expense in the amount of the advisory services revenues recognized by ECG. This will impact P10's operating results due to the pickup of 68.75% of Enhanced PC's income or loss through the equity method investment in Enhanced PC, as well as a pickup of 50% of the remaining amount through P10's 50% equity method investment in ECP. However, as described in the preceding sections, as the Company's cost basis and carrying value of the investments in ECP and Enhanced PC is at $0 at December 31, 2020, the Company would suspend the equity method accounting. As such, P10 would not recognize these additional losses on equity method investments in the Company's statement of operations but would continue to track losses in excess of the cost basis. Accordingly, no adjustment is reflected in the accompanying pro forma statement of operations for these additional losses.

14) Reflects the income tax benefit (expense) related to the pro forma adjustments detailed in this column at a tax rate of 21%, which represents the Federal corporate income tax rate.

15) As noted above, the Company expects to pay down $ of outstanding debt using a portion of the proceeds of the IPO. Had this pay down occurred as of January 1, 2020, the Company would not have incurred $ of interest expense. This reduction is offset by the $ early payment penalty expected to be incurred upon the pay down of the credit and guaranty facility.

16) Reflects the income tax benefit (expense) related to the pro forma adjustments detailed in this column at a tax rate of 21%, which represents the Federal corporate income tax rate.

17) Reflects the pro forma earnings per share of P10, Inc. following the IPO which resulted in basic weighted average shares of common stock outstanding of for the year ended December 31, 2020, and diluted weighted average shares of common stock outstanding of .

Note 4. Earnings Per Share

Pro forma earnings from continuing operations per share for the year ended December 31, 2020 have been calculated based on the estimated weighted average number of common shares outstanding on a pro forma basis, as described below. The pro forma weighted average shares outstanding have been calculated as if the Reorganization and IPO had been completed on January 1, 2020.

Note 5. Non-GAAP Financial Measurements

Below is a description of our unaudited pro forma non-GAAP financial measures. These are not measures of financial performance under GAAP and should not be construed as a substitute for the most directly comparable pro forma GAAP measures, which are reconciled below. These measures have limitations as analytical tools, and when assessing our operating performance, you should not consider these measures in isolation or as a substitute for GAAP measures. Other companies may calculate these measures differently than we do, limiting their usefulness as a comparative measure.

We use Adjusted Net Income, or ANI, as well as Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) to provide additional measures of profitability. We use the measures to assess our performance relative to our intended strategies, expected patterns of profitability, and budgets, and use the results of that assessment to adjust our future activities to the extent we deem necessary. ANI reflects our actual cash flows generated by our core operations. ANI is calculated as Adjusted EBITDA, less actual cash paid for interest and federal and state income taxes.

In order to compute Adjusted EBITDA, we adjust our GAAP net income for the following items:

- Expenses that typically do not require us to pay them in cash in the current period (such as depreciation, amortization and stock-based compensation);
- The cost of financing our business;
- Acquisition-related expenses which reflects the actual costs incurred during the period for the acquisition of new businesses, which primarily consists of fees for professional services including legal, accounting, and advisory, as well as bonuses paid to employees directly related to the acquisition;
- Registration-related expenses includes professional services associated with our prospectus process incurred during the period, and does not reflect expected regulatory, compliance, and other costs associated with which may be incurred subsequent to our Initial Public Offering; and
- The effects of income taxes.

Adjusted Net Income reflects the cash payments made for interest, which differs significantly from total interest expense which includes non-cash interest on the non-interest-bearing Seller Notes related to our acquisitions of RCP 2 and RCP 3. Similarly, the cash income taxes paid during the periods is significantly lower than the net income tax benefit, which is primarily comprised of deferred tax benefits as described in the results of operations.

	For the Year Ended December 31, 2020 Pro Forma
Net (loss) income	$
Add back (subtract):	
Depreciation and amortization	
Interest expense, net	
Income tax benefit	
Changes in valuation of note receivable from ECP	
Acquisition-related expenses	
Registration-related expenses	
Non-cash stock based compensation	
Adjusted EBITDA	
Less:	
Cash interest (expense), net	
Cash income taxes	
Adjusted Net Income	$

SELECTED HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The following table sets forth selected financial information and other data on a historical basis. We derived the selected historical income statement data of P10 Holdings for each of the years ended December 31, 2020, 2019 and 2018, and the selected historical consolidated balance sheet data as of December 31, 2020 and 2019 from our audited financial statements included elsewhere in this prospectus.

The selected unaudited pro forma consolidated income statement data set forth below for the year ended December 31, 2020 gives effect to (i) our acquisitions of Five Points, TrueBridge, ECG and ECP, and (ii) the Reorganization and initial public offering as described throughout this prospectus, as if each had been completed as of January 1, 2020. The selected unaudited pro forma consolidated balance sheet data set forth below as of December 31, 2020 gives effect to this offering and the application of the net proceeds from this offering, as if each had been completed as of December 31, 2020.

Our selected historical results are not necessarily indicative of the results to be expected in the future. The information below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and related notes included elsewhere in this prospectus. The following table includes ANI and Adjusted EBITDA, which are not measures of financial performance under GAAP. Refer to the aforementioned section for further description and discussion of these metrics and reconciliations to the most directly comparable GAAP measures.

Income Statement Data (in thousands)	P10, Inc. Year Ended December 31, 2020 Pro Forma	P10 Holdings, Inc. Years Ended December 31, 2020	2019	2018(1)
Revenues:				
Management and advisory fees	$	$ 66,125	$ 42,209	$ 32,130
Other revenue		1,243	2,693	1,871
Total revenues		67,368	44,902	34,001
Operating Expenses:				
Compensation and benefits		24,529	12,343	9,829
Professional fees		13,953	4,572	764
General administrative and other		4,731	4,624	4,373
Amortization of intangibles		15,466	10,552	11,026
Other expenses		—	—	747
Total operating expenses		58,679	32,091	26,739
Income from Operations		8,689	12,811	7,262
Other (expense):				
Interest expense, net		(11,720)	(11,372)	(10,155)
Net (loss) income before income taxes		(3,031)	1,439	(2,893)
Income tax benefit		26,837	10,502	8,787
Net Income	$	$ 23,806	$ 11,941	$ 5,894
Non-GAAP Information (in thousands)				
Adjusted EBITDA	$	$ 34,805	$ 27,310	$ 18,627
Adjusted Net Income		23,937	21,554	13,053

Balance Sheet Data (in thousands)	P10, Inc. As of December 31, 2020 Pro Forma	P10 Holdings, Inc. As of December 31, 2020	2019
Assets			
Cash and cash equivalents	$	$ 11,773	$ 18,710
Deferred tax assets		37,621	21,707
Intangibles, net		143,738	54,814
Goodwill		369,982	97,323
Total assets		582,426	202,804
Liabilities and stockholders' equity			
Debt obligations	$	$290,055	$145,846
Total liabilities		324,146	166,763
Redeemable non-controlling interest		198,439	—
Stockholders' equity		59,841	36,041
Total liabilities and stockholders' equity		582,426	202,804

(1) Certain historical amounts have been reclassified to conform with current presentation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion relates to the activities and operations of P10 Holdings. As used in this section, "P10 Holdings," the "Company", "we" or "our" includes P10 Holdings and only its consolidated subsidiaries. The following information should be read in conjunction with our selected financial and operating data and the accompanying consolidated financial statements and related notes contained elsewhere in this prospectus. Our historical results discussed below, and the way we evaluate our results, may differ significantly from the descriptions of our business and key metrics used elsewhere in this prospectus due to the effects of acquisitions which occurred during the year ended December 31, 2020, but may not have had a material impact on our statements of operations due to the limited period of time which they were included in our consolidated results. The below historical results also do not include any activities or positions of P10, Inc., or give effect to any of the reorganization activities which have or are expected to occur in connection with the Initial Public Offering contemplated in this prospectus.

Business Overview

We are a leading multi-asset class private market solutions provider in the alternative asset management industry. Our mission is to provide our investors differentiated access to a broad set of solutions and investment vehicles across highly attractive asset classes and geographies that generate superior risk-adjusted returns. Our success and growth have been driven by our position in the private markets' ecosystem, providing investors with specialized private market solutions across a comprehensive set of investment strategies, including primary fund of funds, secondary investment, direct investment and co-investments and advisory solutions. As investors entrust us with additional capital, which strengthens our relationships with our fund managers, drives additional investment opportunities, sources more data, enables portfolio optimization and enhances returns, and in turn attracts new investors.

During the year ended December 31, 2020, we completed several acquisitions to expand the private market solutions available to our investors. On April 1, 2020, we completed our acquisition of Five Points to serve as our Private Credit solution (which also offers certain private equity solutions). Five Points' results are included in our Consolidated Statements of Operations for the period from April 1, 2020 through December 31, 2020. On October 2, 2020, we completed our acquisition of TrueBridge Capital Partners, LLC (TrueBridge) to serve as our Venture Capital solution. TrueBridge's results are included in our Consolidated Statements of Operations for the period from October 2, 2020 through December 31, 2020. On December 14, 2020, we completed our acquisition of 100% of the equity interest in ECG to serve as our Impact Investing solution. ECG's results are included in our Consolidated Statements of Operations for the period from December 14, 2020 through December 31, 2020. These acquisitions were accounted for as business combinations, and these entities are reported as consolidated subsidiaries of P10. Additionally, on December 14, 2020, we completed our acquisition of approximately 49% of the voting interests and 50% of the economic interests in ECP, which is a related party of ECG. As we only acquired a non-controlling interest in ECP, it is reported as an equity method investment in accordance with ASC 323.

For the years ended December 31, 2020 and 2019, our private market solutions were comprised of the following:

- *Private Equity Solutions (PES)*. Under PES, we make direct and indirect investments in middle and lower-middle market private equity across North America. The PES investment team, which is comprised of 33 investment professionals with an average of 24+ years of experience, has deep and long-standing investor and fund manager relationships in the middle and lower-middle market which it has cultivated over the past 20 years, including over 1,800+ investors, 165+ fund managers, 375+ private market funds and 1,800+ portfolio companies. We have 34 active investment vehicles. PES occupies a differentiated position within the private markets ecosystem helping our investors access, perform due diligence, analyze and invest in what we believe are attractive middle and lower-middle market private equity opportunities. We are further differentiated by the scale, depth, diversity and accuracy of our constantly expanding proprietary private markets database that contains comprehensive information on more than 2,500 investment firms, 4,000 funds, 25,000 individual transactions, 30,000 private companies and 175,000 financial metrics. As of December 31, 2020, PES managed $6.9 billion of FPAUM.

- *Private Credit Solutions (PCS).* Under PCS, we primarily make debt investments across North America, targeting lower middle market companies owned by leading financial sponsors and also offer certain private equity solutions. The PCS investment team, which is comprised of 17 investment professionals with an average of 21+ years of experience, has deep and long-standing relationships in the private credit market which it has cultivated over the past 22 years, including 180+ investors across 4 active investment vehicles and 64 portfolio companies with over $1.47+ billion capital deployed. Our PCS is differentiated by our relationship-driven sourcing approach providing capital solutions for growth-oriented companies. We are further synergistically strengthened by our PES network of fund managers, characterized by more than 575 credit opportunities annually. We currently maintain 45+ active sponsor relationships and have 60+ platform investments. As of December 31, 2020, PCS managed $0.6 billion of FPAUM.
- *Venture Capital Solutions (VCS).* Under VCS, we make investments in venture capital funds across North America and specialize in targeting high-performing, access-constrained opportunities. The VCS investment team, which is comprised of 10 investment professionals with an average of 18+ years of experience, has deep and long-standing investor and fund manager relationships in the venture market which it has cultivated over the past 14+ years, including over 540+ investors, 60+ fund managers, 55 direct investments, 230+ private market funds and 6,500+ portfolio companies. We have 9 active investment vehicles. Our VCS solution is differentiated by our innovative strategic partnerships and our vantage point within the venture capital and technology ecosystems, maximizing advantages for our investors. In addition, since 2011, we have partnered with Forbes to publish the Midas List, a ranking of the top value-creating venture capitalists. As of December 31, 2020, VCS managed $3.5 billion of FPAUM.
- *Impact Investing Solutions (IIS).* Under IIS, we make equity, tax equity, and debt investments in impact initiatives across North America. IIS primarily targets investments in renewable energy development and historic building renovation projects, as well as providing capital to small businesses that are women or minority owned or operating in underserved communities. The IIS investment team, which is comprised of 12 investment professionals with an average of 21+ years of experience, has deep and long-standing relationships in the impact market which it has cultivated over the past 20 years, including deploying capital on behalf of over 81 investors. We currently have 27 active investment vehicles. We are differentiated in both the breadth of impact areas served, the type of capital deployed and the duration of our track record. We have collectively deployed over $3.0 billion into 600+ projects, supporting 380+ businesses across 36 states since 2000, including $550 million capital deployed in impact credit and 535 million KWh of renewable energy produced through 2019. As of December 31, 2020, IIS managed $1.7 billion of FPAUM.

Sources of Revenue

Our sources of revenue currently include fund management fee contracts, advisory service fee contracts, consulting agreements, referral fees, subscriptions and other services. The majority of our revenues are generated through long-term, fixed fee management and advisory contracts with our investors for providing investment solutions in the following vehicles for our investors as of December 31, 2020:

- *Primary Fund of Funds.* Primary fund of funds refer to investment vehicles which target investments in new private markets funds, which in turn invest directly in portfolio companies. P10’s primary fund of funds include both commingled investment vehicles with multiple investors as well as customizable separate accounts, which typically include one investor. Primary investments are made during a fundraising period in the form of capital commitments, which are called upon by the fund manager and utilized to finance its investments in portfolio companies during a predefined investment period. We receive a fee stream that is typically based on our investor's committed, locked-in capital; capital commitments that typically average ten to fifteen years, though they may vary by fund and strategy. We offer primary fund of funds across private equity and venture capital solutions. Often, the fees are structured such that they step down, or decrease, over the life of the fund. Our primary funds comprise approximately $8.4 billion of our FPAUM as of December 31, 2020.

- *Direct and Co-Investment Funds.* Direct and co-investments involve acquiring an equity interest in or making a loan to an operating company, project, property or asset, typically by co-investing alongside an investment by a fund manager or by investing directly in the underlying asset. P10's direct and co-investment funds include both commingled investment vehicles with multiple investors as well as customizable separate accounts, which typically include one investor. Capital committed to direct investments and co-investments is typically invested immediately, thereby advancing the timing of expected returns on investment. We typically receive fees from investors based upon committed capital, with some funds receiving fees based on invested capital; capital commitments, typically average ten to fifteen years, though they may vary by fund. We offer direct and co-investment funds across our private equity, venture capital, private credit and impact investing solutions. Often, the fees are structured such that they step down, or decrease, over the life of the fund. Our direct investing platform comprises approximately $3.5 billion of our FPAUM as of December 31, 2020.
- *Secondaries.* Secondaries refer to investments in existing private markets funds through the acquisition of an existing interest in a private markets fund by one investor from another in a negotiated transaction. In so doing, the buyer agrees to take on future funding obligations in exchange for future returns and distributions. Because secondary investments are generally made when a primary investment fund is three to seven years into its investment period and has deployed a significant portion of its capital into portfolio companies, these investments are viewed as more mature. We typically receive fees from investors on committed capital for a decade, the typical life of the fund. We currently offer secondaries funds across our private equity solutions. Often, the fees are structured such that they step down, or decrease, over the life of the fund. Our secondary funds comprise approximately $0.8 billion of our FPAUM on a basis as of December 31, 2020.

Operating Segments

We operate our business as a single operating segment, which is how our chief operating decision makers (our Co-Chief Executive Officers) evaluate financial performance and make decisions regarding the allocation of resources.

Trends Affecting Our Business

Our business is affected by a variety of factors, including conditions in the financial markets and economic and political conditions in the North American markets which we operate, as well as changes in global economic conditions, including the effects of COVID-19 as described below, and regulatory or other governmental policies or actions can materially affect the values of the funds our platforms manage, as well as our ability to effectively manage investments. With interest rates remaining historically low, we continue to see investors turning towards alternative investments to achieve higher yields.

The continued growth of our business may be influenced by several factors, including the following market trends:

- *Accelerating demand for private markets solutions.* Our ability to track new capital is dependent on investor demand for private markets solutions. We believe the composition of public markets is fundamentally shifting and will drive growth in private markets investing as fewer companies elect to become public corporations, while more companies are choosing to stay privately held or return to being privately held.

Furthermore, investors continue to increase their exposure to passive strategies in search for lower fee alternatives as relative returns in active public market strategies have compressed. We believe the continued move away from active public market strategies into passive strategies will support growth in private market solutions as investors seek higher risk-adjusted returns. Additional trends driving investor demand are 1) increasing long-term investor allocations towards private market asset classes, 2) legislation that allows retirement plans to add private equity vehicles as an investment option, and 3) the adoption of Environmental, Social, and Corporate Governance ("ESG") and impact investing by the institutional and high net worth investor community.

- *Favorable lower and lower-middle market dynamics, and data driven sourcing.* We attribute our strong investment performance track record to several factors, including: our broad private market relationships and access to fund managers and investments, our diligent and responsible investment process, our tenured investing experience and our premier data, technology, and analytic capabilities. Our ability to continue generating strong returns will be impacted by lower and lower-middle market dynamics and our ability to source deals efficiently and effectively using data analytics. As more companies choose to remain private, we believe smaller companies will continue to dominate market supply, with significantly less capital in pursuit. This favorable lower and lower-middle market dynamic implies a larger pool of opportunities at compelling purchase price valuations with significant return potential. In addition, our premier data and analytic capabilities, driven by our proprietary database, support our robust and disciplined sourcing criteria, which fuels our highly selective investment process. Our database stores and organizes a universe of managers and opportunities with powerful tracking metrics that we believe drive optimal portfolio management and monitoring and enable a portfolio grading system, as well as repository of investment evaluation scorecards. Our ability to maintain our data advantage is dependent on a number of factors, including our continued access to a broad set of private market information on an on-going basis.
- *Expanding asset class solutions, broaden geographic reach and grow private markets network effect.* Our ability to continue growing is impacted by our scalability and ability to maximize investor relationships. The purview of private markets has meaningfully broadened over the last decade. As investors increase their allocations to private markets investments, we believe the demand for asset class diversification will rise. Furthermore, as part of this evolution we believe investors will seek out private market solutions providers with scale and an ability to deliver multiple asset classes and vehicle solutions to streamline relationships and pursue cost efficiency. Our scalable business model is well positioned to expand and grow our footprint as we develop our position within the private markets ecosystem to further leverage our synergistic solutions offering. We currently have a leading presence in North America, but believe that expanding our investor presence into international markets can be a significant growth driver for our business as investors continue to seek geographically diverse private market exposure. Further, expanding into additional asset class solutions will enable us to further enhance our integrated network effect across private markets by, among other benefits, fostering deeper manager relationships. We believe that the growing number of private markets focused fund managers increases the operational burden on investors and will lead to a greater reliance on highly trusted advisors to help investors navigate the complexity associated with multi-asset class manager selection.
- *Increasing regulatory requirements and political uncertainty.* The complex regulatory and tax environment could restrict our operations and subject us to increased compliance costs and administrative burdens, as well as restrictions on our business activities. With the recent change in presidential administrations in the United States and related turmoil, there is additional uncertainty around potential legal, regulatory, and tax changes, which may impact our profitability or impact our ability to operate and grow our business.
- *Our ability to raise capital in order to fund acquisitions and strategic growth initiatives.* In addition to organic growth of our existing solutions and services, our growth will continue to depend, in part, on our ability to identify, evaluate and acquire high performing and high-quality asset management businesses in order to expand our team of asset managers and advisors, as well as expand the industries and end markets which we serve. These acquisitions may require us to raise additional capital through debt financing or the issuance of equity securities. Our ability to obtain debt with acceptable terms will be influenced by the

corporate debt markets and prevailing interest rates, as well as our current credit worthiness. The funding available through the issuance of equity securities will be determined in part by the market price of our shares.

- *Increased competition to work with top private equity fund managers.* There has been a trend amongst larger private markets investors to consolidate the number of general partners in which they invest and work with. At times, this has led to certain funds being oversubscribed due to the increasing flow of capital. This has resulted in some investors, primarily smaller investors or less strategically important investors, not being able to gain access to certain funds. Our ability to invest and maintain our sphere of influence with these high-performing fund managers is critical to our investors' success and our ability to maintain our competitive position and grow our revenue.
- *Data advantage relative to competitors.* We believe that the general trend towards transparency and consistency in private markets reporting will create new opportunities for us to leverage our databases and analytical capabilities. We intend to use these advantages afforded to us by our proprietary databases, analytical tools and deep industry knowledge to drive our performance, provide our clients with customized solutions across private markets asset classes and continue to differentiate our products and services from those of our competitors. Our ability to maintain our data advantage is dependent on a number of factors, including our continued access to a broad set of private market information on an on-going basis, as well as our ability to maintain our investment scale, considering the evolving competitive landscape and potential industry consolidation.

Covid-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a global pandemic, which has resulted in significant disruption and uncertainty in the global economic markets. The full extent of the operational and financial impact the COVID-19 pandemic may have on the Company has yet to be determined and is dependent on its duration and spread, the effectiveness of treatments and measures of prevention, and any related operational restrictions and the overall economy. Currently, we have activated our Business Continuity Plan, which assures the ability for all aspects of our business to continue operating without interruption. We are unable to accurately predict how COVID-19 will affect the results of our operations because the virus's severity, the effectiveness, availability and public acceptance of vaccines, as well as the duration of the pandemic are uncertain. However, we do not expect a significant impact to our near-term results given the structure of our contracts. While it is premature to accurately predict its full impact, the pandemic may affect our ability to raise capital for future funds. Refer to further considerations included in the Risk Factors contained elsewhere in this prospectus.

Key Financial & Operating Metrics

Revenues

We generate revenues primarily from management fees and advisory contracts, and to a lesser extent, other consulting arrangements and services. See Significant Accounting Policies in Note 2 of our consolidated financial statements included elsewhere in this prospectus for additional information regarding the way revenues are recognized.

We earn management and advisory fees based on a percentage of investors' capital commitments to or, in selected cases, net invested capital in, or NAV, of our investment funds. Management and advisory fees during the commitment period are charged on capital commitments and after the commitment period (or a defined anniversary of the fund's initial closing) is reduced by a percentage of the management and advisory fees for the preceding years or charged on net invested capital or NAV, in selected cases. Fee schedules are generally fixed and set for the expected life of the funds, which typically are between ten to fifteen years. These fees are typically staged to decrease over the life of the contract due to built-in declines in contractual rates and/or as a result of lower net invested capital balances as capital is returned to investors. We also earn revenues through catch-up fees on the funds we manage. Catch-up fees are earned from investors that committed near the end of the fundraising period of funds originally launched in prior periods, and as such the investors are required to pay a catch-up fee as if they had committed to the fund at the first closing. While catch-up fees are not a significant component of our overall revenue stream, they may result in a temporary increase in our revenues in the period in which they are recognized.

Other revenue consists of subscription and consulting agreements and referral fees that we offer in certain cases. Subscription and consulting agreements provide advisory and/or reporting services to our investors such as monitoring and reporting on an investor’s existing private markets investments. The subscription and consulting agreements typically have renewable one-year lives, and revenue is recognized ratably over the current term of the subscription or the agreement. If subscriptions or fees have been paid in advance, these fees are recorded as deferred revenue on our Consolidated Balance Sheets. Referral fee revenue is recognized upon closing of opportunities where we have referred credit opportunities that do not match our investment criteria.

Operating Expenses

Compensation and benefits are our largest expense and consists of salaries, bonuses, employee benefits and employer-related payroll taxes. We expect to continue to experience a general rise in compensation and benefits expense commensurate with expected growth in headcount and with the need to maintain competitive compensation levels as we expand into new markets to create new products and services. In substantially all instances, the Company does not hold carried interests in the funds that we manage. Carried interest is typically structured to stay with the investment professionals. As such, while this does not impact the compensation we pay to our employees, it allows our investment professionals to receive additional benefit and provides economic incentive for them to outperform on behalf of our investors. This structure differs from that of most of our competitors, which we believe better aligns the objectives of our stockholders, investors and investment professionals. The substantial majority of our compensation and benefit expense is a fixed expense, as variable expense in the form of carried interest is incurred outside of our consolidated group. As a result, our compensation expense is generally fixed, as variable compensation through carried interest does not get reflected in our results.

Professional fees primarily consist of legal, advisory, accounting and tax fees which may include services related to our strategic development opportunities such as due diligence performed in connection with potential acquisitions. Our professional fees will fluctuate commensurate with our strategic objectives and potential acquisitions, and certain recurring accounting advisory, audit and tax expenses are expected to increase as our Company becomes an SEC registrant and we must comply with additional regulatory requirements.

General, administrative and other includes occupancy, travel and entertainment, technology, insurance and other general costs associated with operating our business.

Other Income (Expense)

Interest expense includes interest paid and accrued on our outstanding debt, along with the amortization of deferred financing costs, amortization of original issue discount and the write-off of deferred financing costs due to the repayment of previously outstanding debt. Interest expense also includes the effects of the imputed interest on certain non-interest-bearing notes payable.

Income Tax Expense/Benefit

Income tax expense is comprised of current and deferred tax expense/benefit. Current income tax expense/benefit represents our estimated taxes to be paid or refunded for the current period. In accordance with ASC 740, Income

Taxes ("ASC 740"), we recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are recorded to reduce deferred tax assets to the amount we believe is more likely than not to be realized.

Fee-Paying Assets Under Management, or FPAUM

FPAUM reflects the assets from which we earn management and advisory fees. Our vehicles typically earn management and advisory fees based on committed capital, and in certain cases, net invested capital, depending on the fee terms. Management and advisory fees based on committed capital are not affected by market appreciation or depreciation.

Results of Operations

Year Ended December 31, 2020 compared to Year Ended December 31, 2019

	Year Ended December 31,			
	2020	2019	$ Change	% Change
REVENUES				
Management and advisory fees	$ 66,125	$ 42,209	$23,916	57%
Other revenue	1,243	2,693	(1,450)	-54%
Total revenues	67,368	44,902	22,466	50%
OPERATING EXPENSES				
Compensation and benefits	24,529	12,343	12,186	99%
Professional fees	13,953	4,572	9,381	205%
General, administrative and other	4,731	4,624	107	2%
Amortization of intangibles	15,466	10,552	4,914	47%
Total operating expenses	58,679	32,091	26,588	83%
INCOME FROM OPERATIONS	8,689	12,811	4,122	-32%
OTHER INCOME (EXPENSE)				
Interest expense implied on notes payable to sellers	(988)	(1,957)	969	-50%
Interest expense, net	(10,732)	(9,415)	(1,317)	14%
Total other expense	(11,720)	(11,372)	(348)	3%
Net (loss) income before income taxes	(3,031)	1,439	(4,470)	-311%
Income tax benefit	26,837	10,502	16,335	156%
NET INCOME	$ 23,806	$ 11,941	$11,865	99%

Revenues

Our revenue is composed almost entirely of recurring management and advisory fees, with the vast majority of fees earned on committed capital that is typically subject to ten to fifteen year lock up agreements, therefore our average fee rates have remained stable at 1% as of the twelve months ended December 31, 2020 and 2019. Total revenues increased $22.5 million, or 50%, to $67.4 million, for fiscal 2020 compared to fiscal 2019, due to higher management and advisory fees, partially offset by a decrease in other revenues.

Management fees increased by $23.9 million, or 57%, to $66.1 million, for fiscal 2020 compared to fiscal 2019 due primarily by the acquisitions of Five Points, TrueBridge, and ECG during fiscal 2020, which contributed management fee and advisory revenues of $21.1 million, in total.

The remaining increase of $2.8 million represents an increase in the Company's legacy operations, which was primarily due from (i) having a full year of Fund XIV revenues representing a $2.7 million increase in revenues, including $0.8 million of catch up fees, (ii) the launch of Fund XV in July 2020 which contributed total revenues of $1.3 million, and (iii) a full year of Columbia FOF II representing an increase of $0.9 million for fiscal 2020. These increases were partially offset by (iv) a decrease in SOF III catch up fees of $1.4 million year-over-year, (v) $1.4 million due to scheduled fee step downs for RCP Fund X and Direct II.

Other revenues, which represent ancillary elements of our business, decreased by $1.5 million, or 54%, year-over-year. This decrease was primarily attributable to a decrease in referral fees from one of our customers, which decreased from $1.5 million in fiscal 2019 to $0.1 million in fiscal 2020.

Expenses

	Year Ended December 31, 2020	Year Ended December 31, 2019	$ Change	% Change
OPERATING EXPENSES				
Compensation and benefits	$24,529	$12,343	$12,186	99%
Professional fees	13,953	4,572	9,381	205%
General, administrative and other	4,731	4,624	107	2%
Amortization of intangibles	15,466	10,552	4,914	47%
Total operating expenses	$58,679	$32,091	$26,588	83%

Total operating expenses increased by $26.6 million, or 83%, to $58.7 million, for fiscal 2020 compared to fiscal 2019. This increase was primarily due to increases in compensation and benefits, professional fees and amortization of intangibles. These increases were primarily attributable to the acquisitions completed in fiscal 2020.

Compensation and benefits expense increased by $12.2 million, or 99%, year-over-year. There were several components that contributed to this increase. The primary driver for the increase in compensation and benefits was the acquisitions completed in fiscal 2020 which resulted in a total of $8.5 million of additional compensation expense including Five Points, TrueBridge and ECG. Additionally, salaries increased by $2.9 million in fiscal 2020. Also reflected in the year-over-year increase was a $0.3 million increase in consolidated stock based compensation expense.

Professional fees increased by $9.4 million, or 205% to $14 million in fiscal 2020 due primarily to pursuing business development opportunities and scaling the business. Included in these costs were approximately $6.5 million of transaction costs related to our acquisitions of Five Points, TrueBridge, and ECG, primarily consisting of legal, tax and advisory costs. Additionally, during fiscal 2020 the Company incurred $3.4 million in professional fees associated with the Company's efforts to prepare for an initial public offering. These increases were partially offset set by a decrease of $0.6 million in other costs.

Amortization of intangibles increased by $4.9 million, or 47%, year-over-year. The increase year-over-year is due to the addition of $104.4 million of gross finite lived intangible assets in the acquisitions of Five Points, TrueBridge, and ECG, partially offset by a $0.7 million decrease in amortization from acquisitions which were completed in prior years.

Other Income (Expense)

Interest expense, net on long-term debt increased by $0.4 million, or 3%, to $11.7 million for fiscal 2020 compared to fiscal 2019. This increase was primarily due to a $1.3 million increase in interest expense related to the credit and guaranty facility as a result of the $159.4 million principal increases under the credit and guaranty facility to fund the acquisitions of TrueBridge and ECG. The effects of the increase in principal were partially offset by decreases in the associated LIBOR index rate, which was lower during fiscal 2020 than in fiscal 2019. Additionally, the increase was further offset by a $1.0 million decrease on the imputed interest and discount amortization associated with our non-interest bearing notes.

Income Tax Benefit

Income tax benefit increased by $16.3 million, or 156%, to $26.8 million, for fiscal 2020 compared to fiscal 2019. The increase was due primarily to a deferred tax benefit of $30.3 million in 2020 compared to a deferred tax benefit of $10.9 million in 2019, an increase of approximately $19.4 million. The fiscal 2020 tax benefit was primarily comprised of a $35.4 million reduction in the deferred tax valuation allowance, partially offset by deferred tax expenses for changes in FIN 48 liabilities and expiration of NOL and other credits of $4.2 million and $3.8 million, respectively.

This increase in deferred tax benefit was partially offset by a $3.0 million increase in current tax expense year-over-year, which was primarily due to transaction related tax effects.

FPAUM

The following table provides a period to period roll-forward of our fee-earning AUM on a pro forma basis as if Five Points, True Bridge and ECG were acquired on January 1, 2018.

	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019
	(in millions)	
Balance, beginning of period	$ 11,478	$ 9,456
Add:		
Capital raised (1)	1,160	2,186
Capital deployed (2)	166	110
Net Asset Value Change (3)	(4)	7
Less:		
Scheduled fee base stepdowns	(94)	(245)
Expiration of fee period	—	(36)
Balance, end of period	$ 12,706	$ 11,478

(1) Represents new commiments from funds that earn fees on a committed capital fee base
(2) In certain vehicles, fees are based on capital deployed, as such increasing FPAUM
(3) Net asset value change consists primarily of the impact of market value appreciation (depreciation) from funds that earn fees on a net asset value basis.

Twelve months ended December 31, 2020

FPAUM increased $1.2 billion, or 10.7%, to $12.7 billion on a pro forma basis for the twelve months ended December 31, 2020, due primarily to an increase in capital raised from our private equity, venture capital and impact investment solutions. Our FPAUM growth and concentration across solutions and vehicles has been relatively consistent over time but can vary in particular periods due to the systematic fundraising cycles of new funds, which typically lasts 12 - 24 months. We expect to continue to expand our fundraising efforts and grow FPAUM with the launch of new specialized investment vehicles and asset class solutions.

Year Ended December 31, 2019 compared to Year Ended December 31, 2018

	For the Years Ended December 31, 2019	2018	$ Change	% Change
REVENUES				
Management fees	$ 42,209	$ 32,130	$10,079	31%
Other revenue	2,693	1,871	822	44%
Total revenues	44,902	34,001	10,901	32%
OPERATING EXPENSES				
Compensation and benefits	12,343	9,829	2,514	26%
Professional fees	4,572	764	3,808	498%
General, administrative and other	4,624	4,373	251	6%
Amortization of intangibles	10,552	11,026	(474)	-4%
Other expense	—	747	(747)	-100%
Total operating expenses	32,091	26,739	5,352	20%
INCOME FROM OPERATIONS	12,811	7,262	5,549	76%
OTHER INCOME (EXPENSE)				
Interest expense implied on notes payable to sellers	(1,957)	(3,515)	1,558	-44%
Interest expense, net	(9,415)	(6,640)	(2,775)	42%
Total other expense	(11,372)	(10,155)	(1,217)	12%
Net income (loss) before income taxes	1,439	(2,893)	4,332	-150%
Income tax benefit	10,502	8,787	1,715	20%
NET INCOME	$ 11,941	$ 5,894	$ 6,047	103%

Revenues

Total revenues increased $10.9 million, or 32%, to $44.9 million, for fiscal 2019 compared to fiscal 2018, due primarily to higher management fees.

Management and advisory fees increased by $10.1 million, or 31%, to $42.2 million, for fiscal 2019 compared to fiscal 2018 due to several factors which primarily related to larger fund sizes and total FPAUM in 2019 compared to 2018, earning a full year's worth of revenues from funds which launched in 2018, and new funds which were launched in 2019. There was also a $2.9 million year over year increase due to having a full year of revenue in 2019 for the Columbia Partners business which was acquired in October 2018. Another driver was $2.1 million recognized in fiscal 2019 for catch-up management fees earned in 2019 from investors that committed near the end of the fundraising period of funds that originally launched in prior periods, and as such the investors are required to pay a catch-up fee as if they had committed to the fund at the first closing. Additionally, the initial launch of a new RCP fund, RCP XIV, added approximately $1.3 million in revenues in 2019. There was also a $0.9 million increase in other advisory fees primarily due to the extension of a sub-advisory agreement to a customer who launched a new fund in 2019. The remaining increase is primarily due to having a full year of larger fund sizes for the RCP Direct III and RCP Secondary Opportunities Fund (SOF) III which had additional closings in late 2018, which generated $3.8 million of revenues in fiscal 2019.

Other revenues, which represent ancillary elements of our business, increased by $0.8 million, or 44%, year- over-year. This was primarily due to consulting revenues increasing by $0.7 million in fiscal 2019, driven by an additional closing completed by our consulting customer during 2019.

Expenses

	For the Years Ended December 31, 2019	2018	$ Change	% Change
Compensation and benefits	12,343	9,829	2,514	26%
Professional fees	4,572	764	3,808	498%
General, administrative and other	4,624	4,373	251	6%
Amortization of intangibles	10,552	11,026	(474)	-4%
Other expense	—	747	(747)	-100%
Total operating expenses	32,091	26,739	5,352	20%

Total operating expenses increased by $5.4 million, or 20%, to $32.1 million, for fiscal 2019 compared to fiscal 2018. This increase was primarily due to increases in compensation and benefits and professional fees.

Compensation and benefits expense increased by $2.5 million, or 26%, year over year. There were several components that contributed to this increase. The first was an increase in overall headcount throughout the year, primarily due to having a full year of compensation expenses for the employees of Columbia Partners and annual merit and performance-based compensation increases.

Professional fees increased by $3.8 million, or 498% to $4.6 million in fiscal 2019 due primarily to pursuing business development opportunities and scaling the business. Included in these costs were approximately $1.2 million of transaction costs related to our acquisition of Five Points which was acquired in April 2020, as well as approximately $2.3 million incurred in pursuing certain other potential acquisitions which were ultimately abandoned.

General, administrative and other expenses increased by $0.3 million, or 6%, year over year. This increase was due primarily to the addition of Columbia Partners and a scaling of the business.

Amortization of intangibles decreased by $0.5 million, or 4%, year over year, as the Company continued to amortize its definite lived intangible assets. The decrease was primarily due to a decrease in the amortization of management fund contracts, the amortization for which is based on related contract revenues that results in a declining amortization curve.

Non-GAAP Financial Measures

Below is a description of our unaudited non-GAAP financial measures. These are not measures of financial performance under GAAP and should not be construed as a substitute for the most directly comparable GAAP measures, which are reconciled below. These measures have limitations as analytical tools, and when assessing our operating performance, you should not consider these measures in isolation or as a substitute for GAAP measures. Other companies may calculate these measures differently than we do, limiting their usefulness as a comparative measure.

We use Adjusted Net Income, or ANI, as well as Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) to provide additional measures of profitability. We use the measures to assess our performance relative to our intended strategies, expected patterns of profitability, and budgets, and use the results of that assessment to adjust our future activities to the extent we deem necessary. ANI reflects our actual cash flows generated by our core operations. ANI is calculated as Adjusted EBITDA, less actual cash paid for interest and federal and state income taxes.

In order to compute Adjusted EBITDA, we adjust our GAAP net income for the following items:

- Expenses that typically do not require us to pay them in cash in the current period (such as depreciation, amortization and stock-based compensation)
- The cost of financing our business,
- Acquisition-related expenses which reflects the actual costs incurred during the period for the acquisition of new businesses, which primarily consists of fees for professional services including legal, accounting, and advisory,
- Registration-related expenses includes professional services associated with our prospectus process incurred during the period, and does not reflect expected regulatory, compliance, and other costs associated with which may be incurred subsequent to our Initial Public Offering, and
- The effects of income taxes.

Adjusted Net Income reflects the cash payments made for interest, which differs significantly from total interest expense that includes non-cash interest on the non-interest-bearing Seller Notes related to our acquisitions of RCP 2 and RCP 3. Similarly, the cash income taxes paid during the periods is significantly lower than the net income tax benefit, which is primarily comprised of deferred tax expense as described in the results of operations.

	For the Years Ended December 31,	
	2020	**2019**
Net Income	$ 23,806	$ 11,941
Add back (subtract):		
Depreciation and amortization	15,571	10,582
Interest expense, net	11,720	11,372
Income tax benefit	(26,837)	(10,502)
Acquisition-related expenses	6,480	3,500
Registration-related expenses	3,351	—
Non-cash stock based compensation	714	417
Adjusted EBITDA	34,805	27,310
Less:		
Cash interest expense	(9,699)	(5,756)
Cash income taxes	(1,169)	—
Adjusted Net Income	$ 23,937	$ 21,554

Financial Position, Liquidity and Capital Resources

Selected Statements of Financial Position

	As of December 31,			
	2020	2019	$ Change	% Change
Cash and cash equivalents	$ 11,773	$ 18,710	$ (6,937)	-37%
Goodwill and other intangible assets	513,720	152,137	361,583	238%
Total assets	582,426	202,804	379,622	187%
Debt obligations	290,055	145,846	144,209	99%
Redeemable noncontrolling interest	198,439	—	198,439	—
Stockholders' equity	$ 59,841	$ 36,041	$ 23,800	66%

The Company's balance sheet has grown significantly year-over-year. This is due primarily to the effects of the acquisitions of Five Points, TrueBridge, and Enhanced during fiscal 2020 which are described in Note 3 to the Consolidated Financial Statements of P10. Total assets have increased by $379.6 million year-over-year. As a result of these acquisitions the Company recorded $272.7 million of goodwill and $104.4 million of other intangibles, comprised of management and advisory contracts, trade names, and technology.

These acquisitions were funded through (i) the issuance of $159.4 million of additional term loans, (ii) the issuance of $141.4 million of P10 Intermediate shares (which are reflected as redeemable noncontrolling interest and are described in Note 15 to the Consolidated Financial Statements) to the sellers of these businesses, (iii) the issuance of P10 Intermediate Shares in exchange for $46.4 million in net cash proceeds and (iv) cash on hand. Further information regarding these financing activities and related commitments, as well as our future sources and uses of liquidity, is provided in the following sections.

Historical Liquidity and Capital Resources

We have continued to support our ongoing operations through the receipt of management and advisory fee revenues. However, to fund our continued growth, we have utilized capital obtained through debt and equity raises. Our ability to continue to raise funds will be critical as we pursue additional business development opportunities and new acquisitions.

In order to fund the acquisitions of RCP 2, in October 2017, the Company issued non-interest bearing Secured Promissory Notes Payable ("2017 Seller Notes") in the amount of $81.3 million to the sellers of RCP 2. On January 3, 2018, the Company issued non-interest bearing Secured Promissory Notes Payable ("2018 Seller Notes") in the amount of $22.1 million to the sellers of RCP 3. Additionally, in connection with the acquisition, the Company issued non-interest-bearing tax amortization benefits in the amount of $48.4 million ("TAB Payments") to the owners of RCP 3. The 2017 Seller Notes, the 2018 Seller Notes, and the TAB Payments are collectively referred to as "Notes payable to sellers."

The Company's indirect wholly owned subsidiary, P10 RCP Holdco, LLC ("HoldCo"), entered into a Credit and Guaranty Facility with HPS Investment Partners, LLC (HPS), an unrelated party, as administrative agent and collateral agent on October 7, 2017 (the Facility). The Facility provides for a $130.0 million senior secured credit facility in order to refinance the existing debt obligations of RCP Advisors and provide for the financing to repay the seller notes (the "Seller Notes") due resulting from the acquisition of RCP Advisors. The Facility provides for a $125 million five-year term loan and a $5 million one-year line of credit. The line of credit was repaid and subsequently expired during 2018. This Facility was amended on December 14, 2020 to provide additional term loan borrowings as further described below.

During the year ended December 31, 2020, we raised $46.4 million of cash through the issuance of redeemable preferred equity interests through the issuance of shares in our subsidiary, P10 Intermediate. Additionally, we incurred $159.4 million under the Facility, which matures in October 2022. As of December 31, 2020, we had $261.7 million outstanding under the Facility. We utilized these funds and cash on hand, as well as the issuance of $141.4 million of P10 Intermediate shares to the sellers to fund the acquisitions of Five Points, TrueBridge, ECG and ECP.

Cash Flows

Year Ended December 31, 2020 Compared to the Year Ended December 31, 2019

The following table reflects our cash flows for the years ended December 31, 2020 and 2019:

	Years Ended December 31,			
	2020	2019	$ Change	% Change
Net cash provided by operating activities	$ 10,670	$ 16,813	$ (6,143)	-37%
Net cash used in investing activities	(214,193)	(655)	(213,538)	-32,601%
Net cash provided by (used in) financing activities	196,841	(5,643)	202,484	3,588%
Increase (decrease) in cash and cash equivalents and restricted cash	$ (6,683)	$ 10,515	$ (17,198)	-164%

Operating Activities

Cash from operating activities decreased $6.1 million or -37%, to $10.7 million for fiscal 2020. The components of this net decrease primarily consisted of a $2.9 million decrease in net income adjusted for non-cash expenses and income, including stock-based compensation, depreciation and amortization, and benefit for deferred tax, and the following changes in operating assets and liabilities:

- A decrease related to deferred revenues, primarily due to $6.5 million of deferred revenues acquired in the acquisition of TrueBridge, which were fully recognized in the fourth quarter of 2020;
- An increase related to accounts receivable, primarily attributable to collections of $1.3 million of accounts receivable acquired in the acquisition of ECG; and
- A net increase related to changes in other operating assets and liabilities totaling $2.0 million

Investing activities

The cash used in investing activities increased by $213.5 million or 32,601%, for fiscal 2020. This increase in the cash used was due almost entirely to the acquisitions of Five Points, TrueBridge and Enhanced which resulted in net cash payments of $46.6 million, $87.7 million and $79.6 million, respectively.

Financing Activities

Financing activities provided $196.8 million of cash for fiscal 2020, as compared to cash used of $5.6 million in the comparable period for 2019. The large favorable increase was due to the issuance of redeemable non-controlling interests of $46.4 million and borrowings, net of debt issuance costs, of $154.6 million to fund the acquisitions of Five Points, TrueBridge, and Enhanced. These inflows were partially offset by repayments of debt totaling $4.8 million. In the comparable period for 2019, we had net outflows associated with our debt facilities of $5.6 million.

Year Ended December 31, 2019 compared to Year ended December 31, 2018

The following table reflects our cash flows for fiscal 2019 compared to fiscal 2018:

	For the Years Ended December 31, 2019	2018	$ Change	% Change
Net cash provided by operating activities	$16,813	$ 16,102	$ 711	4%
Net cash used in investing activities	(655)	(12,917)	12,262	-95%
Net cash (used in) provided by financing activities	(5,643)	3,615	(9,258)	-256%
Increase in cash and cash equivalents and restricted cash	$10,515	$ 6,800	$ 3,715	55%

Operating Activities

Net cash provided by operating activities increased $0.7 million, or 4%, to $16.8 million for fiscal 2019 compared to fiscal 2018. The increases in the operating cash flows were primarily driven by changes in the timing of payments for prepaid expenses, which resulted in additional cash being at the end of fiscal 2019 as compared to fiscal 2018.

Investing Activities

Cash used in investing activities decreased by $12.3 million, or 95%, to $0.7 million for fiscal 2019. The decreases were almost entirely due to the completion of the acquisition of RCP Advisors in January 2018, resulting in a net outflow of $12.9 million in fiscal 2018. This decrease was partially offset by the post-closing payments associated with Columbia Partners paid in fiscal 2019 of $0.6 million.

Financing Activities

For fiscal 2019, the cash used in financing activities was $5.6 million, compared to cash provided of $3.6 million in fiscal 2018. The change is due primarily to net borrowings on the credit and guaranty facility of $14.1 million in fiscal 2019 compared to $92.9 million in fiscal 2018, and only $19.8 million of repayments of notes payable in fiscal 2019 as compared to $89.0 million in fiscal 2018.

Future Sources and Uses of Liquidity

We generate significant cash flows from operating activities. We believe that we will be able to continue to meet our current and long-term liquidity and capital requirements through our cash flows from operating activities, existing cash and cash equivalents, and our external financing activities which may include refinancing of existing indebtedness or the pay down of debt using proceeds of equity offerings.

We intend to use a portion of the proceeds raised in the Initial Public Offering contemplated throughout this prospectus to pay down the debt obligations of the Company which existed as of December 31, 2020. See “Use of Proceeds” and “Capitalization.” We believe we will also continue to evaluate opportunities, based on market conditions, to access the capital markets and use proceeds from the issuance of equity securities or debt instruments, to continue funding acquisitions and expanding our operations.

Off Balance Sheet Arrangements

We do not invest in any off-balance sheet vehicles that provide liquidity, capital resources, market or credit risk support, or engage in any activities that expose us to any liability that is not reflected in our consolidated financial statements.

Contractual Obligations, Commitments and Contingencies

In the ordinary course of business, we enter contractual arrangements that require future cash payments. The following table sets forth information regarding our anticipated future cash payments under our contractual obligations as of December 31, 2019:

	Total	2021	2022	2023	2024	2025	Thereafter
Operating lease obligations (1)	$ 8,596	$ 2,053	$ 1,941	$1,936	$1,768	$ 611	$ 287
Debt obligations (2)	304,280	9.756	253,460	—	2,111	2,111	36,842
Total	$312,876	$13,830	$257,423	$3,959	$5,903	$4,747	$ 37,129

1) We lease office space under agreements that expire periodically through 2027. The table only includes guaranteed minimum lease payments under these agreements and does not project other related payments.
2) Debt obligations presented in the table reflect scheduled principal payments related to the various debt instruments of the Company. As described elsewhere in this prospectus, we intend to use a portion of the proceeds from this Merger transaction to repay in full the indebtedness of the Company under these facilities.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts of the Company and its consolidated subsidiaries. The preparation of the Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. We believe the following critical accounting policies could potentially produce materially different results if we were to change the underlying assumptions, estimates, or judgements. See Note 2, "Significant Accounting Policies" in the annual and interim P10 Holdings, Inc. consolidated financial statements contained elsewhere in this prospectus for a summary of our significant accounting policies.

Basis of Presentation

The accompanying Consolidated Financial Statements are prepared in accordance with GAAP. Management believes it has made all necessary adjustments so that the Consolidated Financial Statements are presented fairly and that estimates made in preparing the Consolidated Financial Statements are reasonable and prudent. The Consolidated Financial Statements include the accounts of the Company, its wholly owned or majority-owned subsidiaries and entities in which the Company is deemed to have a direct or indirect controlling financial interest based on either a variable interest model or voting interest model. All intercompany transactions and balances have been eliminated upon consolidation. Certain entities in which the Company holds an interest are investment companies that follow specialized accounting rules under GAAP and reflect their investments at estimated fair value. Accordingly, the carrying value of the Company's equity method investments in such entities retains the specialized accounting treatment.

Principles of Consolidation

The Company performs the variable interest analysis for all entities in which it has a potential variable interest. If the Company has a variable interest in the entity and the entity is a variable interest entity ("VIE"), we will also analyze whether the Company is the primary beneficiary of this entity and if consolidation is required.

Generally, VIEs are entities that lack sufficient equity to finance their activities without additional financial support from other parties, or whose equity holders, as a group, lack one or more of the following characteristics: (a) direct or indirect ability to make decisions, (b) obligation to absorb expected losses or (c) right to receive expected residual returns. A VIE must be evaluated quantitatively and qualitatively to determine the primary beneficiary, which is the reporting entity that has (a) the power to direct activities of a VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The primary beneficiary is required to consolidate the VIE for financial reporting purposes.

To determine a VIE's primary beneficiary, we perform a qualitative assessment to determine which party, if any, has the power to direct activities of the VIE and the obligation to absorb losses and/or receive its benefits. This assessment involves identifying the activities that most significantly impact the VIE's economic performance and determine whether we, or another party, has the power to direct those activities. When evaluating whether we are the primary beneficiary of a VIE, we perform a qualitative analysis that considers the design of the VIE, the nature of our involvement and the variable interests held by other parties. See Note 5 for further information.

The Company has determined that certain of its subsidiaries are VIEs, and that the Company is the primary beneficiary of the entity, because it has the power to direct activities of the entities that most significantly impact the VIE's economic performance and has a controlling financial interest in each entity. Accordingly, the Company consolidates these entities, which includes P10 Intermediate, Holdco, RCP 2, RCP 3 and TrueBridge. The assets and liabilities of the consolidated VIEs are presented gross in the Consolidated Balance Sheets. The assets of our consolidated VIE's are owned by those entities and not generally available to satisfy P10 Holding's obligations, and the liabilities of our consolidated VIE's are obligations of those entities and their creditors do not generally have recourse to the assets of P10 Holdings. See Note 5 for more information on both consolidated and unconsolidated VIEs.

Entities that do not qualify as VIEs are assessed for consolidation as voting interest entities under the voting interest model. Under the voting interest model, the Company consolidates those entities it controls through a majority voting interest or other means. Five Points and ECG are concluded to be consolidated subsidiaries of P10 Intermediate under the voting interest model.

Revenue Recognition of Management Fees and Management Fees Received in Advance

On January 1, 2019, the Company adopted ASC 606, Revenue from Contracts with Customers ("ASC 606") using the modified retrospective method. As a result, prior period amounts continue to be reported under legacy GAAP. The adoption did not change the historical pattern of recognizing revenue for management fees. Accordingly, the Company did not record a cumulative adjustment upon adoption.

Revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services.

While the determination of who is the customer in a contractual arrangement will be made on a contract-by-contract basis, the customer will generally be the investment fund for the Company's significant management and advisory contracts.

Management and Advisory Fees

The Company earns management fees for asset management services provided to the Funds where the Company has discretion over investment decisions. The Company primarily earns fees for advisory services provided to clients where the Company does not have discretion over investment decisions. Management and advisory fees received in advance reflects the amount of fees that have been received prior to the period the fees are earned. These fees are recorded as deferred revenue on the Consolidated Balance Sheets.

For asset management and advisory services, the Company typically satisfies its performance obligations over time as the services are rendered, since the customers simultaneously receive and consume the benefits provided as the Company performs the service. The transaction price is the amount of consideration to which the Company expects to be entitled based on the terms of the arrangement. For certain funds, management fees are initially calculated based on committed capital during the investment period and on net invested capital through the remainder of the fund's term. Additionally, the management fee may step down for certain funds depending on the contractual arrangement. Advisory services are generally based upon fixed amounts and billed quarterly. Other advisory services include transaction and management fees associated with managing the origination and ongoing compliance of certain investments.

Other Revenue

Other revenue on our Consolidated Statements of Operations primarily consists of subscriptions, consulting agreements and referral fees. The subscription and consulting agreements typically have renewable one-year lives, and revenue is recognized ratably over the current term of the subscription or the agreement. If subscriptions or fees have been paid in advance, these fees are recorded as deferred revenue on our Consolidated Balance Sheets. Referral fee revenue is recognized upon closing of certain opportunities.

Income Taxes

Current income tax expense represents our estimated taxes to be paid or refunded for the current period. In accordance with ASC 740, Income Taxes ("ASC 740"), we recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are recorded to reduce deferred tax assets to the amount we believe is more likely than not to be realized.

Uncertain tax positions are recognized only when we believe it is more likely than not that the tax position will be upheld on examination by the taxing authorities based on the merits of the position. We recognize interest and penalties, if any, related to uncertain tax positions in income tax expense.

We file various federal and state and local tax returns based on federal and state local consolidation and stand-alone tax rules as applicable.

Stock-Based Compensation Expense

Stock-based compensation relates to option grants for shares of P10 Holdings awarded to our employees. Stock-based compensation cost is estimated at the grant date based on the fair-value of the award, which is determined using the Black Scholes option valuation model and is recognized as expense ratably over the requisite service period of the award, generally five years. The share price used in the Black Scholes model is based on the trading price of our shares on the OTC Market. Expected life is based on the vesting period and expiration date of the option. Stock price volatility is estimated based on a group of similar publicly traded companies determined to be most reflective of the expected volatility of the Company due to the nature of operations of these entities. The risk-free rates are based on the U.S. Treasury yield in effect at the time of grant. Forfeitures are recognized as they occur.

Business Acquisitions

In accordance with ASC 805, the Company identifies a business to have three key elements: inputs, processes, and outputs. While an integrated set of assets and activities that is a business usually has outputs, outputs are not required to be present. In addition, all the inputs and processes that a seller uses in operating a set of assets and activities are not required if market participants can acquire the set of assets and activities and continue to produce outputs. In addition, the Company also performs a screen test to determine when a set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the set of assets is not a business. If the set of assets and activities is not considered a business, it is accounted for as an asset acquisition using a cost accumulation model. In the cost accumulation model, the cost of the acquisition, including certain transaction costs, is allocated to the assets acquired on the basis of relative fair values.

The Company includes the results of operations of acquired businesses beginning on the respective acquisition dates. In accordance with ASC 805, the Company allocates the purchase price of an acquired business to its identifiable assets and liabilities based on the estimated fair values using the acquisition method. The excess of the purchase price over the amount allocated to the assets and liabilities, if any, is recorded as goodwill. The excess value of the net identifiable assets and liabilities acquired over the purchase price of an acquired business is recorded as a bargain purchase gain. The Company uses all available information to estimate fair values of identifiable intangible assets and property acquired. In making these determinations, the Company may engage an independent third-party valuation specialist to assist with the valuation of certain intangible assets, notes payable, and tax amortization benefits.

The consideration for certain of our acquisitions may include liability classified contingent consideration, which is determined based on formulas stated in the applicable purchase agreements. The amount to be paid under these arrangements is based on certain financial performance measures subsequent to the acquisitions. The contingent consideration included in the purchase price is measured at fair value on the date of the acquisition. The liabilities are remeasured at fair value on each reporting date, with changes in the fair value reflected in general, administrative and other on our Consolidated Statements of Operations.

For business acquisitions, the Company recognizes the fair value of goodwill and other acquired intangible assets, and estimated contingent consideration at the acquisition date as part of purchase price. This fair value measurement is based on unobservable (Level 3) inputs.

Goodwill and Intangible Assets

Goodwill is initially measured as the excess of the cost of the acquired business over the sum of the amounts assigned to identifiable assets acquired less the liabilities assumed. As of December 31, 2020, goodwill recorded on our Consolidated Balance Sheets relates to the acquisitions of RCP 2, RCP 3, Five Points, TrueBridge and Enhanced. As of December 31, 2020, the intangible assets are comprised of indefinite-lived intangible assets and finite-lived intangible assets related to the acquisitions of RCP 2, RCP 3, Five Points, TrueBridge and Enhanced.

Indefinite-lived intangible assets and goodwill are not amortized. Finite-lived technology is amortized using the straight-line method over its estimated useful life of 4 years. Finite-lived management and advisory contracts, which relate to acquired separate accounts and funds and investor/customer relationships with a specified termination date, are amortized in line with contractual revenue to be received, which range between 7 and 16 years. Certain of our trade names are considered to have finite-lives. Finite-lived trade names are amortized over 10 years in line with the pattern in which the economic benefits are expected to occur.

Goodwill is reviewed for impairment at least annually utilizing a qualitative or quantitative approach and more frequently if circumstances indicate impairment may have occurred. The impairment testing for goodwill under the qualitative approach is based first on a qualitative assessment to determine if it is more likely than not that the fair value of the Company’s reporting unit is less than the respective carrying value. The reporting unit is the reporting level for testing the impairment of goodwill. If it is determined that it is more likely than not that a reporting unit’s fair value is less than its carrying value, then the difference is recorded as an impairment (not to exceed the carrying amount of goodwill).

The Company performed the annual goodwill impairment assessment as of September 30, 2020 and 2019 and concluded that goodwill was not impaired. Furthermore, given the amount of acquisition activity since September 30, 2020, we performed a roll forward assessment through December 31, 2020 and concluded that goodwill was not impaired. The Company has not recognized any impairment charges in any of the periods presented.

Recently Issued Accounting Pronouncements

Refer to the accompanying Consolidated Financial Statements of P10 Holdings for discussion of accounting pronouncements which have not yet been adopted.

Qualitative and Quantitative Disclosures about Market Risk

In the normal course of business, we are exposed to a broad range of risks inherent in the financial markets in which we participate, including price risk, interest-rate risk, access to and cost of financing risk, liquidity risk, and counterparty risk. Potentially negative effects of these risks may be mitigated to a certain extent by those aspects of our investment approach, investment strategies or other business activities that are designed to benefit, either in relative or absolute terms, from periods of economic weakness, tighter credit or financial market dislocations.

Our predominant exposure to market risk is related to our role as general partner or investment manager for our specialized investment vehicles and the sensitivities to movements in the fair value of their investments and overall returns for our investors. Since our management fees are generally based on commitments or net invested capital, our management fee and advisory fee revenue is not significantly impacted by changes in investment values, but unfavorable changes in the value of the assets we manage could adversely impact our ability to attract and retain our investors.

Fair value of the financial assets and liabilities of our specialized investment vehicles may fluctuate in response to changes in the value of underlying assets, and interest rates.

Interest Rate Risk

As of December 31, 2020, we had $261.7 million in outstanding principal under our Credit and Guaranty Facility. The annual interest rate on the Term Loan is based on LIBOR, subject to a floor of 1.00%, plus 6.00%. On December 31, 2020 the interest rate on these borrowings was 7.00%. We estimate that a 100-basis point increase in the interest rate would result in an approximately $2.6 million increase in interest expense related to the loan over the next 12 months.

In July 2017, the UK's Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR as a benchmark by the end of 2021. At the present time, our Facility has a term that extends beyond 2021. The Facility provides for a mechanism to amend the underlying agreements to reflect the establishment of an alternate rate of interest. However, we have not yet pursued any amendment or other contractual alternative to our Facility to address this matter. We are currently evaluating the potential impact of the eventual replacement of the LIBOR interest rate.

Credit Risk

We are party to agreements providing for various financial services and transactions that contain an element of risk in the event that the counterparties are unable to meet the terms of such agreements. In such agreements, we depend on the respective counterparty to make payment or otherwise perform. We generally endeavor to minimize our risk of exposure by limiting the counterparties with which we enter into financial transactions to reputable financial institutions. In other circumstances, availability of financing from financial institutions may be uncertain due to market events, and we may not be able to access these financing markets.

Implications of Being an Emerging Growth Company

We are an emerging growth company, and we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. These provisions include, among other matters:

- a provision allowing us to provide fewer years of financial statements and other financial data in an initial public offering registration statement;
- an exemption from the auditor attestation requirement in the assessment of the emerging growth company's internal control over financial reporting;
- an exemption from new or revised financial accounting standards until they would apply to private companies and from compliance with any new requirements adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation;
- reduced disclosure about the emerging growth company's executive compensation arrangements; and
- no requirement to seek non-binding advisory votes on executive compensation or golden parachute arrangements.

The JOBS Act provides that an emerging growth company may take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use this extended transition period until we are no longer an emerging growth company or until we affirmatively and irrevocably opt out of the extended transition period. As a result, our financial statements may not be comparable to those for companies that comply with new or revised accounting pronouncements as of public company effective dates.

We have elected to adopt certain reduced disclosure requirements and the exemption from the auditor attestation requirement available to emerging growth companies. As a result of these elections, the information that we provide in this prospectus may be different than the information you may receive from other public companies in which you hold, or may contemplate holding, equity interests. In addition, it is possible that some investors will find our Class A common stock less attractive as a result of our elections, which may cause a less active trading market for our Class A common stock and more volatility in the price of our Class A common stock.

We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our capital stock that is held by non-affiliates exceeds $700 million as of the prior June 30, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

BUSINESS OF P10

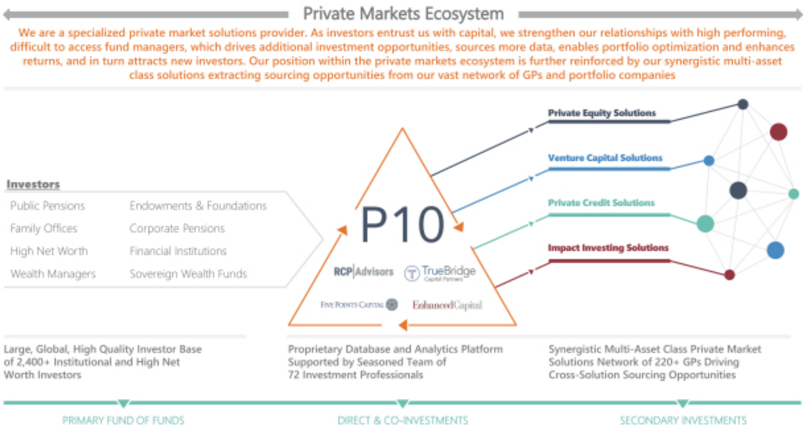
Our Company

We are a leading multi-asset class private market solutions provider in the alternative asset management industry. Our mission is to provide our investors differentiated access to a broad set of investment solutions that address their diverse investment needs within private markets. We structure, manage and monitor portfolios of private market investments, which include specialized funds and customized separate accounts within primary fund of funds, secondary investments, direct investments and co-investments, collectively ("specialized investment vehicles") across highly attractive asset classes and geographies that generate superior risk-adjusted returns. Our existing portfolio of private solutions include Private Equity, Venture Capital, Private Credit and Impact Investing. Our deep industry relationships, differentiated investment access and structure, proprietary data analytics, and our portfolio monitoring and reporting capabilities provide our investors the ability to navigate the increasingly complex and difficult to access private markets investments.

Our revenue is composed almost entirely of recurring management and advisory fees, with the vast majority of fees earned on committed capital that is typically subject to ten to fifteen year lock up agreements. We have an attractive business model that is underpinned by highly recurring, diversified management and advisory fee revenues, and strong free cash flow. The nature of our solutions and the integral role that our solutions play in our investors' investment decisions have translated into high revenue visibility and investor retention.

We are differentiated by the scale, depth, diversity and investment performance of our solutions, which are bolstered by the investment expertise of our investment team, our long-standing access to leading fund managers, our robust and constantly expanding data capabilities and our disciplined investment process. We market our solutions under well-established brands within the specialized markets in which we operate. These include RCP Advisors, our *Private Equity* solution; TrueBridge, our *Venture Capital* solution; Five Points, our *Private Credit* solution (which also offers certain private equity solutions); and Enhanced, our *Impact Investing* solution. We believe adding new asset class solutions will foster deeper manager relationships, enabling managers and portfolio companies alike to benefit from our offering and expect to expand within other asset classes and geographies through additional acquisitions and future planned organic growth by providing additional specialized investment vehicles within our existing investment asset class solutions. Refer to "—Our Growth Strategy" for additional information.

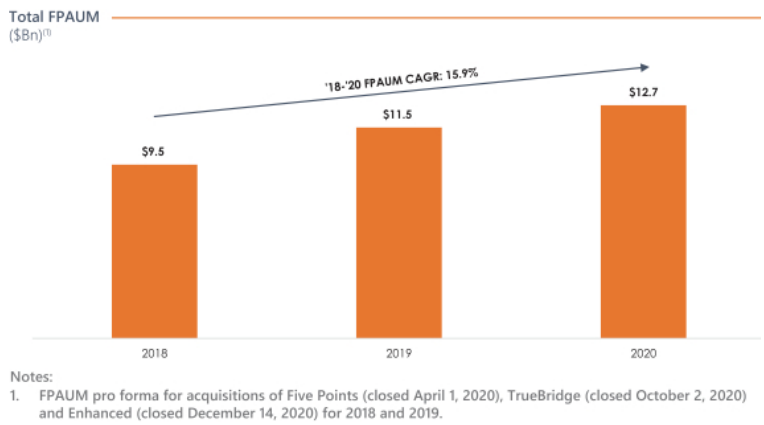
Our success and growth have been driven by our long history of strong performance and our position in the private markets ecosystem. We believe our growing scale in the middle and lower-middle market provides us a competitive advantage with investors and fund managers. In addition, our senior investment professionals have developed strong and long-tenured relationships with leading middle and lower middle market private equity and venture capital firms, which we believe provides us with differentiated access to the relationship-driven middle and lower-middle market private equity and venture capital sectors. As we expand our offerings, our investors entrust us with additional capital, which strengthens our relationships with our fund managers, drives additional investment opportunities, sources more data, enables portfolio optimization and enhances returns, and in turn attracts new investors. We believe this powerful feedback process will continue to strengthen our position within the private markets ecosystem. In addition, our multi-asset class solutions are highly synergistic, and coupled with our vast network of general partners and portfolio companies, drive cross-solution sourcing opportunities.



Our global investor base includes some of the world’s largest institutional investors, including pension funds, endowments, foundations, corporate pensions and financial institutions. In addition, we have a strong footprint within some of the most prominent family offices and high net worth individuals. We have a significant presence within the lower middle-market private markets industry in North America, where the majority of our capital is currently being deployed as we leverage our differentiated solutions to serve our global investors.

As of December 31, 2020, we had 144 employees, including 72 investment professionals across 10 offices located in 9 states. Over 60 of our employees have an equity interest in P10, collectively owning nearly 73% of the Company on a fully-diluted basis prior to this offering.

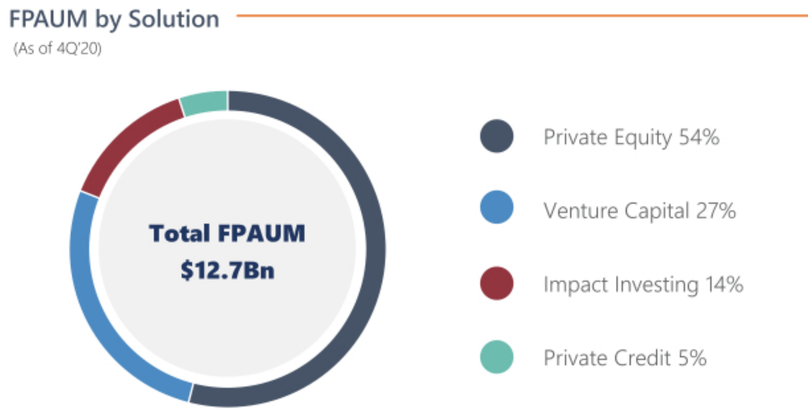
We managed $12.7 billion in FPAUM from which we earn management and advisory fees as of December 31, 2020. In addition, our FPAUM has grown at a CAGR of 15.9% from December 31, 2018 to December 31, 2020, determined on a pro forma basis as if the acquisitions of Five Points, TrueBridge and Enhanced were completed as of January 1, 2018.



Between December 31, 2019 and December 31, 2020, our total revenues increased to $ million, our net income increased % to $ million, and our ANI increased % to $ million, each determined on a pro forma basis as if the acquisitions of Five Points, TrueBridge and Enhanced were completed as of January 1, 2019. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional discussion regarding ANI and how it is derived.

Our Solutions

We operate and invest across private markets through a number of specialized investment solutions. We offer the following solutions to our investors:



Private Equity Solutions (PES)

Under PES, we make direct and indirect investments in middle and lower-middle market private equity across North America. The PES investment team, which is comprised of 33 investment professionals with an average of 24+ years of experience, has deep and long-standing investor and fund manager relationships in the middle and lower-middle market which it has cultivated over the past 20 years, including over 1,800+ investors, 165+ fund managers, 375+ private market funds and 1,800+ portfolio companies. We have 34 active investment vehicles. PES occupies a differentiated position within the private markets ecosystem helping our investors access, perform due diligence, analyze and invest in what we believe are attractive middle and lower-middle market private equity opportunities. We are further differentiated by the scale, depth, diversity and accuracy of our constantly expanding proprietary private markets database that contains comprehensive information on more than 2,500 investment firms, 4,000 funds, 25,000 individual transactions, 30,000 private companies and 175,000 financial metrics. As of December 31, 2020, PES managed $6.9 billion of FPAUM.

Venture Capital Solutions (VCS)

Under VCS, we make investments in venture capital funds across North America and specialize in targeting high-performing, access-constrained opportunities. The VCS investment team, which is comprised of 10 investment professionals with an average of 18+ years of experience, has deep and long-standing investor and fund manager relationships in the venture market which it has cultivated over the past 14+ years, including over 540+ investors, 60+ fund managers, 55 direct investments, 230+ private market funds and 6,500+ portfolio companies. We have 9 active investment vehicles. Our VCS solution is differentiated by our innovative strategic partnerships and our vantage point within the venture capital and technology ecosystems, maximizing advantages for our investors. In addition, since 2011, we have partnered with Forbes to publish the Midas List, a ranking of the top value-creating venture capitalists. As of December 31, 2020, VCS managed $3.5 billion of FPAUM.

Private Credit Solutions (PCS)

Under PCS, we primarily make debt investments across North America, targeting lower middle market companies owned by leading financial sponsors and also offer certain private equity solutions. The PCS investment team, which is comprised of 17 investment professionals with an average of 21+ years of experience, has deep and long-standing relationships in the private credit market which it has cultivated over the past 22 years, including 180+ investors across 4 active investment vehicles and 64 portfolio companies with over $1.47+ billion capital deployed. Our PCS is differentiated by our relationship-driven sourcing approach providing capital solutions for growth-oriented companies. We are further synergistically strengthened by our PES network of fund managers, characterized by more than 575 credit opportunities annually. We currently maintain 45+ active sponsor relationships and have 60+ platform investments. As of December 31, 2020, PCS managed $0.6 billion of FPAUM.

Impact Investing Solutions (IIS)

Under IIS, we make equity, tax equity, and debt investments in impact initiatives across North America. IIS primarily targets investments in renewable energy development and historic building renovation projects, as well as providing capital to small businesses that are women or minority owned or operating in underserved communities. The IIS investment team, which is comprised of 12 investment professionals with an average of 21+ years of experience, has deep and long-standing relationships in the impact market which it has cultivated over the past 20 years, including deploying capital on behalf of over 81 investors. We currently have 27 active investment vehicles. We are differentiated in both the breadth of impact areas served, the type of capital deployed and the duration of our track record. We have collectively deployed over $3.0 billion into 600+ projects, supporting 380+ businesses across 36 states since 2000, including $550 million capital deployed in impact credit and 535 million KWh of renewable energy produced through 2019. As of December 31, 2020, IIS managed $1.7 billion of FPAUM.

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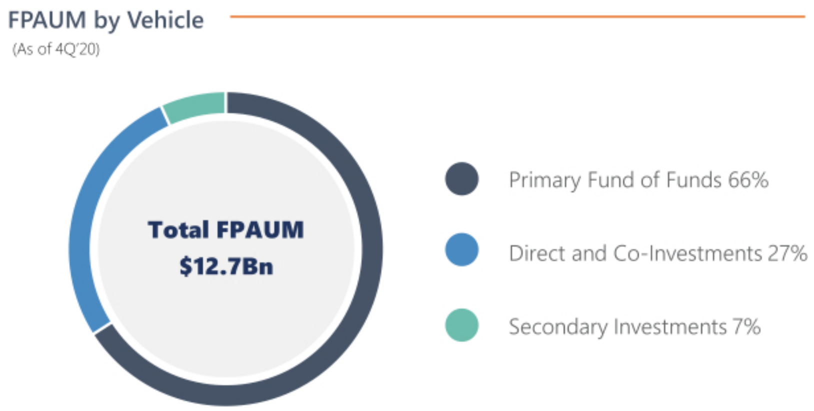
Our Vehicles

We have a flexible business model whereby our investors engage us across multiple specialized private market solutions through different specialized investment vehicles. We offer the following vehicles for our investors:



Primary Fund of Funds

Primary fund of funds refer to investment vehicles which target investments in new private markets funds, which in turn invest directly in portfolio companies. P10's primary fund of funds include both commingled investment vehicles with multiple investors, as well as our customized separate accounts, which typically include one investor. P10's primary investments are made during a fundraising period in the form of capital commitments, which are called upon by the fund manager and utilized to finance its investments in portfolio companies during a predefined investment period. We receive a fee stream that is typically based on our investors' committed, locked-in capital. Capital commitments typically average ten to fifteen years, though they may vary by fund and strategy. We offer primary fund of funds across our private equity and venture capital solutions. Our primary funds comprise approximately $8.4 billion of our FPAUM as of December 31, 2020.

Direct and Co-Investment Funds

Direct and co-investments involve acquiring an equity interest in or making a loan to an operating company, project, property or asset, typically by co-investing alongside an investment by a fund manager or by investing directly in the underlying asset. P10's direct and co-investment funds include both commingled investment vehicles with multiple investors as well as our customized separate accounts, which typically include one investor. Capital committed to direct investments and co-investments is typically invested immediately, thereby advancing the timing of expected returns on investment. We typically receive fees from investors based upon committed capital, with some funds receiving fees based on invested capital; capital commitments which typically average ten to fifteen years, though they may vary by fund. We offer direct and co-investment funds across our private equity, venture capital, private credit and impact investing solutions. Our direct investing platform comprises approximately $3.5 billion of our FPAUM as of December 31, 2020.

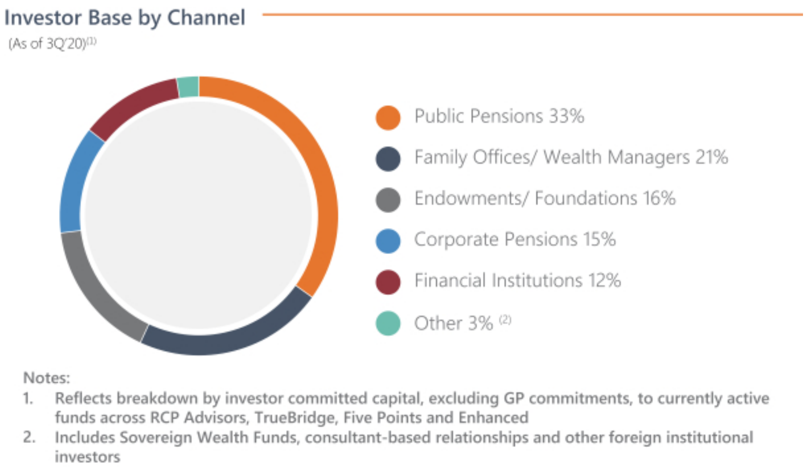
Secondaries

Secondaries refer to investments in existing private markets funds through the acquisition of an existing interest by one investor from another in a negotiated transaction. In so doing, the buyer agrees to take on future funding obligations in exchange for future returns and distributions. Because secondary investments are generally made when a primary investment fund is three to seven years into its investment period and has deployed a significant portion of its capital into portfolio companies, these investments are viewed as more mature. We typically receive fees from investors on committed capital for a decade, the typical life of the fund. We currently offer secondaries funds across our private equity solutions. Our secondary funds comprise approximately $0.8 billion of our FPAUM as of December 31, 2020.

Our Investors

We believe our comprehensive value proposition across our private market solutions, vehicles offering, data analytics, portfolio monitoring and reporting has enabled us to build strong relationships with our existing investors and to attract new high-quality investors. We leverage our differentiated approach to serve a broad set of investors across multiple geographies. As of December 31, 2020, we have a global investor base of over 2,400+ investors, across 46 states, 29 countries and 6 continents – including some of the world's largest pension funds, endowments, foundations, corporate pensions and financial institutions. In addition, we have a strong footprint within some of the most prominent family offices and high net worth individuals.

The following chart illustrates the diversification of our investor base as of September 30, 2020:



Our Distribution and Marketing

We continuously seek to strengthen and expand our relationships with our current and prospective investors. We have a dedicated team of approximately 23 professionals focused on business development and investor relations. Our business development and investor relations teams maintain an active and transparent dialogue with an expansive list of existing and prospective investors and while we have a significant presence in North America, we have cultivated relationships with a number of international investors.

Our business development and investor relations professionals frequent dialogue with existing and prospective investors, enable us to monitor investor preferences and tailor future product offerings to meet investor demand. Prospective investors that wish to learn more about us often visit our offices to conduct in-depth due diligence of our firm. Our business development and investor relations professionals lead this process, coordinate meetings, and continue to be the prospective investor’s principal point of contact throughout their decision-making process. Our business development and investor relations professionals are also responsible for being the principal points of contact for our existing investors, and for our customized separate accounts, we work with each investor to design and implement a specific strategic plan in accordance with the investment guidelines agreed to by us and the investor.

In addition to our direct relationship management efforts, we also work with various consultants that investors rely on for private markets investing advice. As of December 31, 2020, we have over 100 consultant relationships.

Our History

Our entry into becoming a multi-asset class private market solutions provider in the alternative asset management industry originated with our acquisitions of RCP Advisors in October 2017 and January 2018, respectively.

RCP Advisors was founded in 2001 and is a leading sponsor of private equity, funds-of-funds, secondary funds and co-investment funds. Since its founding, RCP Advisors has raised approximately $7 billion of committed capital and maintains one of the largest internal teams dedicated to North America middle and lower-middle market private equity.

P10 Holdings was founded as a Texas corporation in 1992 and reincorporated in Delaware in 2000. On November 19, 2016, P10 Holdings completed the sale of substantially all of its assets and liabilities and operations and became a non-operating company focused on monetizing our retained intellectual property and acquiring profitable businesses and our business primarily consisted of cash, certain retained intellectual property assets and our net operating losses and other tax benefits. In March 2017, P10 Holdings filed for re-organization under Chapter 11 of the Federal Bankruptcy Code, using a prepackaged plan of reorganization. In connection with the filing, P10 Holdings entered into a Restructuring Support Agreement with 210/P10 Investment LLC, as well as a Restructuring Support Agreement with the 2016 purchaser of our assets. P10 Holdings emerged from bankruptcy on May 3, 2017. A key feature of the Restructuring Support agreement included 210/P10 Investment LLC providing capital and management for the company post-bankruptcy. P10 Holdings’ initial acquisition of RCP Advisors was consummated after it had emerged from bankruptcy. In connection with our acquisition of RCP Advisors, P10 Holdings rebranded its name from P10 Industries, Inc. to P10 Holdings, Inc.

Our mission consists of creating a private market solutions provider in the alternative asset management industry that provides investors differentiated access to a broad set of solutions and specialized investment vehicles across highly attractive asset classes and geographies generating competitive risk-adjusted returns.

We specifically aim to eliminate perceived challenges facing many publicly traded alternative asset management firms, (i) earnings volatility due to lumpiness of carried interest, (ii) tax complexities from the ownership of management and advisory fees and carried interest in publicly traded partnerships and (iii) potential misalignment of interest between investment professionals and the shareholders.

With this mission as our guide, as described above in October 2017 and January 2018, we closed on the acquisition of RCP. Then, in April 2020, we closed on the acquisition of Five Points, a leading lower middle market alternative investment manager focused on providing both equity and debt capital to private, growth-oriented companies and LP capital to other private equity funds, with all strategies focused exclusively in the U.S. lower middle market. Since its founding over two decades ago, Five Points has successfully raised and deployed in excess of $1.5 billion on behalf of institutional and high net worth clients. In October 2020, we closed on the acquisition of TrueBridge, a leading venture capital investment firm managing more than $3.3 billion in assets. TrueBridge invests in venture and seed/micro-VC funds focused primarily on early-stage IT, as well as directly in select venture and growth stage technology companies. In December 2020, we closed on the acquisition of Enhanced Capital, LLC, a leading impact investment firm with a two decade history of deploying capital into socially responsible investment areas including small business lending, renewable energy, and women and minority owned businesses. Since inception, Enhanced has deployed in excess of $3 billion across its impact verticals. Today, P10 is a leading multi-asset class private market solutions provider in the alternative asset management industry. We are differentiated by the scale, depth, diversity and investment performance of our solutions, which are underpinned by the investment expertise of our investment team, our long-standing access to leading fund managers, our robust and constantly expanding data capabilities and our disciplined investment process.

We market our solutions under well-established brands within the specialized markets in which we operate. These include RCP Advisors, our *Private Equity* solution; TrueBridge, our *Venture Capital* solution; Five Points, our *Private Credit* solution (which also offers certain private equity solutions); and Enhanced, our *Impact* investing solution. We offer a comprehensive set of investment strategies to our clients, including both commingled funds and customized separate accounts within our primary fund of funds, secondary, direct investment, co-investment vehicles, and advisory solutions. We benefit from strong operating leverage driven by the quality and stability of our revenue base, the strong alignment we have with our respective investment teams, and the leveragability of our platform and back-office operations across our multiple solutions, which together allow us to generate strong contribution margins and free cash flow.

Our common stock is currently publicly traded on the OTC Pink Open Market under the ticker "PIOE", and following the closing we anticipate our Class A common stock will be traded on the NYSE under the ticker "PX".

Our Market Opportunity

We operate in the large and growing private markets industry, which we believe represents one of the most attractive segments within the broader asset management landscape. Specifically, we operate in the Private Equity, Venture Capital, Private Credit, and Impact Investing markets, which we believe represent particularly attractive asset classes and puts us at the center of several favorable trends, including the following:

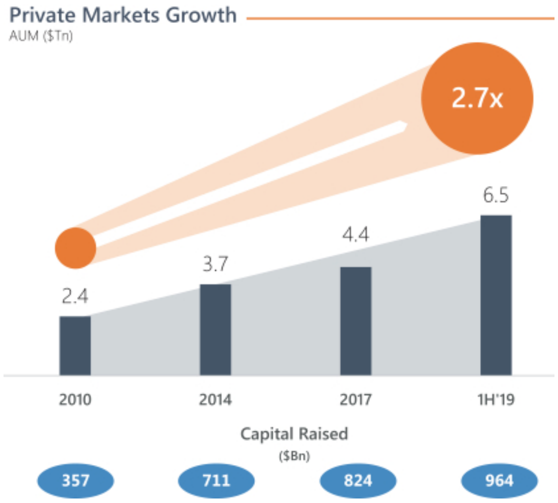
Accelerating Demand for Private Markets Solutions

We believe the composition of public markets is fundamentally shifting and will drive investment growth in private markets as fewer companies elect to become public corporations or return to being privately held. According to the PitchBook Report, the number of public companies in North America and Europe has declined by 3.8% on an annualized basis between 2008 and 2017, while the number of private equity-backed companies has increased by 4.2%.

Furthermore, investors continue to increase their exposure to passive strategies in search of lower fee alternatives as relative returns in active public market strategies have compressed. We believe the continued move away from active public market strategies into passive strategies will support growth in private market solutions as investors seek higher risk-adjusted returns.

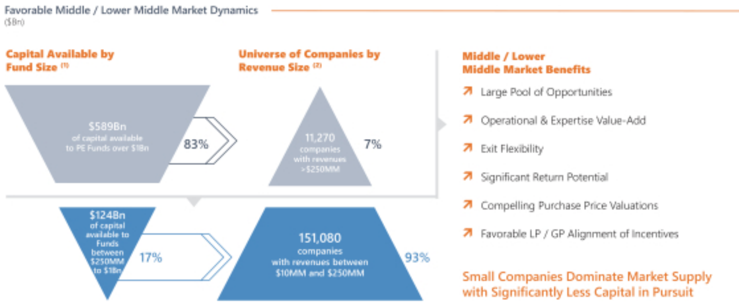
Attractive Historical Private Markets Growth

The private markets have exhibited robust growth. Since 2010, assets under management have grown by 2.7 times from $2.4 trillion in 2010 to $6.5 trillion in the first half of 2019, according to the 2020 McKinsey Report. From 2009 to 2019, the deal value in the lower middle markets has grown by 2.8 times, investments in venture capital have grown by 5.0 times and assets under management of PRI Signatories in impact growth has grown by 4.8 times, according to research conducted by industry sources. In addition, capital targeted in private credit has grown by 2 times from January 2015 to July 2020, according to research conducted by industry sources. According to the 2020 McKinsey Report, fundraising has continued to remain strong with nearly a trillion dollars of total capital raised in 2019. According to the 2020 McKinsey Report, global private markets are expected to continue their strong growth trajectory. Per a recent Preqin Ltd. forecast, global private markets assets under management are expected to grow at an approximate 10% CAGR through 2025. This growth is underpinned by investors search for yield in a lower-for-longer rate environment, in which investors increasingly view allocations to private markets as essential for obtaining diversified exposure to global growth.



Favorable Middle / Lower Middle Market Dynamics

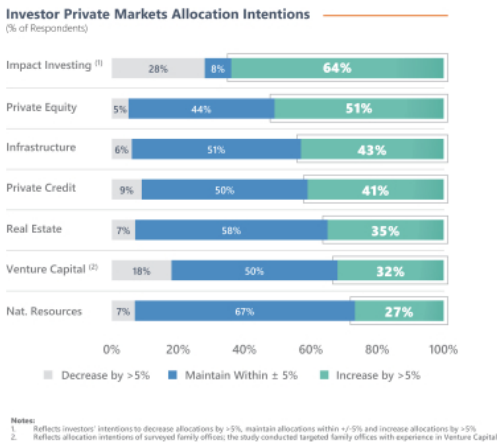
As more companies choose to remain private, we believe smaller companies will continue to dominate market supply, with significantly less capital in pursuit. According to industry sources, only $124 billion of capital is available to U.S. Private Equity Funds between $250 million and $1 billion, versus the $589 billion available to Private Equity funds over $1 billion. In contrast, there are only approximately 11,000 companies with revenues greater than $250 million, versus the more than 151,000 companies with revenues between $10 million and $250 million. We believe this favorable middle and lower-middle market dynamic implies a larger pool of opportunities at compelling purchase price valuations with significant return potential.



Notes:
1. Capital available to invest by fund size represents U.S. private equity overhang for vintage years 2013-2020. U.S. PE Funds: includes buyout, growth, co-investment, mezzanine, diversified PE, energy, and restructuring. As of 3/31/20. Latest data available
2. Commercially-active businesses in the U.S. All subsidiary and business establishment data are combined. Additionally, public sector entities are excluded. As of 11/2/20

Increasing Private Markets Investor Allocations

We believe that alongside growth in the private markets in which we invest, long-term investor allocations are expected to significantly grow over the next several years, which will serve as a tailwind in growing our business. In a survey conducted by Preqin Ltd., 95% and 91% of long-term investors indicated that they were planning to maintain or increase their allocation to Private Equity and Private Credit, respectively. Additionally, according to the Global Impact Investing Network's 2020 report 2020 *Annual Impact Investor Survey*, 64% of polled investors noted that they were expecting to increase their allocations to impact investing by more than 5%. In combination with the broader growth in private markets we believe the increase in long-term investor allocations towards private market asset classes will further drive demand of private market solutions across the investor universe.



Democratization of Private Markets

According to the 2017 PwC Report, the growing wealth of high-net-worth and mass affluent individuals, and the shift in retirement savings from defined benefit to defined contribution plans, have propelled significant growth in the asset management industry over the last decade. At the same time, both high-net-worth and mass affluent investors continue to remain significantly under-allocated to the private markets in comparison with institutional investors.

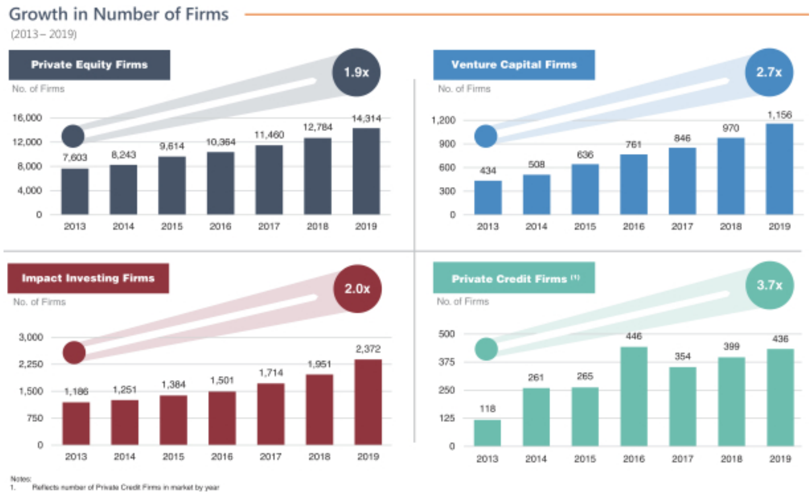
As defined contribution plans in the United States continue to grow and become increasingly familiar with private markets, we believe defined contribution plans will be a significant driver of growth in private markets in the future. In addition, on June 3, 2020, the United States Department of Labor issued an information letter confirming that investments in private equity vehicles may be appropriate for 401(k) and other defined contribution plans as a component of the investment alternatives made available under these plans. These plans hold trillions of dollars of assets, and the guidance in the letter may help significantly expand the market for private equity investments over time.

Importance of Asset Class Access

The purview of private markets has meaningfully broadened over the last decade. As investors increase their allocations to private markets, we believe the demand for asset class diversification will rise. Furthermore, as part of this evolution we believe investors will seek out private market solutions providers with scale and an ability to deliver multiple asset classes and vehicle solutions to streamline relationships and pursue cost efficiency.

Proliferation of Private Market Choices

According to research and data from the SEC and Principles for Responsible Investment (PRI), from 2013 to 2019, the number of managers across private markets has increased dramatically. From 2013 to 2019, the number of Private Equity firms, Venture Capital firms, Private Credit firms and Impact Investing firms have more than doubled. We believe that the growing number of private markets focused fund managers increases the operational burden on investors and will lead to a greater reliance on highly trusted advisers to help investors navigate the complexity associated with multi-asset class manager selection.



Rise of ESG and Impact Investing in Private Markets

According to industry sources, the total assets under management of PRI signatories, the cohort of asset managers that have committed to upholding ESG principles, a barometer for the ESG industry, has increased roughly five-fold since 2009, from $18 billion to $86 billion. According to the 2020 McKinsey Report, an ESG approach to private markets has been one of the most talked about developments of the past several years. According to the 2020 McKinsey Report, as public awareness of and activism relating to ESG driven investing have increased, many prominent investors in Private Equity have followed suit, often requiring general partners to pass an ESG screen as part of their diligence processes – demanding transparency into ESG policies, procedures and performance of portfolio assets. In response and in conjunction with regulatory influence, we believe the adoption of ESG and the growth of impact investing will continue to proliferate in private markets.

Investor Demand for Data, Analytics and Technology

We believe many investors do not have an adequate technology and data infrastructure to respond to increasingly complex demands for private market investments. As a result, we believe investors will seek to partner with firms that not only have a proven track record, but also offer tech-enabled non-investment functions, including GP-level reports, enhanced portfolio monitoring, customized performance benchmarking and associated compliance, administrative and tax capabilities. According to the 2019 Ernst & Young Report, 38% of the private equity fund managers surveyed reported middle- and back-office process enhancement as one of their top three priorities to support growth in assets and to meet the needs of new investors. In the same report, 43% of investors surveyed believe improved investor reporting should be a top-three priority for managers.

Our Competitive Strengths

Specialized Multi-Asset Class Solutions and Comprehensive Vehicle Offering

We believe our specialized multi-asset class solutions offering, distinct market access and wide-ranging relationships continue to be key competitive differentiators for our investors. Our solutions across private equity, venture capital, private credit and impact investing, coupled with our vehicle offerings across primaries, secondaries, direct and co-investments, we believe, provide our investors with a comprehensive framework to successfully navigate and gain exposure to private markets. Our value proposition and solutions offering continue to position us well to compete and win new investor relationships and mandates.

Distinct Middle and Lower-Middle Market Expertise

We believe the private markets exhibit compelling investment opportunities with significant return potential. Our investment expertise in private markets, coupled with our scale, distinctly positions our business within the private markets ecosystem. Our investment talent across our different private market solutions is led by senior investment professionals with sustained track records of successful private markets investing. Our investment team consists of 72 investment professionals with deep industry expertise across middle and lower middle market private equity, venture capital, private credit and impact investing. Our leadership team has an average of over 21 years of experience and our investment professionals across the different solutions have a long track record of working together.

Differentiated Access to Middle and Lower Middle Market Private Equity and Venture Capital Firms

We believe our investors increasingly seek exposure to the middle and lower-middle markets private equity and venture capital firms but may not have the necessary tools to analyze, diligence and gain access to opportunities offered. Due to our scale and tenure within middle and lower-middle market private equity and venture capital, we have cultivated long-standing relationships with leading middle and lower-middle market private equity and venture capital general partners. We have established relationships with over 220 general partners, which provides us with differentiated access to investment opportunities within private markets, benefiting our investors.

Highly Diversified Investor Base with High-Net-Worth Channel

We believe we are a leading provider of private market solutions for a highly diverse global investor base. Our investors include some of the world's largest and most prominent public pension funds, family offices, wealth managers, endowments, foundations, corporate pensions and financial institutions. We believe our multi-asset class solutions have allowed our investors to increase and expand allocations across our various solutions and vehicles, thereby deepening existing and new investor relationships. Our business is well-positioned to continue to service and grow our investor base with 23 professionals dedicated to investor relations and business development.

Premier Data Analytics with Proprietary Database

Our premier data and analytic capabilities, driven by our proprietary database, supports our robust and disciplined sourcing criteria, which fuels our highly selective investment process. Our database stores and organizes a universe of managers and opportunities with powerful tracking metrics that we believe drive optimal portfolio management and monitoring and enable a portfolio grading system as well as repository of investment evaluation scorecards. In particular, our proprietary database offers our investors a highly transparent, versatile and informative platform through which they can track, monitor and diligence portfolios, and we believe the expansive data set within our proprietary database, harvested from our robust network of general partners, enables us to make more informed investment decisions and, in turn, drive strong investment performance. As of December 31, 2020, our database contains comprehensive information on more than 2,500 investment firms, 4,000 funds, 25,000 individual transactions, 30,000 private companies and 175,000 financial metrics.

Strong Investment Performance Track Record

We believe our investment performance track record is a key differentiator for our business relative to our competitors and acts as a key retention mechanism for our investors and selling tool for prospective investors. We attribute our strong investment performance track record to several factors, including: our broad private market relationships and access, our diligent and responsible investment process, our tenured investing experience and our premier data capabilities. In concert, these factors enable us to pursue attractive, risk-adjusted investment opportunities to meet our investors' investment objectives.

Attractive, Recurring Fee-based Financial Profile

We believe our financial profile and revenue model have the following important attributes:

Highly Predictable Fee-based Revenue Model

Virtually all of our revenue is derived from management and advisory fees based on committed capital typically subject to multi-year commitment periods, usually between ten and fifteen years. As a result, we believe our revenue stream is contractual and highly predictable.

Well Diversified Revenue and Investor Base

As of December 31, 2020, we had 74 revenue generating vehicles across our solutions with over 2,400 investors across public pensions, family offices, wealth managers, endowments, foundations, corporate pension and financial institutions, across 46 states, 29 countries and 6 continents. We therefore believe our business model is highly diversified across both revenue and investor bases.

Attractive Profitability Profile and Operating Margin

We believe our scaled business model, differentiated solutions across middle and lower-middle markets as well as an efficient back-office model has allowed us to achieve a highly competitive profitability profile and operating margin.

Exceptional Management and Investing Teams with Proven M&A Track Records

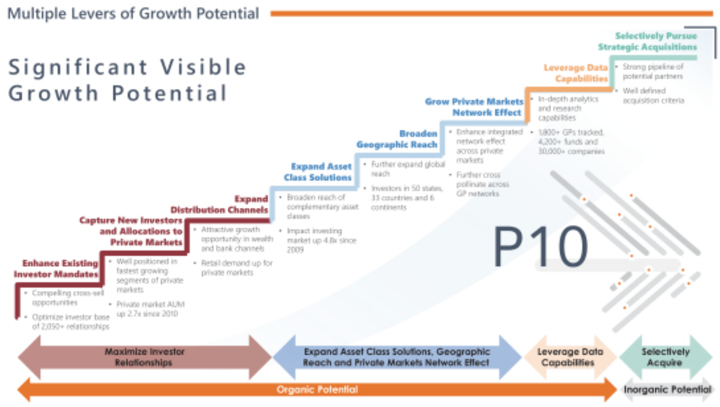
Our biggest asset is our people and we therefore focus on recruiting, nurturing and retaining top talent, all of whom are proven leaders in their respective field. Our management team has an average of 21 years of industry and investment experience, with a successful track record of sourcing and executing mergers and acquisitions and is supported by a deep bench of talent consisting of 72 investment professionals.

Ownership Structure Aligned with Investors

The alignment between our stockholders, investors and investment professionals is one of our core tenets and is, we believe, imperative for value creation. Our revenue comprised almost entirely of recurring management and advisory fees is earned largely on committed capital, which is typically subject to ten to fifteen year lock up agreements. We believe this offers our investors an attractive, highly predictable revenue stream. Furthermore, we have structured carried interest to stay with investment professionals to maximize economic incentive for investment professionals to outperform on behalf of investors. Ultimately, we believe FPAUM follows investment performance and the more aligned our investment professionals are to the performance of investor capital, the better our company performance will be. Over 60 of our employees have an equity interest in us, collectively owning nearly 73% of the Company on a fully diluted basis prior to this offering.

Our Growth Strategy

We aim to utilize our differentiated positioning and our core principles and values to continue to grow and expand our business. Our growth strategy includes the following key elements:



Maximize Investor Relationships

Enhance Existing Investor Mandates

We believe our current investor base presents a large opportunity for growth as we continue to expand our broad set of solutions and vehicles. As existing and prospective investors reduce the number of managers with whom they work across asset classes, we believe there are significant opportunities to have investors invest with a consistent, single-source multi-asset class private market solutions provider, positioning us to be a platform of choice. As such, our comprehensive solutions, we believe, will lend itself well to compelling cross-selling opportunities with existing investors. Furthermore, as our investors continue to grow their asset bases and expand utilization of our solutions and vehicles, the number of touchpoints with our investors will broaden, deepening our investor relationships even further.

Capture New Investors and Allocations to Private Markets

We believe we are well positioned to capitalize on the growth in private markets and capture additional investors and market share through our differentiated middle and lower-middle market sourcing capabilities, our attractive multi-asset class solutions and vehicles, and our strong investment performance track record. Our long-standing, established relationships across our broad set of solutions provide us extensive access to fund managers and investment opportunities across these asset classes and we remain highly committed to leveraging our best practices from serving our existing investors to similarly situated prospective investors that may benefit from our experience and broad set of private market solutions.

Expand Distribution Channels

We believe we are well positioned in some of the most sought-after segments of the private markets and we believe our differentiated private market solutions will continue to attract both new institutional and private wealth investors. In particular, investible assets of high-net-worth individuals are expected to increase significantly and compared to institutional investors, high-net-worth individuals tend to have lower private market allocations. Our investment platform is designed to provide high-net-worth investors access to private markets and we currently serve over 1,200 high-net-worth investors, which we believe positions us well to continue to capture increasing demand from private wealth investors.

Expand Asset Class Solutions, Broaden Geographic Reach and Grow Private Markets Network Effect

Expand Asset Class Solutions

Our scalable business model is well positioned to expand our multi-asset class offering and we have the capacity and desire to explore adjacent asset classes, broaden our private market solutions capabilities and diversify our business mix. For example, our business development team actively explores the launch of new specialized investment vehicles across both our Venture Capital and Impact Investing solutions to meet increasing investor demand to access middle and lower-middle market venture capital as well as to gain exposure to impact investing trends in private markets, of which we believe we have the existing infrastructure and personnel to launch. By doing so, we believe we will be able to grow our footprint, continue to develop our position within the private markets ecosystem and further leverage our synergistic solutions offering with additional manager relationships and sourcing opportunities.

Broaden Geographic Reach

We have a significant presence in North America – where a majority of our capital is currently being deployed. We believe expanding our presence in Europe and Asia can be a significant growth driver for our business as investors continue to seek a geographically diverse private market exposure. We believe our global investor base will facilitate such potential market penetration and our robust investment process, existing relationships and proven investment capabilities will continue to be core tenets of an international growth strategy.

Grow Private Markets Network Effect

Expanding into additional asset class solutions will enable us to further enhance our integrated network effect across private markets. We believe adding new asset class solutions will foster deeper manager relationships, enabling managers and portfolio companies alike to benefit from our offerings. As an example, our PCS solution is able to capitalize on the sourcing advantages presented by PES's expansive network of GPs and portfolio companies. Similarly, a portfolio company held by a manager in our PES solution may benefit directly from our IIS solution.

Leverage Data Capabilities

Our proprietary database provides access to valuable data and analytical tools that are the foundation of our investing process. We believe our experience and insights will be increasingly impactful to the decision making processes of our investment team and our investors. Moreover, we believe our differentiated data capabilities allow us to further support the private markets activities of our investors, enhance our investors experience and drive new innovative solutions.

Selectively Pursue Strategic Acquisitions

We focus on growing organically but may complement our growth with selective strategic acquisition opportunities that expand our footprint, broaden our investor base, and further strengthen our solutions offering. Specifically, we target opportunities with a market leading differentiated platform, an established and committed investor base, strong margins with operating leverage, management and advisory fee-based revenue, strong investment performance and a proven management team. Our leadership team has a proven track record of identifying, acquiring and integrating companies to drive long-term value creation, and we will continue to maintain a highly disciplined approach to pursuing accretive acquisitions.

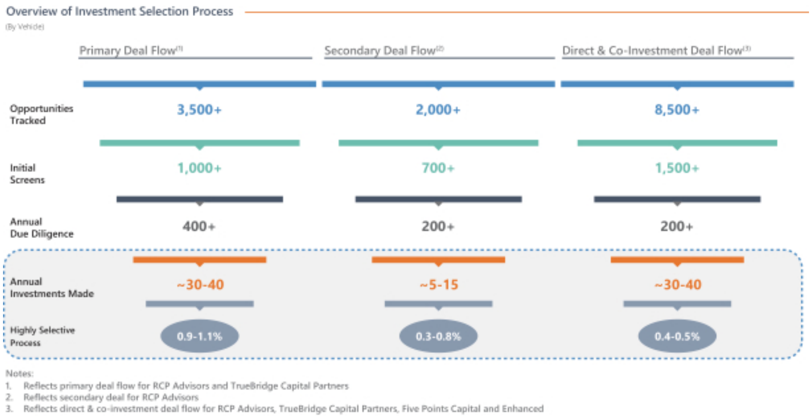
Our Investment Process

We maintain rigorous investment, monitoring and risk management processes across each of our specialized private market solutions, all unified by a common philosophy and a focus on comprehensive analysis of fund managers and/or portfolio companies.

We believe our investment performance is attributable to a number of factors, including most notably our seasoned, dedicated investment teams and our methodical approach to investing that help us consistently source and analyze opportunities effectively. Our investment professionals are responsible for sourcing, selecting, evaluating, underwriting, diligencing, negotiating, executing, managing and exiting our investments. In addition, our investment professionals regularly develop new investor relationships and networks of industry insiders to proactively source new investments. Our ability to access top-tier, capacity constrained fund managers through a proactive and systematic sourcing process we believe is a significant differentiating factor for our investors.

Our investment committee members across our solutions have significant private markets experience and fully participate in the diligence process, which ensures consistent application of investment strategy, process, diversification and portfolio construction. In addition, the investment committees of our respective solutions review and evaluate investment opportunities through a comprehensive framework that includes both a qualitative and a quantitative assessment of the key risks of investments.

The details of our investment process are outlined below:



Opportunities Tracked

As of December 31, 2020, we track over 14,000+ potential investment opportunities across private markets, spanning primary fund of funds, secondaries and direct and co-investments. Our attractive positioning within the private markets ecosystem, coupled with our synergistic network of general partners and extensive database has enabled us to cultivate a comprehensive funnel of what we believe are premier investment opportunities.

Initial Screen

Leveraging our extensive database, investment professionals submit investment opportunities for initial review, subject to delineated exceptions set forth in our funds' investment committee charters or resolutions. To facilitate the initial review, the investment team summarizes the opportunity in a preliminary evaluation report and the opportunity is subsequently reviewed by senior members of the team for potential further consideration and investment.

Annual Due Diligence

For each potential investment opportunity, the responsible investment team gathers, analyzes and reviews available information on the underlying asset. The due diligence process is augmented further by our extensive database, which enables us to analyze and compare the investment opportunity to what we believe are precedent transactions. As part of the due diligence process, we also conduct operational due diligence and legal diligence, which evaluate the potential risks associated with the investment opportunity's operational framework and legal standing. More specifically, our operational due diligence team focuses on legal, financial, IT and background checks, while our legal due diligence team focuses on review of legal documents, fund agreements and compliance.

Annual Investments Made

After our due diligence is completed, the responsible investment team works with the relevant Investment Committee to validate that each investment opportunity meets the investment objective of the portfolio at hand. The Investment Committee provides feedback on the general partner (and investment merits in the case of secondaries and direct and co-investments), risks and prospects of each investment opportunity. Provided that the opportunity meets the appropriate criteria, the investment committee issues an indicative approval to proceed with confirmatory due diligence. Upon successful confirmatory due diligence the Investment Committee will reconvene to review the investment for a final vote. Once final approval has been obtained, the investment team may proceed with commitments or funding.

Our investment process is highly selective and informed by our comprehensive diligence process. Of our primary and secondary deal flow we invest in less than 5% of firms tracked and of our direct and co-investment deal flow we invest in only approximately 1% of firms tracked.

Our Risk Management Process

Our risk management process includes risk identification, measurement, mitigation, monitoring and management/reporting, with particular risk assessments tailored by solution, vehicle and individual client. We apply our risk management framework across three distinct ares of our investment process: i) the general partner, ii) the investment fund, and iii) the portfolio company. We seek to mitigate risk through prudent portfolio diversification and through comprehensive due diligence on general partners, investment funds and portfolio companies.

General Partner

We perform extensive, upfront due diligence on general partners prior to making an investment and all our current period partners are subject to our ongoing risk management framework. Key components of our ongoing risk management of general partners include monitoring the firm's historical and current strategy, historical track record and anticipated performance, current team composition and remuneration, decision-making process, ability to add value, deal flow and fund terms. Furthermore, our risk management processes include reviewing information related to the general partners target asset classes, sector/sub-sectors, investment specialties, key personnel, and primary geographical regions in which the general partner invests.

Investment Fund

Investment Funds are also subject to our due diligence and risk management framework. Key components of our ongoing risk management of investment funds include monitoring vintage year, fund size, currency, as well as measures of historical performance (including percent of commitments called, distributions to paid in capital, residual value to paid in capital, net total value multiple of invested capital, net internal rate of return, and the date performance results were last updated), historical investments and benchmarking.

Portfolio Company

Key components of our ongoing risk management of portfolio companies include monitoring cash flow details, financial and operating metrics, and other relevant performance measurements. Our investments in our portfolio companies include both debt and equity.

In addition to our distinct ongoing risk management processes we participate in board meetings, investment funds' annual meetings, maintain membership on limited partnership boards and advisory boards and remain in frequent dialogue with portfolio companies in an effort to remain appraised of relevant developments in the investment funds. We are also recipients of monthly and quarterly performance reporting packages, annual audited financial statements, along with K-1 tax reporting packages and evaluations of the state of the market generally.

Our ongoing monitoring efforts culminate in annual summaries featuring extensive qualitative and quantitative information of each portfolio company. The annual summaries help us benchmark each general partner to ensure each portfolio we invest in to ensure each portfolio is performing as expected.

Our Investment Performance

We believe our investment performance acts as a key retention mechanism for our existing investors and a primary attribute for prospective investors. We attribute our strong investment performance to several factors, including: our broad private market relationships and access, our diligent and responsible investment process, our tenured investing experience and our premier data capabilities. In concert, these factors enable us to purse attractive, risk-adjusted investment opportunities to meet our investors' investment objectives.

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The following table displays our investment performance and is presented from the inception date of each fund through September 30, 2020:

Summary of Fund Performance

(Fund Level Performance by Solution)

RCP|Advisors

Fund	Vintage	Fund Size ($M)	Called Capital	Net IRR	Net ROIC
Fund-of-Funds (as of 9/30/20)					
Fund I	2003	$92	105%	14.1%	1.8x
Fund II	2005	$140	109%	8.2%	1.5x
Fund III	2006	$225	107%	6.8%	1.4x
Fund IV	2007	$265	110%	14.4%	2.0x
Fund V	2008	$355	120%	13.4%	1.7x
Fund VI	2009	$285	114%	15.4%	2.0x
Fund VII	2011	$300	109%	16.8%	1.9x
Fund VIII	2012	$268	108%	17.3%	1.7x
Fund IX	2014	$350	95%	14.2%	1.5x
Fund X	2015	$332	89%	8.1%	1.2x
Fund XI	2017	$315	64%	11.0%	1.2x
SEM	2017	$179	60%	16.3%	1.3x
Fund XII	2018	$382	50%	-	-
Fund XIII	2019	$397	21%	-	-
Fund XIV	2020	$394	6%	-	-
Secondary Funds (as of 9/30/20)					
SOF I	2009	$264	111%	22.0%	1.8x
SOF II	2013	$425	105%	9.6%	1.2x
SOF III	2017	$400	36%	44.0%	1.3x
Co-Investment Funds (as of 9/30/20)					
Direct I	2010	$109	82%	37.8%	3.0x
Direct II	2014	$250	86%	26.4%	2.1x
Direct III	2018	$385	36%	15.8%	1.2x

TrueBridge Capital Partners

Fund	Vintage	Fund Size ($M)	Called Capital	Net IRR	Net ROIC
Fund-of-Funds (as of 9/30/20)					
Fund I	2007	$311	93%	12.2%	2.5x
Fund II	2010	$342	83%	19.2%	3.7x
Fund III	2013	$409	92%	16.8%	2.2x
Fund IV	2015	$408	91%	25.2%	1.8x
Fund V	2017	$460	63%	17.4%	1.2x
Fund VI	2019	$604	5%	-	-
Co-Investment Funds (as of 9/30/20)					
Direct Fund I	2015	$125	91%	18.2%	1.6x
Direct Fund II	2019	$189	30%	55.4%	1.3x

Five Points Capital

Fund	Vintage	Fund Size ($M)	Called Capital	Net IRR	Net ROIC
Equity Funds (as of 9/30/20)					
Fund I	1998	$101	94%	12.7%	2.1x
Fund II	2007	$152	99%	12.9%	1.7x
Fund III	2013	$230	91%	17.5%	1.6x
Fund IV	2019	$230	18%	-	-
Credit Funds (as of 12/31/20)					
Fund I	2006	$162	93%	12.2%	2.0x
Fund II	2011	$227	100%	6.5%	1.4x
Fund III	2016	$289	74%	13.5%	1.3x

Enhanced Capital

Fund	Vintage	Invested ($M)	Called Capital	Net IRR	Net ROIC
Impact Credit (as of 6/30/20)					
Real Estate[1]	-	$133	-	10.1%	1.2x
Small Business[2]	-	$429	-	8.0%	1.2x

Notes:

1. Includes Realized ($36MM invested / 9.2% IRR / 1.1x ROIC) and Unrealized ($97MM invested / 10.5% IRR / 1.2x ROIC)
2. Includes Realized ($262MM invested / 8.5% IRR / 1.1x ROIC) and Unrealized ($167MM invested / 7.4% IRR / 1.3x ROIC)

For the purposes of the table above:

- "Fund Size" refers to the total amount of capital committed by investors to each fund disclosed;
- "Called Capital" refers to the amount of capital provided from investors, expressed as a percent of the total fund size;
- "Net IRR" refers to Internal rate of return net of fees, carried interest and expenses charged by both the underlying fund managers and each of our solutions; and
- "Net ROIC" refers to return on invested capital net of fees and expenses charged by both the underlying fund managers and each of our solutions; and

When considering the data presented above, you should note that the historical results of our investments are not indicative of the future results you should expect from such investments, from any future funds we may raise or from your investment in our Class A common stock, in part because:

- market conditions and investment opportunities may be significantly less favorable than in the past;
- the performance of our funds is largely based on the NAV of the funds' investments, including unrealized gains, which may never be realized
- our newly established funds typically generate lower investment returns during the period that they initially deploy their capital;
- changes in the global tax and regulatory environment may impact both the investment preferences of our investors and the financing strategies employed by businesses in which particular funds invest, which may reduce the overall capital available for investment and
- the availability of suitable investments, thereby reducing our investment returns in the future;
- competition for investment opportunities, resulting from the increasing amount of capital invested in private markets alternatives, may increase the cost and reduce the availability of suitable investments, thereby reducing our investment returns in the future; and
- the industries and businesses in which particular funds invest will vary.

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Our Responsible Investment Philosophy

Responsible investment, which encompasses environmental, social and governance ("ESG") and impact investing considerations, is a core tenet of our operating and investment philosophies. We believe that full integration of an ESG framework into both our investment process and internal operations will improve long-term, risk-adjusted returns for our clients. Certain of our subsidiaries have developed a responsible investment policy, which we are in the process of implementing throughout the Company and with each of our Advisors. In addition, one of our subsidiaries is a signatory to the United Nations Principles for Responsible Investment ("UNPRI"), and we have appointed senior professionals to act as ESG champions. We aim to continually improve and evolve, and plan to review our policy annually, hold regular trainings and responsible investment education sessions for our investment teams, and look for ways to enhance our systems and processes.

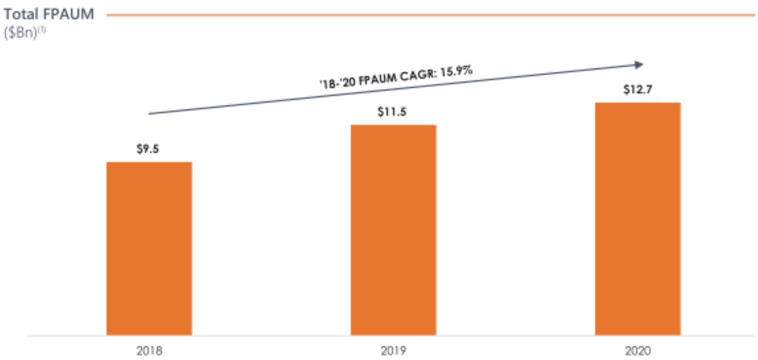
Given our scale and position in the private markets ecosystem, we believe we are well positioned to help educate the broader investor and fund manager community on how best to integrate responsible investment considerations in their investment process and programs.

Our Fee-Paying AUM

Fee-Paying AUM (FPAUM)

FPAUM reflects the assets from which we currently earn management and advisory fees. Our vehicles typically earn management and advisory fees based on committed capital, and in certain cases, net invested capital, depending on the fee terms. Management and advisory fees based on committed capital are not affected by market appreciation or depreciation.

Our FPAUM has grown from approximately $9.5 billion as of December 31, 2018 to approximately $12.7 billion as of December 31, 2020 determined on a pro forma basis.



Notes:

1. FPAUM pro forma for acquisitions of Five Points (closed April 1, 2020), TrueBridge (closed October 2, 2020) and Enhanced (closed December 14, 2020) for 2018 and 2019.

Our Fees and Other Key Contractual Terms

Specialized Investment Vehicles

While the terms of each fund may vary, we have outlined the key terms of the customized separate accounts and commingled funds within our specialized investment vehicles below:

Commingled Investment Vehicles

Capital Commitments

Investors in our investment funds generally make commitments to provide capital at the outset of a fund and deliver capital when called upon by us, as investment opportunities become available and to fund operational expenses and other obligations. The commitments are generally available for investment for 1 to 5 years, during what we call the commitment period. We typically have invested the capital committed to our funds, over a 3 to 5-year period.

Structure

Our investment funds are structured as limited partnerships organized by us accepting commitments or funds from our investors. Our investors become limited partners in our funds and a separate entity that we form and control acts as the general partner. Our capital commitment to the limited partnership is generally 1% of total capital commitments. Contingent upon the solution, each investment fund will have a designated "Manager," which generally serves as the investment manager of the fund, responsible for all investment diligence, decision making and monitoring.

Fees

We earn management and advisory fees based on a percentage of investors' capital commitments to or, in selected cases, net invested capital in, or NAV, of our investment funds. Management and advisory fees during the commitment period are charged on capital commitments and after the commitment period (or a defined anniversary of the fund's initial closing) is reduced by a percentage of the management and advisory fees for the preceding years or charged on net invested capital or NAV, in selected cases.

Duration and Termination

Our primary fund of funds, secondaries funds and direct and co-investment funds are typically ten to fifteen years in duration, terminating either on a specific anniversary date, or after a determined number of years after the fund's final close. Our funds are generally subject to extensions for up to 3 years at the discretion of the general partner and thereafter if consent of the requisite majority of investors, or in some cases, the fund's advisory committee is obtained.

Separate Accounts

Capital Commitments

Investors in our separate accounts generally make commitments to provide capital at the outset of a fund and deliver capital when called upon by us, as investment opportunities become available and to fund operational expenses and other obligations. The commitments are generally available for investment for 4 to 5 years, during what we call the commitment period. We typically have invested the capital committed to our investment funds, over a 5 year period.

Structure

Most of our separate accounts are contractual arrangements involving an investment management agreement between us and our investor. Within agreed-upon investment guidelines, we generally have full discretion to buy, sell or otherwise effect investment transactions involving the assets in the account, in the name and on behalf of our investor, although in some cases certain investors have the right to veto investments. The discretion to invest committed capital generally is subject to investment guidelines established by our investors or by us in conjunction with our investors. In some cases, at the investor's request, we establish a separate investment vehicle, generally a limited partnership with our investor as the sole limited partner and a wholly owned subsidiary as the general partner. Our capital commitment to the limited partnership is typically 1% of total capital commitments. We manage the limited partnership under an investment management agreement between our investor and us.

Fees

We earn management and advisory fees based on a percentage of investors' capital commitments to or, in selected cases, net invested capital in, or NAV of, our investment funds. These fees often decrease over the life of the contract due to built-in declines in contractual rates and/or as a result of lower net invested capital balances or NAV as capital is returned to investors.

Duration and Termination

Separate account contracts typically can be terminated by our investors for specified reasons, but specific terms vary significantly from investor to investor and certain contracts may be terminated for any reason generally with minimal, typically 5 to 90 days' notice.

Our Competition

We compete in all aspects of our business with a large number of asset management firms, commercial banks, broker-dealers, insurance companies and other financial institutions. With respect to our investment strategies, we primarily compete with other private markets solutions providers within North America that specialize in private equity, venture capital, private credit and impact investing. We seek to maintain excellent relationships with general partners and managers of investment funds, including those in which we have previously made investments for our investors and those in which we may invest in the future, as well as sponsors of investments that might provide co-investment opportunities in portfolio companies alongside the sponsoring fund manager. However, because of the number of investors seeking to gain access to investment funds and co-investment opportunities managed or sponsored by the top performing fund managers, there can be no assurance that we will be able to secure the opportunity to invest on behalf of our investors in all or a substantial portion of the investments we select, or that the size of the investment opportunities available to us will be as large as we would desire. Access to secondary investment opportunities is also highly competitive and is often controlled by a limited number of general partners, fund managers and intermediaries. Our ability to continue to compete effectively will depend upon our ability to attract highly qualified investment professionals and retain existing employees.

In order to grow our business, we must maintain our existing investor base and attract new investors. Historically, we have competed principally on the basis of the factors listed below:

- Access to private markets investment opportunities through our size, expertise, reputation and strong relationships with fund managers;
- Brand recognition of the platforms through which we operate and reputation within the investing community;
- Performance of investment strategies;
- Quality of service and duration of investor relationships;
- Data and analytics capabilities;

- Ability to customize product offerings to investor specifications;
- Ability to provide cost effective and comprehensive range of services and products; and
- Investors' perceptions of our independence and the alignment of our interests with theirs created through our investment in our own products.

The asset management business is intensely competitive, and in addition to the above factors, our ability to continue to compete effectively will depend upon our ability to attract highly qualified investment professionals and retain existing employees.

Regulatory and Compliance Matters

Our business is subject to extensive regulation in the United States at both the federal and state level and, in certain circumstances, outside the United States. Under these laws and regulations, the SEC, relevant state securities authorities and other foreign regulatory agencies have broad administrative powers, including the power to limit, restrict or prohibit an investment advisor from carrying on its business if it fails to comply with such laws and regulations. Possible sanctions that may be imposed include the suspension of individual employees, limitations on engaging in certain lines of business for specified periods of time, revocation of investment advisor and other registrations, censures and fines.

SEC Regulation

Certain subsidiaries of P10 Holdings are registered as an investment adviser with the SEC. As a registered investment adviser, each is subject to the requirements of the Investment Advisers Act, and the rules promulgated thereunder, as well as to examination by the SEC's staff. The Investment Advisers Act imposes substantive regulation on virtually all aspects of our business and our relationships with our investors and funds. Applicable requirements relate to, among other things, fiduciary duties to investors, engaging in transactions with investors, maintaining an effective compliance program, political contributions, personal trading, incentive fees, allocation of investments, conflicts of interest, custody, advertising, recordkeeping, reporting and disclosure requirements. The Investment Advisers Act also regulates the assignment of advisory contracts by the investment adviser. The SEC is authorized to institute proceedings and impose sanctions for violations of the Investment Advisers Act, ranging from fines and censures to termination of an investment adviser's registration. The failure of any Adviser to comply with the requirements of the Investment Advisers Act or the SEC could have a material adverse effect on us.

Our separate accounts and funds are not registered under the Investment Company Act because we generally only form separate accounts for, and offer interests in our funds to, persons who we reasonably believe to be "qualified purchasers" as defined in the Investment Company Act. In addition, certain funds are not registered under the Investment Company Act because we limit such funds to 100 or fewer "accredited investors" as defined in the Investment Company Act.

ERISA-Related Regulation

Some of our funds are treated as holding "plan assets" as defined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), as a result of investments in those funds by benefit plan investors. By virtue of its role as investment manager of these funds, each Adviser is a "fiduciary" under ERISA with respect to such benefit plan investors. ERISA and the Code impose certain duties on persons that are fiduciaries under ERISA, prohibit certain transactions involving benefit plans and "parties in interest" or "disqualified persons" to those plans, and provide monetary penalties for violations of these prohibitions. With respect to these funds, each Adviser relies on particular statutory and administrative exemptions from certain ERISA prohibited transactions, which exemptions are highly complex and may in certain circumstances depend on compliance by third parties whom we do not control. The failure of any Adviser or us to comply with these various requirements could have a material adverse effect on our business.

In addition, with respect to other investment funds in which benefit plan investors have invested, but which are not treated as holding "plan assets," each Adviser relies on certain rules under ERISA in conducting investment management activities. These rules are sometimes highly complex and may in certain circumstances depend on compliance by third parties that we do not control. If for any reason these rules were to become inapplicable, each Adviser could become subject to regulatory action or third-party claims that could have a material adverse effect on our business.

Foreign Regulation

We provide investment advisory and other services and raise funds in a number of countries and jurisdictions outside the United States. In many of these countries and jurisdictions, which include the EU, the EEA, the individual member states of each of the EU and EEA, Central and South America, Australia and other countries in the South Pacific, we and our operations, and in some cases our personnel, are subject to regulatory oversight and requirements. In general, these requirements relate to registration, licenses for our personnel, periodic inspections, the provision and filing of periodic reports, and obtaining certifications and other approvals. Across the EU, we are subject to the AIFMD requirements regarding, among other things, registration for marketing activities, the structure of remuneration for certain of our personnel and reporting obligations. Individual member states of the EU have imposed additional requirements that may include internal arrangements with respect to risk management, liquidity risks, asset valuations, and the establishment and security of depositary and custodial requirements.

It is expected that additional laws and regulations will come into force in the UK, the EEA, the EU, and other countries in which we operate over the coming years. There have also been significant legislative developments affecting the private equity industry in Europe and there continues to be discussion regarding enhancing governmental scrutiny and/or increasing regulation of the private equity industry.

SBA Regulations

Several of our Advisers provide investment advisory and other services to funds which operate as SBICs and are licensed by the SBA. SBICs supply small businesses with financing in both the equity and debt arenas. There are various requirements that apply to SBICs under SBA rules and regulations. These rules and regulations are sometimes highly complex. The SBA is authorized to institute proceedings and impose sanctions for violations of rules and regulations applicable to SIBCs, including forcing the liquidation of an SBIC. The failure of an Adviser to comply with the requirements of the SBA could have a material adverse effect on us.

Privacy and Cyber Security Regulation

Certain of our businesses are subject to laws and regulations enacted by U.S. federal and state governments, the E.U. or other non-U.S. jurisdictions and/or enacted by various regulatory organizations or exchanges relating to the privacy of the information of clients, employees or others, including the U.S. Gramm-Leach-Bliley Act of 1999, the EU's GDPR and the Australian Privacy Act. The GDPR has heightened our privacy compliance obligations, impacted our businesses' collection, processing and retention of personal data and imposed strict standards for reporting data breaches. The GDPR also provides for significant penalties for non-compliance. In addition, California and several other states have recently enacted, or are actively considering, consumer privacy laws that impose compliance obligations with regard to the collection, use and disclosure of personal information. For more information, see "Risk Factors—Risks Related to Our Industry."

Future Developments

The SEC and various self-regulatory organizations and state securities regulators have in recent years increased their regulatory activities, including regulation, examination and enforcement in respect of asset management firms.

As described above, certain of our businesses are subject to compliance with laws and regulations of U.S. federal and state governments, non-U.S. governments, their respective agencies and/or various self-regulatory organizations or exchanges, and any failure to comply with these regulations could expose us to liability and/or damage our reputation. Our businesses have operated for many years within a legal framework that requires us to monitor and comply with a broad range of legal and regulatory developments that affect our activities. However, additional legislation, changes in rules promulgated by financial regulatory authorities or self-regulatory organizations or changes in the interpretation or enforcement of existing laws and rules, either in the United States or elsewhere, may directly affect our mode of operation and profitability.

Compliance

Each Adviser has a Chief Compliance Officer. Certain Advisers also maintain in-house legal staff as well as additional compliance staff. Each Adviser generally engages outside counsel to review, analyze and negotiate the terms of the documents relating to impact, primary, secondary and direct/co-investments. Because most of our separate account investors and certain of our advisory investors rely on us to negotiate terms, including terms about which certain investors are particularly sensitive or which are investor-specific, our compliance and legal teams work closely with both the investors and outside counsel. Our compliance and legal teams also work closely with our investment teams during negotiations. Typically, outside counsel negotiates directly with fund managers and deal sponsors and their counsel the terms of all limited partnership agreements, subscription documents, side letters, purchase agreements and other documents relating to primary, secondary and direct/co-investments. Our compliance and legal teams review and makes recommendations regarding amendments and requests for consents presented by the fund managers from time to time. In addition, our compliance and legal teams work with outside counsel as we deem necessary to prepare, review and negotiate all documents relating to the formation and operation of our funds.

Each Adviser's compliance team is responsible for overseeing and enforcing our policies and procedures relating to compliance with the laws applicable to our business both U.S. and foreign. This includes our code of ethics and personal trading policies.

We will have an Internal Audit group, which will have disclosure controls and procedures and internal controls over financial reporting, which will be documented and assessed for design and operating effectiveness in accordance with the U.S. Sarbanes-Oxley Act of 2002. Our Internal Audit group, which will independently report to a newly formed audit committee of our board of directors, will operate with a global mandate and will be responsible for the examination and evaluation of the adequacy and effectiveness of the organization's governance and risk management processes and internal controls, as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.

Legal Proceedings

In the normal course of business, we may be subject to various legal, judicial and administrative proceedings. Currently, there are no material proceedings pending or, to our knowledge, threatened against us.

Employees

As of December 31, 2020, we had 144 total employees, including over 72 investment professionals. We consider our relationship with our employees to be good and have not experienced interruptions of operations due to labor disagreements.

Facilities

We lease our corporate headquarters and principal offices, which are located at 4514 Cole Avenue, Suite 1600, Dallas, Texas 75205. We also lease additional office space in Illinois, California, North Carolina, New York, Louisiana, Connecticut, Maryland and Wyoming. We do not own any real property. We believe our current facilities are adequate for our current needs and that suitable additional space will be available as and when needed.

MANAGEMENT

The following table sets forth the names, ages and positions of our current directors and executive officers, as well as the nominees for our board of directors. Unless otherwise noted, each of our executive officers is employed by and holds the listed positions at P10 Holdings. In connection with this offering, our board of directors has appointed our senior management team to the same positions at P10, Inc.

Name	Age	Position
Robert Alpert	56	Co-Chief Executive Officer and Chairman
C. Clark Webb	40	Co-Chief Executive Officer and Director
William F. Souder	52	Chief Operating Officer of P10 Holdings, Managing Partner of RCP and Director
Jeff P. Gehl	53	Head of Marketing and Distribution of P10 Holdings, Managing Partner of RCP and Director
Amanda Coussens	40	Chief Financial Officer and Chief Compliance Officer
Robert B. Stewart Jr.	55	Director
Nell M. Blatherwick	50	Secretary of P10 Holdings and Chief Compliance Officer of RCP

Robert Alpert

Mr. Alpert, age 56, has served as Co-CEO and Chairman of the board of directors of P10 Holdings since 2017. He is also the co-founder and principal of 210 Capital, L.L.C (“210 Capital”). Additionally, he has served as Chairman of the Board of Crossroads Systems, Inc (CRSS) and a director of Elah Holdings, lnc. (ELLH). Mr. Alpert is also a managing member of Merfax Financial Group, LLC., and a director of Redpoint Insurance Group, L.L.C. He was formerly CEO (April 2019-September 2020) and Chairman of the Board of Globalscape, Inc. Before founding 210 Capital, Mr. Alpert was the founder and portfolio manager of Atlas Capital Management, L.P. (October 1995 to September 2015). Mr. Alpert was responsible for the investments and operations of Atlas. Mr. Alpert received a B.A. from Princeton University in 1987 and an M.B.A. from Columbia University in 1990.

C. Clark Webb

Mr. Webb, age 40, has served as Co-CEO and director of P10 Holdings since 2017. Mr. Webb is also the Co-Founder and Principal of 210 Capital. Previously, Clark was co-founder and manager of P10 Capital Management, LP , a Co-Portfolio Manager of the Lafayette Street Fund and a Partner at Select Equity Group, L.P. Clark holds a BA from Princeton University (2003). Clark is currently Chairman of the Board of ELLH, Chairman of the Board of Collaborative Imaging, LLC, and a director of Crossroads Systems, Inc. He was formerly a director of Globalscape, Inc.

William F. Souder

Mr. Souder, age 52, is Chief Operating Officer of P10 Holdings, Inc. He is also a Managing Partner and co-founder of RCP. Mr. Souder is responsible for leading all operational functions of the Firm as well as RCP Advisory Services. Mr. Souder is also a member of the Investment Committee and active as an Advisory Board member of various under lying funds. He has been involved in the private equity industry for over 20 years. Prior to founding RCP, Mr. Souder worked for Marsh & Mclennan, where he directed their Private Equity and Mergers & Acquisitions Practice throughout the Midwest Region. Fritz received a BA in Economics from the University of Virginia. Fritz is an active member on numerous boards including the Salisbury School and The Western Golf Association/Evans Scholar Foundation.

Jeff P. Gehl

Mr. Gehl, age 53, is a director and Head of Marketing and Distribution of P10 Holdings, a Managing Partner and co-founder of RCP Advisors. He is responsible for leading RCP’s client relations function and covering private equity fund managers in the Western United States. In addition, Mr. Gehl is active as an Advisory Board member of various underlying funds. He has been involved in the private equity industry for over 20 years. Prior to founding RCP, Mr. Gehl was involved in various stages of private equity including start-ups, turnarounds, and buyouts, where he had experience in both financing and senior operations. Mr. Gehl successfully founded and served as Chairman and CEO of MMI, a technical staffing company and acquired Big Ballot, Inc., a sports marketing firm. Mr. Gehl received a BS in Business Administration from the University of Southern California's Entrepreneur Program, from which he received the 1989 "Entrepreneur of the Year" award.

Amanda Coussens

Ms. Coussens, age 40, is the Company's Chief Financial Officer and Chief Compliance Officer and is responsible for managing the firm's financial operations, financial and SEC reporting and cash management. Prior to becoming the Company's Chief Financial Officer in January 2021, Amanda served as Chief Financial Officer and Chief Compliance Officer of PetroCap LLC from October 2017 to December 2020; as a contract Chief Financial Officer for Aduro Advisors LLC from March 2016 to November 2017; and as Chief Financial Officer of White Deer Energy LLC from June 2014 to March 2016. Prior to this time, Ms. Coussens served as the SEC Reporting Director for a large family office and a publicly traded asset manager. She started her career as an audit manager at Grant Thornton for publicly traded energy, hospitality and financial service firms. She is also a Board Member of the Texas Chapter of the Private Equity CFO Association and an Advisory Board Member for the Kayo Conference.

Robert B. Stewart Jr.

Mr. Stewart, age 55, is a director of P10 Holdings. He is the former President of Acacia Research Corporation, an industry leader in patent licensing. Mr. Stewart was an executive at Acacia for over two decades, helping to deliver hundreds of millions of dollars of value to Acacia's patent partners. Mr. Stewart received a B.S. degree from the University of Colorado at Boulder and has extensive experience in intellectual property, patent licensing, financial and public markets.

Nell M. Blatherwick

Ms. Blatherwick, age 50, has worked for RCP, since its inception in 2001. In 2016, she served as Managing Director and Chief Compliance Officer of RCP and since 2017 has served as partner and Chief Compliance Officer of RCP. Ms. Blatherwick is responsible for the coordination of RCP's legal affairs, liaising with RCP's attorneys on various matters, including fund formation and regulatory requirements. She is responsible for developing and overseeing the firm's compliance program. Ms. Blatherwick received a BA, magna cum laude, in English and French from the University of Southern California, where she was elected to Phi Beta Kappa. She also received a JD from Yale Law School.

Composition of the Board of Directors after this Offering

Our business and affairs are managed under the direction of our board of directors. Our amended and restated certificate of incorporation provides that the size of our board of directors may be set from time to time by our then current board of directors. Our board of directors has set the size of the board at seven members: Messrs. Alpert, Webb, Souder, Gehl and Stewart currently serve on our board of directors, and Mr. Alpert serves as Chairman.

Our directors will be elected to serve until their successors are duly elected or until their earlier death, resignation or removal. We will hold an annual meeting of stockholders for the election of directors as required by the rules of the NYSE. There will be no limit on the number of terms a director may serve.

Our board of directors will be divided into three classes as nearly equal in size as is practicable. The composition of the board of directors immediately following the offering will be as follows:

- Class I, which will initially consist of and , whose terms will expire at our annual meeting of stockholders to be held in 2022;
- Class II, which will initially consist of and , whose terms will expire at our annual meeting of stockholders to be held in 2023; and
- Class III, which will initially consist of , and whose terms will expire at our annual meeting of stockholders to be held in 2024.

Upon the expiration of the initial term of office for each class of directors, each director in such class shall be elected for a term of three years and serve until a successor is duly elected and qualified or until his or her earlier death, resignation or removal. Vacancies occurring on the board of directors, whether due to death, resignation, removal, retirement, disqualification or for any other reason, and newly created directorships resulting from an increase in the authorized number of directors, may be filled by a majority of the remaining members of the board of directors. Directors may be removed, but only for cause, with the affirmative vote of the holders of a majority of the voting power of our common stock.

Because the voting group collectively controls more than 50% of our voting power, we will be a "controlled company" under the rules of the NYSE and will therefore qualify for an exemption from the requirement that our board of directors consist of a majority of independent directors, that we establish a Compensation Committee consisting solely of independent directors and that our director nominees be selected or recommended by independent directors. For at least some period following this offering, we intend to rely on these exemptions. Accordingly, although we may transition to a board with a majority of independent directors prior to the time we cease to be a "controlled company," until we cease to be a "controlled company," you will not have the same protections afforded to stockholders of companies that are subject to all of these corporate governance requirements. If we cease to be a "controlled company" and our shares continue to be listed on the NYSE, we will be required to comply with these provisions within the applicable transition periods. See "Risk Factors—Risks Related to Our Organizational Structure and This Offering—We are a "controlled company" within the meaning of the NYSE listing standards and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements."

Our board of directors and its committees will have supervisory authority over us and P10 Holdings.

Director Independence

Our board of directors has determined that Mr. Stewart is "independent" as defined under the rules of the NYSE. In making this determination, the board of directors considered the relationships that Mr. Stewart has with our Company and all other facts and circumstances that the board of directors deemed relevant in determining his independence, including ownership interests in us. Immediately prior to this offering, we will reconstitute the board of directors so that a majority of directors that serve on the board of directors will be "independent" as defined under the rules of the NYSE.

Committees of the Board of Directors

In connection with the closing of this offering, our board of directors will establish an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. We will adopt new charters for these committees that comply with current federal and NYSE rules relating to corporate governance matters for controlled companies. When they are adopted, we will make copies of them, as well as our Corporate Governance Guidelines and our Code of Ethics, available on our website at www.p10alts.com.

Audit Committee

Our Audit Committee, among other things, will have responsibility for:

- appointing, determining the compensation of and overseeing the work of our independent registered public accounting firm, as well as evaluating its independence and performance;
- considering and approving, in advance, all audit and non-audit services to be performed by our independent registered public accounting firm;
- reviewing the audit plans and findings of our independent registered public accounting firm and our internal audit and risk review staff, as well as the results of regulatory examinations, and tracking management's corrective action plans where necessary;
- reviewing our financial statements, including any significant financial items and/or changes in accounting policies, with our senior management and independent registered public accounting firm;
- reviewing our financial risk and control procedures, compliance programs and significant tax, legal and regulatory matters; and
- establishing procedures for the receipt and treatment of complaints and employee concerns regarding our financial statements and auditing process.

The Audit Committee will also be responsible for preparing the Audit Committee report that is included in our annual proxy statement. In connection with the closing of this offering, we will appoint , , and as members of the Audit Committee, with serving as the "independent" director as defined under NYSE rules.

Compensation Committee

The Compensation Committee will have responsibility for:

- reviewing and approving corporate goals and objectives relevant to Co-Chief Executive Officers compensation, evaluating the Co-Chief Executive Officers' performance in light of those goals and objectives, and determining the Co-Chief Executive Officers' compensation based on that evaluation;
- reviewing and recommending to our board for approval the annual base salaries, bonuses, benefits, equity incentive grants and other economic rewards for our other executive officers;
- providing assistance and recommendations with respect to our compensation policies and practices for our other personnel generally; and
- overseeing our 2021 Stock Incentive Plan and employee benefit plans.

In connection with the closing of this offering, we will appoint , , and as members of the Compensation Committee. will serve as the chair of the Compensation Committee.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee, among other things, will have responsibility for:

- identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors; and
- developing and recommending to our board of directors a set of corporate governance guidelines and principles.

Upon the consummation of this offering, the Nominating and Corporate Governance Committee will consist of , and . will serve as the chair of the Nominating and Corporate Governance Committee.

Board Risk Oversight

Our board of directors is responsible for overseeing our risk management process. Our board of directors focuses on our general risk management strategy and the most significant risks facing us and oversees the implementation of risk mitigation strategies by management. Our board of directors is also apprised of particular risk management matters in connection with its general oversight and approval of corporate matters and significant transactions.

While the full board of directors has the ultimate oversight responsibility for the risk management process, its committees will oversee risk in certain specified areas. In particular, our audit committee will oversee management of enterprise risks, financial risks and risks associated with corporate governance, business conduct and ethics and will be responsible for overseeing the review and approval of related-party transactions. Our compensation committee will be responsible for overseeing the management of risks relating to our executive compensation plans and arrangements and the incentives created by the compensation awards it administers. Pursuant to the board of directors' instruction, management regularly reports on applicable risks to the relevant committee or the full board of directors, as appropriate, with additional review or reporting on risks conducted as needed or as requested by the board of directors and its committees.

Compensation Committee Interlocks and Insider Participation

Upon the effectiveness of the registration statement of which this prospectus forms a part, our board of directors will form a Compensation Committee as described above. None of our executive officers serves as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of an entity that has one or more of its executive officers serving as a member of our board of directors or Compensation Committee.

Code of Ethics

We intend to adopt a code of ethics in connection with the closing of this offering relating to the conduct of our business by all of our employees, officers and directors. Our code of ethics will satisfy the requirement that we have a "code of conduct" under applicable NYSE rules. It will be posted on our website, www.p10alts.com. We intend to disclose future amendments to certain provisions of this code of business ethics, or waivers of such provisions, applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and our directors, on our website identified above.

COMPENSATION

We are providing compensation disclosure that satisfies the requirements applicable to emerging growth companies, as defined in the JOBS Act.

As an emerging growth company, we have opted to comply with the executive compensation rules applicable to "smaller reporting companies," as such term is defined under the Securities Act. These rules require compensation disclosure for our principal executive officer and the two most highly compensated executive officers other than our principal executive officer.

Summary Compensation Table

The following table sets forth the compensation earned during fiscal 2020 by our principal executive officers and our next two most highly compensated executive officers who served in such capacities on December 31, 2020, collectively comprise our named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards(1) ($)	All Other Compensation ($)	Total ($)
Robert Alpert Co-Chief Executive Officer & Chairman	2020	—	—	—	303,000(2)	303,000
C. Clark Webb Co-Chief Executive Officer	2020	—	—	—	303,000(2)	303,000
William Souder Chief Operating Officer	2020	600,000(3)	—	34,498.62	1,838,288(4)	2,472,787
Jeff P. Gehl Head of Marketing and Distribution	2020	600,000(3)	—	34,500.69	1,838,288(4)	2,472,789

(1) The amounts reported in this column represent the aggregate value of the stock options granted to our named executive officers during 2020, based on their grant date fair value, as determined in accordance with the share-based payment accounting guidance under ASC 718, excluding the impact of estimated forfeitures related to service-based vesting.

(2) Represents the aggregate amount of fees paid to 210/P10 Acquisition Partners, LLC ("210/P10"), over which Messrs. Alpert and Webb have control, in consideration for the services of Messrs. Alpert and Webb to P10 Holdings pursuant to the Services Agreement, dated April 24, 2018, by and among P10 Holdings and 210/P10 (the "Services Agreement"). Consists of a monthly service fee of $31,700 for administration and consulting services and a monthly fee of $18,800 for certain reimbursable expenses to 210/P10 for a total of $606,000 paid to 210/P10 during fiscal year 2020. This agreement was terminated effective December 31, 2020.

(3) Represents total salary earned during the calendar year 2020 pursuant to the executive's employment agreement with RCP 3.

(4) Pursuant to the executive's interest in the general partner of certain RCP funds, this amount represents carried interest payments received by such executive. Such amount does not include additional carried interest payments received by such executive from other RCP funds not controlled by P10 Holdings.

Outstanding Equity Awards At 2020 Fiscal Year End

	Option Awards				
Name	Grant Date	Unexercised Options (#) Exercisable	Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Robert Alpert Co-Chief Executive Officer & Chairman	—	—	—	—	—
C. Clark Webb Co-Chief Executive Officer	—	—	—	—	—
William F. Souder Chief Operating Officer	1/31/2019 1/30/2020	— —	157,850 16,667	$ 0.82 $ 2.07	1/30/2029 1/30/2030
Jeff P. Gehl Head of Marketing and Distribution	1/31/2019 1/30/2020	— —	157,850 16,666	$ 0.82 $ 2.07	1/30/2029 1/30/2030

Pension Benefits and Nonqualified Deferred Compensation

We do not provide pension benefits or nonqualified deferred compensation.

Executive Compensation Arrangements

As described in more detail below, we have employment, severance and/or change in control arrangements with our named executive officers. In addition, upon a change in control, our equity incentive plans provide for accelerated vesting of outstanding equity awards held by participants, including our named executive officers. We do not currently expect to enter into employment, severance or change in control arrangements with our named executive officers in connection with this offering.

2020 Salaries

The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. The actual base salaries paid to each named executive officer other than the Co-Chief Executive Officers for 2020 are set forth above in the Summary Compensation Table in the column entitled "Salary".

Services and Employment Agreements

Robert Alpert. On January 1, 2021, P10 Holdings entered into an employment agreement with Mr. Alpert (the "Alpert Employment Agreement"). The Alpert Employment Agreement provides that Mr. Alpert shall serve as Co-Chief Executive Officer of P10 Holdings and report to its board of directors. The Alpert Employment Agreement provides that the Company shall pay Mr. Alpert a base salary of $600,000 per year, and he shall be eligible to receive an annual bonus and equity compensation in the discretion of the board of directors. Mr. Alpert is entitled to participate in all benefit plans maintained by the Company and to reimbursement for all reasonable and necessary out-of-pocket business, entertainment and travel expenses incurred in connection with the performance of his duties.

The term of the Alpert Employment Agreement is for one year, provided that on the anniversary of the Alpert Employment Agreement and each annual anniversary thereafter, the Alpert Employment Agreement shall be automatically extended for successive one-year periods unless either party provides written notice of its intention not to extend the term at least ninety (90) days prior to the applicable renewal date. The term of the Alpert Employment Agreement may be terminated (i) by P10 Holdings for Cause (as defined below) or by Mr. Alpert without Good Reason (as defined below), (ii) upon either party's failure to renew the Alpert Employment

Agreement in accordance with its terms, (iii) by P10 Holdings without Cause or by Mr. Alpert for Good Reason, (iv) upon Mr. Alpert's death or by P10 Holdings on account of Mr. Alpert's disability (as defined in the Alpert Employment Agreement).

For purposes of the Alpert Employment Agreement and the Webb Employment Agreement (as defined below):

- "Cause" means the applicable service provider's:
  - Engagement in grossly negligent conduct or willful misconduct;
  - Engagement in misconduct that causes material harm to the reputation of P10 Holdings or knowingly or recklessly engages in conduct which is demonstrably and materially injurious to P10 Holdings or any of its affiliates, monetarily or otherwise;
  - Indictment of, conviction of or plea of guilty or no contest to a crime that constitutes a felony (or state law equivalent) or a crime that involves fraud or dishonesty; or
  - Material breach of any material obligation under the applicable employment agreement or P10 Holdings' written policies.
- "Good Reason" means the occurrence of any of the following, in each case during the term without the service provider's written consent:
  - A material reduction in the employee's base salary, title, authority responsibilities, or duties;
  - Any material breach by the Company of any material provision of the applicable employment agreement;
  - A change in the reporting structure so that (a) the employee does not report solely and directly to the board of directors, or (b) any employee of P10 Holdings does not report, directly or indirectly, to the employee; or
  - A relocation of the employee's principal place of employment to a location more than twenty-five (25) miles from P10 Holdings' current principal place of business.

C. Clark Webb. On January 1, 2021, P10 Holdings entered into an employment agreement with Mr. Webb (the "Webb Employment Agreement"). The Webb Employment Agreement provides that Mr. Webb shall serve as Co-Chief Executive Officer of P10 Holdings and report to its board of directors. The Webb Employment Agreement provides that the Company shall pay Mr. Webb a base salary of $600,000 per year, and he shall be eligible to receive an annual bonus and equity compensation in the discretion of the board of directors. Mr. Webb is entitled to participate in all benefit plans maintained by the Company and to reimbursement for all reasonable and necessary out-of-pocket business, entertainment and travel expenses incurred in connection with the performance of his duties.

The term of the Webb Employment Agreement is for one year, provided that on the anniversary of the Alpert Employment Agreement and each annual anniversary thereafter, the Webb Employment Agreement shall be automatically extended for successive one-year periods unless either party provides written notice of its intention not to extend the term at least ninety (90) days prior to the applicable renewal date. The term of the Webb Employment Agreement may be terminated (i) by P10 Holdings for Cause (as defined above) or by Mr. Webb without Good Reason (as defined above), (ii) upon either party's failure to renew the Webb Employment Agreement in accordance with its terms, (iii) by P10 Holdings without Cause or by Mr. Webb for Good Reason, (iv) upon Mr. Webb's death or by P10 Holdings on account of Mr. Webb's disability (as defined in the Webb Employment Agreement).

210/P10 Services Agreement. Prior to the entry into the Alpert Employment Agreement and Webb Employment Agreement, Messrs. Alpert and Webb served as P10 Holdings' co-Chief Executive Officers and were compensated pursuant to a service agreement. On April 24, 2018, the P10 Holdings entered into the Services

Agreement with 210/P10, pursuant to which 210/P10 as a service provider continued to provide certain consulting and administrative services to the Company as mutually agreed from time to time. The Services Agreement provided for a monthly services fee in the amount of $31,700, payable in advance within the first five business days of each month, and the reimbursement of ongoing monthly expenses in the amount of $18,827. The Services Agreement was terminated effective December 31, 2020.

210/P10 is managed by its sole member, 210 Capital, LLC, which is managed by its members Covenant RHA Partners, L.P. ("RHA Partners") and CCW/LAW Holdings, LLC ("CCW Holdings"). Mr. Webb is the sole member of CCW Holdings. RHA Partners is managed by its general partner, RHA Investments, Inc., of which Mr. Alpert is the President and sole shareholder.

William F. Souder. On January 1, 2021, RCP3 and P10 Holdings entered into an amendment to that certain employment agreement with Mr. Souder, effective as of January 1, 2021 (the "Souder Employment Agreement"), pursuant to which Mr. Souder serves as the Chief Operating Officer of P10 Holdings and Managing Partner and President of RCP 3 and as a member of each of RCP 3's and P10 Holdings' Board of Managers. Pursuant to the terms of the Souder Employment Agreement, P10 Holdings shall pay Mr. Souder an annual rate of base salary of $600,000 in periodic installments in accordance with P10 Holdings' customary payroll practices, and P10 Holdings may, but shall not be required to, increase the base salary during the term. Mr. Souder's current base salary is $600,000. In addition, P10 Holdings may pay Mr. Souder additional incentive compensation including stock options in P10 Holdings, additional cash compensation, and/or carried interests in new fund clients of P10 Holdings, at the discretion of the Board of Managers of RCP 3 and considering, among other factors, the financial performance of RCP 3. Mr. Souder is also entitled to fringe benefits and perquisites consistent with the practice of P10 Holdings and to participate in all employee benefit plans, practices and programs maintained by P10 Holdings. During the term of the Souder Employment Agreement, Mr. Souder is entitled to 25 days of paid vacation per calendar year and reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by Mr. Souder in connection with the performance of his duties.

The term of the Souder Employment Agreement shall continue until the fifth anniversary of the effective date, or January 1, 2023, provided that on such fifth anniversary and each annual anniversary thereafter, the Souder Employment Agreement shall be automatically extended for successive one-year periods unless either party provides written notice of its intention not to extend the term at least sixty (60) days prior to the applicable renewal date. The term of the Souder Employment Agreement may be terminated (i) by P10 Holdings for Cause (as defined below) or by Mr. Souder without Good Reason (as defined below), (ii) upon either party's failure to renew the Souder Employment Agreement in accordance with its terms, (iii) by P10 Holdings without Cause or by Mr. Souder for Good Reason, (iv) upon Mr. Souder's death or by P10 Holdings on account of Mr. Souder's disability (as defined in the Souder Employment Agreement).

For purposes of the Souder Employment Agreement and the Gehl Employment Agreement (as defined below):

- "Cause" means any of the following:
  - persistent failure to perform his or her duties (other than any failure resulting from incapacity due to physical or mental illness);
  - failure to comply with any valid and legal directive of RCP 3 or P10 Holdings;
  - engagement in dishonesty, illegal conduct, or misconduct, which is, in each case, injurious to RCP 3 or P10 Holdings or its affiliates;
  - embezzlement, misappropriation, or fraud, whether or not related to executive's employment with RCP 3 or P10 Holdings;
  - conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;
  - violation of a material policy of RCP 3 or P10 Holdings;

- willful unauthorized disclosure of confidential information of RCP 3 or P10 Holdings;
- material breach of any material obligation under the applicable employment agreement or any other written agreement between the executive and RCP 3 or P10 Holdings; or
- material failure to comply with RCP 3's or P10 Holdings' written policies or rules, as they may be in effect from time to time during the term.

Provided, however, that actions described in bullets (i), (ii), (vi),(vii), (viii), and (ix) shall constitute Cause thirty (30) days following written notice to the executive unless executive cures such action to the satisfaction of P10 Holdings as determined in P10 Holdings' sole discretion

- "Good Reason" means the occurrence of any of the following, in each case during the term without the executive's written consent:
  - a material reduction in (1) executive's salary, other than a general reduction that affects all similarly situated executives in substantially the same proportions, or (2) executive's participation in other material benefits, including stock options in the P10 Holdings, carried interests, and other incentive compensation, based on the historic practices of RCP 3 and P10 Holdings;
  - any material breach by RCP 3 or P10 Holdings of any material provision of the applicable employment agreement;
  - RCP 3's or P10 Holding's failure to obtain an agreement from any successor to RCP 3 or P10 Holdings to assume and agree to perform the applicable employment agreement in the same manner and to the same extent that RCP 3 or P10 Holdings would be required to perform if no succession had taken place, except where the assumption occurs by operation of law;
  - a material, adverse change in executive's authority, duties, or responsibilities (other than temporarily while the executive is physically or mentally incapacitated or as required by applicable law); or
  - a permanent relocation by RCP 3 or P10 Holding's of the executive's principal place of employment by more than one hundred (100) miles from the principal place of executive's employment set forth in the applicable employment agreement.

Jeff P. Gehl. On January 1, 2021, RCP 3 and P10 Holdings entered into an amendment to that certain employment agreement with Mr. Gehl, effective as of January 1, 2021 (the "Gehl Employment Agreement"), pursuant to which Mr. Gehl serves as Head of Marketing and Distribution of P10 Holdings and Managing Partner and Vice President of RCP 3 and as a member of P10 Holdings's and RCP 3's Board of Managers. Pursuant to the terms of the Gehl Employment Agreement, P10 Holdings shall pay Mr. Gehl an annual rate of base salary of $600,000 in periodic installments in accordance with P10 Holdings' customary payroll practices, and P10 Holdings may, but shall not be required to, increase the base salary during the term. Mr. Gehl's current base salary is $600,000. In addition, P10 Holdings may pay Mr. Gehl additional incentive compensation including stock options in P10 Holdings, additional cash compensation, and/or carried interests in new fund clients of P10 Holdings, at the discretion of the Board of Managers of RCP 3 and considering, among other factors, the financial performance of RCP 3. Mr. Gehl is also entitled to fringe benefits and perquisites consistent with the practice of P10 Holdings and to participate in all employee benefit plans, practices and programs maintained by P10 Holdings. During the term of the Gehl Employment Agreement, Mr. Gehl is entitled to 25 days of paid vacation per calendar year and reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by Mr. Gehl in connection with the performance of his duties.

The term of the Gehl Employment Agreement shall continue until the fifth anniversary of the effective date, or January 1, 2023, provided that on such fifth anniversary and each annual anniversary thereafter, the Gehl Employment Agreement shall be automatically extended for successive one-year periods unless either party provides written notice of its intention not to extend the term at least sixty (60) days prior to the applicable renewal date. The term of the Gehl Employment Agreement may be terminated (i) by P10 Holdings for Cause (as defined above) or by Mr. Gehl without Good Reason (as defined above), (ii) upon either party's failure to renew the Gehl Employment Agreement in accordance with its terms, (iii) by P10 Holdings without Cause or by Mr. Gehl for Good Reason, (iv) upon Mr. Gehl's death or by P10 Holdings on account of Mr. Gehl's disability (as defined in the Gehl Employment Agreement).

Termination Payments and Benefits

Mr. Alpert. In the event of Mr. Alpert's termination due to Cause, death, disability or by Mr. Alpert without Good Reason, Mr. Alpert shall be entitled to receive any accrued but unpaid base service fee, accrued but unused vacation time, reimbursement for unreimbursed business expenses and the benefits (including equity compensation), if any, to which he may be entitled under the Company's benefit plans (collectively, the "Accrued Amounts"). If Mr. Alpert's employment is terminated without Cause or by Mr. Alpert for Good Reason, Mr. Alpert shall be entitled to receive the Accrued Amounts, if any, plus a severance payment, payable in a lump sum, equal to 12 months of his base salary, reimbursement for his cost of COBRA premiums for health insurance continuation coverage (to the extent such premiums exceed the contributory cost for the same coverage charged to active employees) for 12 months or until his right to COBRA continuation expires, whichever is shorter, the target amount of the any annual bonus, and immediate vesting of any equity granted to him.

Mr. Webb. In the event of Mr. Webb's termination due to Cause, death, disability or by Mr. Webb without Good Reason, Mr. Webb shall be entitled to receive the Accrued Amounts. If Mr. Webb's employment is terminated without Cause or by Mr. Webb for Good Reason, Mr. Alpert shall be entitled to receive the Accrued Amounts, if any, plus a severance payment, payable in a lump sum, equal to 12 months of his base salary, reimbursement for his cost of COBRA premiums for health insurance continuation coverage (to the extent such premiums exceed the contributory cost for the same coverage charged to active employees) for 12 months or until his right to COBRA continuation expires, whichever is shorter, the target amount of the any annual bonus, and immediate vesting of any equity granted to him.

Mr. Souder. In the event of Mr. Souder's termination due to non-renewal, by RCP 3 for Cause or by Mr. Souder without Good Reason, Mr. Souder shall be entitled to receive any accrued but unpaid base salary and accrued but unused vacation, reimbursement for unreimbursed business expenses and the benefits (including equity compensation), if any, to which he may be entitled under RCP 3's benefit plans, provided that in no event shall Mr. Souder be entitled to any payments in the nature of severance or termination payments (collectively, the "Employee Accrued Amounts"). If Mr. Souder's employment is terminated by RCP 3 without Cause or by Mr. Souder for Good Reason, Mr. Souder shall be entitled to receive the Employee Accrued Amounts, and subject to execution and effectiveness of a mutual release of claims, Mr. Souder shall be entitled to receive his continued base salary for three (3) months following the termination date. If Mr. Souder's obligations are terminated on account of his death or disability, he (or his estate and/or beneficiaries, as the case may be) shall be entitled to receive the Employee Accrued Amounts.

Mr. Gehl. In the event of Mr. Gehl's termination due to non-renewal, by RCP 3 for Cause or by Mr. Gehl without Good Reason, Mr. Gehl shall be entitled to receive the Employee Accrued Amounts. If Mr. Gehl's employment is terminated by RCP 3 without Cause or by Mr. Gehl for Good Reason, Mr. Gehl shall be entitled to receive the Employee Accrued Amounts, and subject to execution and effectiveness of a mutual release of claims, Mr. Gehl shall be entitled to receive his continued base salary for three (3) months following the termination date. If Mr. Gehl's obligations are terminated on account of his death or disability, he (or his estate and/or beneficiaries, as the case may be) shall be entitled to receive the Employee Accrued Amounts.

Equity Compensation

2018 Stock Incentive Plan

P10 Holdings has adopted the 2018 Stock Incentive Plan (the "2018 Plan"). At December 31, 2020, there were outstanding options to purchase shares of common stock in P10 Holdings. As part of the Reorganization, options to purchase shares of our Class A common stock replaced all outstanding options to purchase shares of P10 Holdings common stock. All unvested awards under the 2018 Plan will be replaced by awards vesting in Class A common stock according to the vesting schedule in effect prior to this offering. Following the effectiveness of the 2021 Stock Incentive Plan, we intend to amend the 2018 Plan to provide that no further awards will be issued thereunder.

2021 Stock Incentive Plan

We anticipate that our board of directors will adopt a new omnibus equity incentive plan (the "2021 Stock Incentive Plan") and that the 2021 Stock Incentive Plan will be approved by our sole stockholder prior to the Reorganization and consummation of this offering. The purposes of the 2021 Stock Incentive Plan are to advance the interests of P10 by enhancing its ability to attract and retain employees, officers and non-employee directors, in each case who are selected to be participants in the plan, and by motivating them to continue working toward and contributing to the success and growth of P10. Persons eligible to receive awards under the 2021 Stock Incentive Plan will include current and prospective employees, current and prospective officers and members of our board of directors who are not our employees. The 2021 Stock Incentive Plan will replace our previously existing equity compensation plan, the 2018 Plan, going forward. Following the adoption of the 2021 Stock Incentive Plan, no additional awards will be granted under the 2018 Plan.

The 2021 Stock Incentive Plan will authorize the award of incentive and nonqualified stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units, incentive bonuses and divided equivalents, any of which may be performance-based. We believe the variety of awards that may be granted under this plan will give us the flexibility to offer competitive incentives and to tailor benefits to specific needs and circumstances.

The 2021 Stock Incentive Plan will be administered by our Compensation Committee. The Compensation Committee will have the authority to interpret the 2021 Stock Incentive Plan and prescribe, amend and rescind rules and make all other determinations necessary or desirable for the administration of the plan. The 2021 Stock Incentive Plan will permit the Compensation Committee to select the participants, to determine the terms and conditions of those awards, including but not limited to the exercise price, the number of Class A shares subject to awards, the term of the awards and the performance goals, and to determine the restrictions applicable to awards and the conditions under which any restrictions will lapse. The Compensation Committee will also have the discretion to determine the vesting schedule applicable to awards, provided that all awards (other than awards being replaced as part of the Reorganization) will vest in no less than one year. Notwithstanding the foregoing, the 2021 Stock Incentive Plan will prohibit the taking of any action with respect to an award that would be treated, for accounting purposes, as a "repricing" of such award at a lower exercise, base or purchase price, unless such action is approved by our stockholders.

We anticipate that shares of Class A common stock (representing approximately 10% of the number of shares of Class A common stock outstanding immediately after the closing of this offering, assuming the exercise in full of the underwriters' option to purchase additional shares) will be reserved for issuance under the 2021 Stock Incentive Plan. The maximum number of Class A shares subject to awards (other than awards being replaced as part of the Reorganization) which may be granted to any individual during any fiscal year is and the maximum number of Class A shares subject to stock options and SARs (other than awards being replaced as part of the Reorganization) granted to any individual during a calendar year is .

Awards granted under the 2021 Stock Incentive Plan will be evidenced by award agreements. The terms of all options granted under the 2021 Stock Incentive Plan will be determined by the Compensation Committee but may not extend beyond 10 years after the date of grant. Stock options and SARs granted under the 2021 Stock Incentive Plan will have an exercise price that is determined by the Compensation Committee, provided that, except in the case of awards being replaced as part of the Reorganization, the exercise price shall not be less than the fair market value of a share of our Class A common stock on the date of grant.

Upon the death or disability of a plan participant, or upon the occurrence of a change in control or other event, in each case, as determined by the Compensation Committee, the Compensation Committee may, but is not required to, provide that each award granted under the 2021 Stock Incentive Plan will become immediately vested and, to the extent applicable, exercisable.

Our board of directors will have the authority to amend or terminate the 2021 Stock Incentive Plan at any time. Stockholder approval for an amendment will generally not be obtained unless required by applicable law or stock exchange rule or deemed necessary or advisable by our board of directors. Unless previously terminated by our board of directors, the 2021 Stock Incentive Plan will terminate on the tenth anniversary of the date it is adopted by our sole stockholder. Amendments to outstanding awards, however, will require the consent of the holder if the amendment adversely affects the rights of the holder.

We intend to file with the SEC a registration statement on Form S-8 covering the Class A common stock issuable under the 2021 Stock Incentive Plan.

Federal Income Tax Consequences Relating to Awards Granted Pursuant to the Plan

The following discussion addresses certain U.S. federal income tax consequences relating to awards granted under the Plan. This discussion does not cover federal employment tax or other federal tax consequences that may be associated with the Plan, nor does it cover state, local or non-U.S. taxes.

Incentive Stock Options (ISOs). There are no federal income tax consequences when an ISO is granted. A participant will also generally not recognize taxable income when an ISO is exercised, provided that the participant was our employee during the entire period from the date of grant until the date the ISO was exercised (although the excess of the fair market value of the shares at the time of exercise over the exercise price of ISOs is included when calculating a participant’s alternative minimum tax liability). If the participant terminates service before exercising the ISO, the employment requirement will still be met if the ISO is exercised within three months of the participant’s termination of employment for reasons other than death or disability, within one year of termination of employment due to disability, or before the expiration of the ISO in the event of death. Upon a sale of the shares acquired upon exercise of an ISO, the participant realizes a long-term capital gain (or loss), equal to the difference between the sales price and the exercise price of the shares, if he or she sells the shares at least two years after the ISO grant date and has held the shares for at least one year. If the participant disposes of the shares before the expiration of these periods, then he or she recognizes ordinary income at the time of the sale (or other disqualifying disposition) equal to the lesser of (i) the gain he or she realized on the sale, and (ii) the difference between the exercise price and the fair market value of the shares on the exercise date. We generally receive a corresponding tax deduction in the same amount that the participant recognizes as income. If the employment requirement described above is not met, the tax consequences related to NQSOs, discussed below, will apply.

Nonqualified Stock Options (NQSOs). In general, a participant has no taxable income at the time a NQSO is granted but realizes income at the time he or she exercises a NQSO, in an amount equal to the excess of the fair market value of the shares at the time of exercise over the exercise price. We generally receive a corresponding tax deduction in the same amount that the participant recognizes as income. Any gain or loss recognized upon a subsequent sale or exchange of the shares is generally treated as capital gain or loss for which we are not entitled to a deduction.

SARs. A participant has no taxable income at the time a SAR is granted but realizes income at the time he or she exercises a SAR, in an amount equal to the excess of the fair market value of the shares at the time of exercise over the fair market value of the shares on the date of grant to which the SAR relates. We receive a corresponding tax deduction in the same amount that the participant recognizes as income. If a participant receives shares when he or she exercises a SAR, any gain or loss recognized upon a subsequent sale or exchange of the shares is generally treated as capital gain or loss for which we are not entitled to a deduction.

Restricted Stock (including Performance Stock). Unless a participant makes an election to accelerate the recognition of income to the date of grant as described below, the participant will not recognize income at the time a restricted stock award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the shares as of that date, less any amount paid for the stock, and we will be allowed a corresponding tax deduction at that time. If the participant timely files an election under Section 83(b) of the Code, the participant will recognize ordinary income as of the date of grant equal to the fair market value of the shares as of that date, less any amount the participant paid for the shares, and we will be allowed a corresponding tax deduction at that time. Any gain or loss recognized upon a subsequent sale or exchange of the shares is generally treated as capital gain or loss for which we are not entitled to a deduction.

Restricted Stock Units (RSUs) (including Performance Stock Units (PSUs)). A participant does not recognize income at the time a RSU is granted. When shares are delivered to a participant under a RSU, the participant will recognize ordinary income in an amount equal to the fair market value of the shares on the date of delivery, and we generally will be allowed a corresponding tax deduction at that time. Any gain or loss recognized upon a subsequent sale or exchange of the shares is generally treated as capital gain or loss for which we are not entitled to a deduction.

Bonus Shares and Dividend Equivalents. A participant will recognize ordinary income on the date on which bonus shares are granted, equal to the closing price of the shares on such date, and we generally will be entitled to a corresponding deduction. Any gain or loss recognized upon a subsequent sale or exchange of the shares is generally treated as capital gain or loss for which we are not entitled to a deduction. A participant also recognizes ordinary income on the date on which dividend equivalents are paid and we are entitled to a corresponding deduction at that time.

Tax Withholding. When a participant recognizes ordinary income with respect to exercise of a stock option or SAR, vesting of restricted stock (or granting of such award, if the participant makes an 83(b) election), settlement of an RSU award, delivery of bonus shares, or upon the payment of dividend equivalents, federal tax regulations require that we collect income taxes at withholding rates.

Code Section 162(m) and 409A. Section 162(m) of the Code denies a federal income tax deduction for certain compensation in excess of $1,000,000 per year paid to certain executive employees, which may limit our ability to fully deduct the value of awards under the Plan. Section 409A of the Code provides additional tax rules governing nonqualified deferred compensation, which may impose additional taxes on participants for certain types of nonqualified deferred compensation that is not in compliance with Section 409A. The Plan is designed to prevent awards from being subject to the requirements of Section 409A.

Director Compensation

Our policy is to not pay director compensation to directors who are also our employees. We intend to establish compensation practices for our non-employee directors. Such compensation may be paid in the form of cash, equity or a combination of both. We may also pay additional fees to the chairs of each of the audit and compensation committees of the board of directors. All members of the board of directors will be reimbursed for reasonable costs and expenses incurred in attending meetings of our board of directors. In 2020, P10 Holdings' independent directors were compensated quarterly in arrears for their service, such compensation consisting of cash. Each independent director of P10 Holdings received board fees equal to $15,000 for fiscal year 2020.

RELATED-PARTY TRANSACTIONS

Past Transactions

Effective May 1, 2018, P10 Holdings pays a monthly services fee of $31,700 for administration and consulting services along with a monthly fee of $18,800 for certain reimbursable expenses to 210/P10, which owns approximately 24.9% of P10 Holdings prior to the Reorganization. In addition, P10 Holdings paid 210/P10 a one-time retainer of $46,900 in 2018, plus $129,900 in retroactive expenses. In total, P10 Holdings paid 210/P10 approximately $0.6 million in 2019 and 2018.

Sublease Agreement

Prior to this offering, P10 Holdings entered into a sublease agreement with 210 Capital pursuant to which P10 Holdings subleased its office space in Dallas, Texas from 210 Capital. Messrs. Webb and Alpert are principals of 210 Capital. The term of the sublease is January 1, 2021 to December 31, 2029. Monthly rent is $20,272, with an expected annual rent payment of approximately $243,264. The rent on a rentable square foot basis is equal to the rent in the primary lease.

Proposed Transactions with P10, Inc.

In connection with the Reorganization, we have or will engage in certain transactions with certain of our directors, director nominees, each of our executive officers and other persons and entities who will become holders of 5% or more of our voting securities, through their ownership of shares of our Class B common stock. These transactions are described in “Historical Ownership Structure, the Reorganization and Recent Transactions.”

P10, Inc. has had no assets or business operations since its incorporation and has not engaged in any transactions with our current directors, director nominees, executive officers or sole security holder prior to the Reorganization and this offering.

Stockholders Agreement and Registration Rights

Prior to this offering, P10 entered into the Stockholders Agreement with certain investors, including employees, pursuant to which the investors were granted piggyback and demand registration rights.

Indemnification Agreements

Our bylaws, as will be in effect prior to the closing of this offering, provide that we will indemnify our directors and officers to the fullest extent permitted by the DGCL, subject to certain exceptions contained in our bylaws. In addition, our amended and restated certificate of incorporation, as will be in effect prior to the closing of this offering, will provide that our directors will not be liable for monetary damages for breach of fiduciary duty.

Prior to the closing of this offering, we will enter into indemnification agreements with each of our executive officers and directors. The indemnification agreements will provide the executive officers and directors with contractual rights to indemnification, and expense advancement and reimbursement, to the fullest extent permitted under the DGCL, subject to certain exceptions contained in those agreements.

There is no pending litigation or proceeding naming any of our directors or officers to which indemnification is being sought, and we are not aware of any pending litigation that may result in claims for indemnification by any director or officer.

Related-Party Transaction Approval Policy

In connection with this offering, we will adopt a written policy relating to the approval of related-party transactions. We will review all relationships and transactions (in excess of a specified threshold) in which we and our directors and executive officers or their immediate family members are participants to determine whether such persons have a direct or indirect material interest. Our legal department will be primarily responsible for the development and implementation of processes and controls to obtain information from our directors and executive officers with respect to related-party transactions and for determining, based on the facts and circumstances, whether we or a related person have a direct or indirect material interest in the transaction.

In addition, our Audit Committee will review and approve or ratify any related-party transaction reaching a certain threshold of significance. In approving or rejecting any such transaction, we expect that our Audit Committee will consider the relevant facts and circumstances available and deemed relevant to the Audit Committee.

Any member of the Audit Committee who is a related person with respect to a transaction under review will not be permitted to participate in the deliberations or vote on approval or ratification of the transaction.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of P10, Inc. Class A common stock and Class B common stock by:

- each person known to us to beneficially own more than 5% of our Class A common stock or our Class B common stock;
- each of our directors;
- each of our named executive officers; and
- all directors and executive officers as a group.

This beneficial ownership information is presented after giving effect to the issuance of shares of Class A common stock in this offering, which assumes the shares of Class A common stock are offered at $ per share (the midpoint of the price range listed on the cover page of this prospectus). See “Prospectus Summary—The Offering.” The number of shares of Class A common stock listed in the table below represents (i) shares of Class A common stock directly owned. See “Organizational Structure.”

The number of shares beneficially owned by each stockholder is determined under rules issued by the SEC and includes voting or investment power with respect to securities. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, or other rights, including the exchange right described above, held by such person that are currently exercisable or will become exercisable within 60 days of the date of this prospectus, are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person.

The address for all persons listed in the table is: c/o P10, Inc., 4514 Cole Avenue, Suite 1600, Dallas, Texas 75205.

Name of Beneficial Owner	Class A common stock owned before the offering		Class B common stock owned before the offering		% total voting power before the offering	% total economic interest in P10, Inc. before the offering	Class A Common stock owned after the offering if underwriters’ option is not exercised(1)		Class B Common stock owned after the offering if underwriters’ option is not exercised(1)		% total voting power after the offering if under-writers’ option is not exercised(1)	% total economic interest in P10, Inc. after the offering if under-writers’ option is not exercised(1)
	Number	%	Number	%			Number	%	Number	%		
Named Executive Officers and Directors:												
Robert Alpert												
C. Clark Webb												
William F. Souder												
Jeff P. Gehl												
Amanda Coussens												
Robert B. Stewart Jr.												
Nell M. Blatherwick												
All executive officers and directors as a group (7 persons)												
Other 5% Beneficial Owners:												
												%
												%

(1) If the underwriters' option is exercised in full, the common stock owned after the offering will be as follows:

Common stock owned after the offering if underwriters' option is exercised in full	Class A		Class B	% of total voting power after the offering if under-writers' option is exercised in full	% total economic interest in P10, Inc. after the offering if under-writers' option is exercised in full	
Name of Beneficial Owner	Number	%	Number			%
Named Executive Officers and Directors:						
All executive officers and directors as a group (persons)						
Other 5% Beneficial Owners:						

DESCRIPTION OF CAPITAL STOCK

The following is a description of our capital stock as it will be in effect upon the consummation of this offering. The following summary is qualified in its entirety by reference to our amended and restated certificate of incorporation and bylaws, the forms of which have been filed as exhibits to the registration statement of which this prospectus forms a part, and by applicable law.

Upon consummation of this offering, our authorized capital stock will consist of shares of Class A common stock, par value $0.001 per share, shares of Class B common stock, par value $0.001 per share and 10,000,000 shares of preferred stock, par value $0.001 per share. Upon consummation of this offering, shares of Class A common stock, shares of Class B common stock and no shares of preferred stock will be outstanding. Unless our board of directors determines otherwise, we will issue all shares of our Class A common stock and Class B common stock in uncertificated form.

Common Stock

Class A common stock

Holders of our Class A common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders.

Stockholders do not have the ability to cumulate votes for the election of directors. Our amended and restated certificate of incorporation provides for a classified board of directors consisting of three classes of approximately equal size, each serving staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms.

Holders of our Class A common stock are entitled to receive dividends when and if declared by our board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock. Dividends on the Class A common stock and Class B common stock will be equivalent.

Shares of Class A common stock and Class B common stock will receive equivalent economic treatment in any stock reclassification, stock splits or other similar transaction, as well as in any acquisition or merger of the Company.

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of our Class A and Class B common stock will be entitled to receive pro rata our remaining assets available for distribution, unless otherwise approved by separate votes of the Class A and Class B common stock.

Holders of our Class A common stock do not have preemptive, subscription, redemption or conversion rights.

Class B common stock

Holders of our Class B common stock are entitled to ten votes for each share held of record on all matters submitted to a vote of stockholders prior to a Sunset. See “Organizational Structure—Voting Rights of Class A and Class B Common Stock.” A “Sunset” is triggered by the earlier of the following: (a) the Sunset Holders (as defined herein) cease to maintain direct or indirect beneficial ownership of 10% of the outstanding shares of Class A Common Stock (determined assuming all outstanding shares of Class B Common Stock have been converted into Class A Common Stock); (b) the Sunset Holders collectively cease to maintain direct or indirect beneficial ownership of at least 25% of the aggregate voting power of the outstanding shares of Common Stock; and (c) upon the tenth anniversary of the effective date of the amended and restated certificate of incorporation.

After a Sunset becomes effective, holders of our Class B common stock automatically convert into Class A common stock. In addition, each share of Class B common stock will automatically convert into Class A common stock upon any transfer except to certain permitted transferees.

Holders of the Class B common stock are not entitled to dividends in respect of their shares of Class B common stock.

Holders of our Class A common stock and Class B common stock will vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law.

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of our Class B common stock will be entitled to receive their share of our remaining assets available for distribution, pro rata with distributions to the Class A common stock. Holders of our Class B common stock do not have preemptive or subscription rights. After this offering, there will be no further issuances of Class B common stock except in connection with a stock split, stock dividend, reclassification or similar transaction.

Upon any transfer, Class B common stock converts automatically on a one-for-one basis to shares of Class A common stock, except in the case of transfers to certain permitted transferees, which includes any controlled affiliate of such holder, an investment fund managed and controlled by such holder and any estate planning entity. In addition, holders of Class B common stock may elect to convert shares of Class B common stock on a one-for-one basis into Class A common stock at any time.

Preferred Stock

Our board of directors has the authority to issue preferred stock in one or more classes or series and to fix the rights, preferences, privileges and related restrictions, including dividend rights, dividend rates, conversion rights, voting rights, the right to elect directors, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any class or series, or the designation of the class or series, without the approval of our stockholders.

The authority of our board of directors to issue preferred stock without approval of our stockholders may have the effect of delaying, deferring or preventing a change in control of our company and may adversely affect the voting and other rights of the holders of our common stock. The issuance of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of our common stock, including the loss of voting control to others.

Authorized but Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of the NYSE, which would apply so long as the Class A common stock remains listed on the NYSE, require stockholder approval of certain issuances equal to or exceeding 20% of the then outstanding voting power or then outstanding number of shares of Class A common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved common stock or preferred stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive the stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Series A Junior Participating Preferred Stock Purchase Rights

The Rights. Our board of directors authorized the issuance of one right per each outstanding share of our common stock on , 2021. If the rights become exercisable, each right would allow its holder to purchase from us one one-thousandth of a share of our Series A Junior Participating Preferred Stock for a purchase price of $.

Each fractional share of Series A Junior Participating Preferred Stock would give its holder approximately the same dividend, voting and liquidation rights as one share of our Class A common stock. Prior to exercise, however, a right does not give its holder any dividend, voting or liquidation rights.

Exercisability. The rights will not be exercisable until the earlier of:

- 10 days after a public announcement by the Company that a person or group has become an person or group that acquires beneficial ownership of 4.99% or more of the outstanding Class A common stock without the prior approval of the board of directors (an “acquiring person”); and
- 10 business days (or a later date determined by our board of directors) after a person or group begins a tender or an exchange offer that, if completed, would result in that person or group becoming an acquiring person.

We refer to the date that the rights become exercisable as the “*distribution date*.” Until the distribution date, our common stock certificates will also evidence the rights and will contain a notation to that effect. Any transfer of shares of common stock prior to the distribution date will constitute a transfer of the associated rights. After the distribution date, the rights will separate from the common stock and be evidenced by right certificates, which we will mail to all holders of rights that have not become null and void.

After the distribution date, if a person or group already is or becomes an acquiring person, all holders of rights, except the acquiring person, may exercise their rights upon payment of the purchase price to purchase shares of our common stock (or other securities or assets as determined by the board of directors) with a market value of two times the purchase price. We refer to this as a “*flip-in event*.”

After the distribution date, if a flip-in event has already occurred and the Company is acquired in a merger or similar transaction, all holders of rights, except the acquiring person, may exercise their rights upon payment of the purchase price, to purchase shares of the acquiring or other appropriate entity with a market value of two times the purchase price of the rights. We refer to this as a “*flip-over event*.”

Rights may be exercised to purchase our preferred shares only after the distribution date occurs and prior to the occurrence of a flip-in event as described above. A distribution date resulting from the commencement of a tender offer or an exchange offer as described in the second bullet point above could precede the occurrence of a flip-in event, in which case the rights could be exercised to purchase our preferred shares. A distribution date resulting from any occurrence described in the first bullet point above would necessarily follow the occurrence of a flip-in event, in which case the rights could be exercised to purchase shares of common stock (or other securities or assets) as described above.

Exempted Persons and Exempted Transactions. Our board of directors recognizes that there may be instances when an acquisition of our common stock that would cause a stockholder to become an acquiring person may not jeopardize the availability of any tax attributes to the Company. Accordingly, the rights agreement grants discretion to the board of directors to designate a person as an “Exempt Person” or to designate a transaction involving our common stock as an "Exempt Transaction." An "Exempt Person" cannot become an acquiring person under the rights agreement. Our board of directors can revoke an "Exempt Person" designation if it subsequently makes a contrary determination regarding whether a person jeopardizes the availability of tax attributes to the Company.

Expiration. The rights will expire on the earliest of (i)   , 2024, which is the third anniversary of the date on which our board of directors authorized and declared a dividend of the rights, or such earlier date as of which our board of directors determines that the rights agreement is no longer necessary for the preservation of our tax assets, (ii) the time at which the rights are redeemed, (iii) the time at which the rights are exchanged, (iv) the effective time of the repeal of Section 382 of the Internal Revenue Code or any successor statute if the board of directors determines that the rights agreement is no longer necessary for the preservation of our tax assets, and (v) the first day of a taxable year of the Company to which the board of directors determines that no NOLs or other tax assets may be carried forward.

Redemption. Our board of directors may redeem all (but not less than all) of the rights for a redemption price of $0.001 per right at any time before a person or group has become an acquiring person. Once the rights are redeemed, the right to exercise the rights will terminate, and the only right of the holders of such rights will be to receive the redemption price. The redemption price will be adjusted if we declare a stock split or issue a stock dividend on our common stock.

Exchange. At any time after a person or group has become an acquiring person, but before an acquiring person owns 50% or more of our outstanding common stock, our board of directors may exchange each right (other than rights that have become null and void) for two shares of common stock or equivalent securities.

Anti-Dilution Provisions. Our board of directors may adjust the purchase price of the preferred shares, the number of preferred shares issuable and the number of outstanding rights to prevent dilution that may occur as a result of certain events, including, among others, a stock dividend, a stock split or a reclassification of the preferred shares or our common stock. No adjustments to the purchase price of less than one percent will be made.

Amendments. Before the time a person or group has become an acquiring person, our board of directors may amend or supplement the rights agreement in any respect without the consent of the holders of the rights, except that no amendment may decrease the redemption price below $0.001 per right. At any time, our board of directors may amend or supplement the rights agreement to cure an ambiguity, to alter time period provisions, to correct inconsistent provisions or to make any additional changes to the rights agreement, but after a person or group has become an acquiring person only to the extent that those changes do not impair or adversely affect any rights holder and do not result in the rights again becoming redeemable. The limitations on our board of director's ability to amend the rights agreement does not affect our board of director's power or ability to take any other action that is consistent with its fiduciary duties, including, without limitation, accelerating or extending the expiration date of the rights, or making any amendment to the rights agreement that is permitted by the rights agreement or adopting a new rights agreement with such terms as our board of directors determines in its sole discretion to be appropriate.

Anti-Takeover Effects of Provisions of Delaware Law and our Amended and Restated Certificate of Incorporation and Bylaws

Certain provisions of our amended and restated certificate of incorporation and bylaws could discourage potential acquisition proposals and could delay or prevent a change in control. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and in the policies formulated by our board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal or proxy fight. Such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our Class A common stock that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management or delaying or preventing a transaction that might benefit you or other minority stockholders.

These provisions include:

Super Voting Stock. The Class A common stock and Class B common stock will vote together on all matters on which stockholders are entitled to vote, except as set forth in our amended and restated certificate of incorporation or required by applicable law. However, until a Sunset becomes effective, the Class B common stock will have ten votes per share and the Class A common stock will have one vote per share. Consequently, the holders of our Class B common stock will have greater influence over decisions to be made by our stockholders, including the election of directors.

Action by Written Consent; Special Meetings of Stockholders. The DGCL permits stockholder action by written consent unless otherwise provided by our amended and restated certificate of incorporation. Our amended and restated certificate of incorporation will permit stockholder action by written consent so long as the Class B common stock represents a majority of the voting power of our outstanding common stock, and will preclude stockholder action by written consent if and when the Class B common stock ceases to represent a majority of the voting power of our outstanding common stock. If permitted by the applicable certificate of designation, future series of preferred stock may take action by written consent. Our amended and restated certificate of incorporation and our bylaws provide that special meetings of stockholders may be called only by the board of directors or the chairman of the board of directors, and only proposals included in the company's notice may be considered at such special meetings.

Election and Removal of Directors. The DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless our amended and restated certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not expressly provide for cumulative voting. Directors may be removed, but only for cause, upon the affirmative vote of holders of at least 75% of the voting power of the outstanding shares of our capital stock entitled to vote generally in the election of directors, voting together as a single class, except that prior to a Sunset, directors may be removed, with or without cause, by the affirmative vote or consent of the holders of a majority of the voting power of the outstanding shares of our capital stock entitled to vote generally in the election of directors. In addition, the certificate of designation pursuant to which a particular series of preferred stock is issued may provide holders of that series of preferred stock with the right to elect additional directors. In addition, under our amended and restated certificate of incorporation, our board of directors will be divided into three classes of directors, each of which will hold office for a three-year term. The existence of a classified board could delay a successful tender offeror from obtaining majority control of our board of directors, and the prospect of that delay might deter a potential offeror.

Authorized but Unissued Shares. The authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by the listing rules of the NYSE. The existence of authorized but unissued and unreserved common stock and preferred stock could make more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise. See "—Preferred Stock" and "—Authorized but Unissued Capital Stock" above.

Business Combinations with Interested Stockholders. In general, Section 203 of the DGCL, an anti-takeover law, prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the corporation's voting stock, which person or group is considered an interested stockholder under the DGCL, for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner.

We elected in our amended and restated certificate of incorporation not to be subject to Section 203. However, our amended and restated certificate of incorporation contains provisions that have the same effect as Section 203, except that it provides that the Sunset Holders, their affiliates, groups that include the Sunset Holders, and certain of their direct and indirect transferees will not be deemed to be "interested stockholders," regardless of the percentage of our voting stock owned by them, and accordingly will not be subject to such restrictions.

Exclusive forum. Our amended and restated certificate of incorporation provides that, unless we select or consent in writing to the selection of another forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court or a federal court located within the State of Delaware) shall be the exclusive forum for any complaints asserting any "internal corporate claims," which include claims in the right of our company (i) that are based upon a violation of a duty by a current or former director, officer, employee or stockholder in such capacity or (ii) as to which the DGCL confers jurisdiction upon the Court of Chancery. Furthermore, unless we select or consent to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Our exclusive forum provision does not apply to suits brought to enforce any liability or duty created by the Exchange Act, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring an interest in any shares of our capital stock shall be deemed to have notice of and to have consented to the forum provisions in our amended and restated certificate of incorporation. It is possible that a court could find our exclusive forum provision to be inapplicable or unenforceable. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers.

NOL Protective Provision. We have also included a protective provision in our amended and restated certificate of incorporation designed to assist the Company in protecting the long-term value of its accumulated NOLs by limiting certain transfers of the Company's common stock, which requires any person attempting to become a holder of 4.99% or more of our common stock to seek the approval of our board of directors. Pursuant to its terms, this provision will expire on the third anniversary of the offering, unless terminated prior to such time at the sole discretion of the board of directors.

Rights Agreement. P10, Inc. intends to enter into a rights agreement in an effort to preserve the value of P10, Inc.'s NOLs and other tax benefits. P10, Inc.'s ability to utilize its NOLs may be substantially limited if P10, Inc. experiences an "ownership change" within the meaning of Section 382 of the Code. In general, an "ownership change" would occur if the percentage of P10, Inc.'s ownership by one or more "5-percent shareholders" (as defined in the Code) increases by more than 50 percent over the lowest percentage owned by such stockholders at any time during the prior three years. The Rights Agreement will be designed to preserve P10, Inc.'s tax benefits by deterring transfers of common stock that could result in an "ownership change" under Section 382 of the Code. See "Description of Capital Stock—Series A Junior Participating Preferred Stock Purchase Rights" above.

Other Limitations on Stockholder Actions. Our bylaws will also impose some procedural requirements on stockholders who wish to:

- make nominations in the election of directors;
- propose that a director be removed; or
- propose any other business to be brought before an annual or special meeting of stockholders.

Under these procedural requirements, in order to bring a proposal before a meeting of stockholders, a stockholder must deliver timely notice of a proposal pertaining to a proper subject for presentation at the meeting to our corporate secretary containing, among other things, the following:

- the stockholder's name and address;

- the number of shares beneficially owned by the stockholder and evidence of such ownership;
- the names of all persons with whom the stockholder is acting in concert and a description of all arrangements and understandings with those persons
- a description of any agreement, arrangement or understanding reached with respect to shares of our stock, such as borrowed or loaned shares, short positions, hedging or similar transactions
- a description of the business or nomination to be brought before the meeting and the reasons for conducting such business at the meeting; and
- any material interest of the stockholder in such business.

Our bylaws set out the timeliness requirements for delivery of notice.

In order to submit a nomination for our board of directors, a stockholder must also submit any information with respect to the nominee that we would be required to include in a proxy statement, as well as some other information. If a stockholder fails to follow the required procedures, the stockholder's proposal or nominee will be ineligible and will not be voted on by our stockholders.

Limitations on Liability and Indemnification of Officers and Directors

Our amended and restated certificate of incorporation and bylaws provide indemnification for our directors and officers to the fullest extent permitted by the DGCL. Prior to the completion of this offering, we intend to enter into indemnification agreements with each of our directors and executive officers that may, in some cases, be broader than the specific indemnification provisions contained under Delaware law. In addition, as permitted by Delaware law, our amended and restated certificate of incorporation includes provisions that eliminate the personal liability of our directors for monetary damages resulting from breaches of certain fiduciary duties as a director. The effect of this provision is to restrict our rights and the rights of our stockholders in derivative suits to recover monetary damages against a director for breach of fiduciary duties as a director, except that a director will be personally liable for:

- any breach of his duty of loyalty to us or our stockholders;
- acts or omissions not in good faith, or which involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the General Corporation Law of the State of Delaware; or
- any transaction from which the director derived an improper personal benefit; or improper distributions to stockholders.

These provisions may be held not to be enforceable for violations of the federal securities laws of the United States.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock is American Stock Transfer & Trust Company, LLC.

Listing

We have applied to list our Class A common stock on the NYSE under the symbol "PX".

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock. No prediction can be made as to the effect, if any, of future sales of shares, or the availability for future sales of shares, will have on the market price of our Class A common stock prevailing from time to time. The sale of substantial amounts of our Class A common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of our Class A common stock. Prior to this offering, our common stock was quoted for trading on the OTC Pink Open Market under the ticker "PIOE". On , 2021, the last reported sale price for P10 Holdings' common stock on the OTC Pink Open Market was $ per share. See "Organizational Structure."

Upon completion of this offering, we will have a total of shares of our Class A common stock outstanding, assuming the issuance of shares of Class A common stock offered by us in this offering and shares of Class B common stock that are convertible into Class A common stock at the discretion of the holder and upon its resale. All of the shares sold in this offering, and of our Class B shares, will be freely tradable without restriction or further registration under the Securities Act, except for such shares that may be held or acquired by an "affiliate" of ours, which shares will be "restricted securities." Under the Securities Act, an "affiliate" of a company is a person that directly or indirectly controls, is controlled by or is under common control with that company. Upon expiration of the lock-up agreements described below, these restricted securities would be eligible for sale in the public market pursuant to Rules 144 or 701 promulgated under the Securities Act, which rules are described below.

We intend to file one or more registration statements on Form S-8 under the Securities Act to register Class A common stock issued or reserved for issuance under our 2021 Stock Incentive Plan. Any such Form S-8 registration statement will become effective automatically upon filing. Accordingly, shares registered under such registration statement will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described below. We expect that the registration statement on Form S-8 will cover shares of Class A common stock.

Registration Rights

Pursuant to the Stockholders Agreement, we are required, in certain circumstances, to file a registration statement in order to register the resales of shares of the common stock of P10, Inc.

Lock-Up Arrangements

We, all of our directors and executive officers and certain of our beneficial owners representing in the aggregate approximately % of our total outstanding common stock have agreed that, without the prior written consent of and Morgan Stanley & Co. LLC, we and they will not, subject to specified exceptions, directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock; file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock for a period of 180 days after the date of this prospectus. For additional information, see "Underwriting."

Rule 144

In general, under Rule 144, beginning 90 days after the effective date of the registration statement of which this prospectus forms a part, a person who is not one of our affiliates and who has not been one of our affiliates at any time during the 90 days preceding a sale, and who has beneficially owned shares of our Class A common stock for at least six months but less than a year, would be entitled to sell such shares subject only to the availability of current public information about us. If such person has beneficially owned shares of Class A common stock for at least one year, such person would be entitled to sell an unlimited number of shares of our Class A common stock under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Beginning 90 days after the effective date of the registration statement of which this prospectus forms a part, any of our affiliates (or any person who was an affiliate at any time during the 90 days preceding a sale) who has beneficially owned shares of our Class A common stock for at least six months is entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal approximately   shares immediately after this offering; or
- the average weekly trading volume of our Class A common stock on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 provides that the shares of our securities acquired pursuant to rights granted under a compensatory stock or option plan or other written agreement may be resold by persons, other than affiliates, 90 days after the effective date of the registration statement of which this prospectus forms a part subject only to the manner of sale provisions of Rule 144, and by affiliates under Rule 144, without compliance with its holding period requirement. However, none of the Rule 701 shares will be eligible for resale until the expiration of any lock-up provisions to which they are subject.

We intend to file a registration statement on Form S-8 under the Securities Act covering all of the shares of Class A common stock to be issued under the 2021 Stock Incentive Plan as replacement awards for currently outstanding option awards and all shares reserved for future issuance under that plan. We expect to file this registration statement as soon as practicable after our initial public offering. However, none of the shares registered on Form S-8 will be eligible for resale until the expiration of any lock-up provisions to which they are subject.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF CLASS A COMMON STOCK

The following discussion is a summary of the material U.S. federal income tax consequences of an investment in our Class A common stock by a Non-U.S. Holder (as defined below). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Non-U.S. Holder in light of such Non-U.S. Holder's special circumstances or to Non-U.S. Holders subject to special tax rules (including, but not limited to, a "controlled foreign corporation," "passive foreign investment company," company that accumulates earnings to avoid U.S. federal income tax, tax-exempt organization, financial institution, broker or dealer in securities, former U.S. citizen or resident, person that owns or is deemed to own, actually or constructively, more than 5% of our common stock for U.S. federal income tax purposes, or person required to accelerate the recognition of any item of gross income with respect to our common stock as a result of such income being included in an applicable financial statement). This discussion is based on current provisions of the Code, Treasury regulations promulgated thereunder, judicial opinions, published positions of the IRS, and other applicable authorities, all of which are subject to change or differing interpretations (possibly with retroactive effect). This discussion does not address all aspects of U.S. federal income taxation that may be important to a particular Non-U.S. Holder in light of that Non-U.S. Holder's circumstances, including Medicare taxes imposed on net investment income and the alternative minimum tax, nor does it address any aspect of U.S. federal taxation other than U.S. federal income taxation (such as U.S. federal estate and gift taxation) or state, local, or Non-U.S. taxation. In addition, this discussion deals only with U.S. federal income tax consequences to a Non-U.S. Holder that holds our Class A common stock as a capital asset.

A "Non-U.S. Holder" is a beneficial owner of our Class A common stock that is an individual, corporation, trust or estate that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States or any State thereof (including the District of Columbia);
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, the administration of which is subject to the primary supervision of a court within the United States and for which one or more U.S. persons have the authority to control all substantial decisions, or that has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes holds our Class A common stock, the U.S. federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding our Class A common stock should consult its tax advisor concerning the U.S. federal income and other tax consequences of investing in our Class A common stock.

This summary is included herein as general information only. Accordingly, each prospective purchaser of our Class A common stock should consult its tax advisor with respect to U.S. federal, state, local and non-U.S. income and other tax consequences of acquiring, holding and disposing of our Class A common stock.

Distributions

If we make a distribution of cash or other property (other than certain distributions of our stock) in respect of our Class A common stock, the distribution generally will be treated as a dividend to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). If the amount of a distribution exceeds our current or accumulated earnings and profits, such excess first will be treated as a tax-free return of capital to the extent of a Non-U.S. Holder's tax basis in its shares of our Class A common stock (and will reduce the recipient Non-U.S. Holder's tax basis in its Class A common stock), and, to the extent such portion exceeds the Non-U.S. Holder's tax basis in its Class A common stock, the excess will be treated as gain from the taxable disposition of the Non-U.S. Holder's shares of Class A common stock.

Dividends paid to a Non-U.S. Holder of our Class A common stock generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or Form W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate. A Non-U.S. Holder that does not timely furnish the required documentation, but is eligible for a reduced rate of withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under an applicable income tax treaty and the manner of claiming the benefits of such treaty.

Dividends that are "effectively connected" with a Non-U.S. Holder's conduct of a trade or business within the United States and, if an applicable income tax treaty so provides, that are attributable to a permanent establishment (or, for an individual, a fixed base) maintained by such Non-U.S. Holder within the United States are generally not subject to the withholding tax described above but instead are subject to U.S. federal income tax on a net income basis at applicable U.S. federal income tax rates. In order for its effectively connected dividends to be exempt from the withholding tax described above, a Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or other applicable required documentation), certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. Dividends received by a Non-U.S. Holder that is a corporation that are effectively connected with its conduct of a trade or business within the United States may be subject to an additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Any distributions we make to a Non-U.S. Holder with respect to such holder's shares of Class A common stock will also be subject to the rules discussed below under the headings "—Information Reporting Requirements and Backup Withholding" and "—Additional Withholding Tax on Payments Made to Foreign Accounts."

Gain on Disposition of Class A Common Stock

Subject to the discussion below under the headings "—Information Reporting Requirements and Backup Withholding" and "—Additional Withholding Tax on Payments Made to Foreign Accounts," a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any gain recognized upon the sale, exchange or other taxable disposition of shares of our Class A common stock, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the Non-U.S. Holder within the United States; (ii) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met; or (iii) we are or have been a "United States real property holding corporation" for U.S. federal income tax purposes at any time within the shorter of the five-year period ending on the date of disposition or the period that such Non-U.S. Holder held shares of our Class A common stock. Gain from a Non-U.S. Holder's taxable disposition of the Class A common stock that is effectively connected with such Non-U.S. Holder's conduct of a trade or business in the United States (and, if required by a tax treaty, the gain is attributable to a permanent establishment that such Non-U.S. Holder maintains in the United States), will be subject to tax on the net gain derived from the sale at rates applicable to United States citizens, resident aliens and domestic United States corporations. For corporate Non-U.S. Holders, "effectively connected" gains that such Non-U.S. Holder recognizes may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if such Non-U.S. Holder is eligible for the benefits of an income tax, treaty that provides for a lower rate. An individual Non-U.S. Holder who is subject to U.S. federal income tax because the Non-U.S. Holder was present in the United States for 183 days or more during the year of disposition is taxed on its gains (including gains from the disposition of our Class A common stock and net of applicable U.S. source losses from dispositions of other capital assets recognized during the year) at a flat rate of 30% or such lower rate as may be specified by an applicable income tax treaty. Other Non-U.S. Holders subject to U.S. federal income tax with respect to any gain recognized on the disposition of our Class A common stock generally will be taxed on any such gain on a net income basis at applicable U.S. federal income tax rates and, in the case of foreign corporations, the branch profits tax discussed above generally may apply.

We would be a United States real property holding corporation at any time that the fair market value of our "United States real property interests," as defined in the Code and applicable Treasury regulations, equaled or exceeded 50% of the aggregate fair market value of our worldwide real property interests and our other assets used or held for use in a trade or business (all as determined for United States federal income tax purposes). We do not believe that we have been, currently are, or will become, a United States real property holding corporation. If we were or were to become a United States real property holding corporation at any time during the applicable period, however, any gain recognized on a disposition of our Class A common stock by a Non-U.S. Holder that did not own (directly, indirectly or constructively) more than 5% of our Class A common stock during the applicable period would not be subject to U.S. federal income tax, provided that any class of our common stock is "regularly traded on an established securities market" (within the meaning of Section 897(c)(3) of the Code).

Information Reporting Requirements and Backup Withholding

Information returns are required to be filed with the IRS in connection with payments of dividends on our Class A common stock. Unless a Non-U.S. Holder complies with certification procedures to establish that it is not a U.S. person, information returns may also be filed with the IRS in connection with the proceeds from a sale or other disposition of our Class A common stock. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides. A Non-U.S. Holder may be required to provide proper certification (usually on an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable) to establish that the Non-U.S. Holder is not a U.S. person or otherwise qualifies for an exemption in order to avoid backup withholding tax with respect to our payment of dividends on, or the proceeds from the disposition of, our Class A common stock. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against that Non-U.S. Holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS. Each Non-U.S. Holder should consult its tax advisor regarding the application of the information reporting rules and backup withholding to it.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code, the Treasury Regulations promulgated hereunder and other official guidance (commonly referred to as "FATCA") require withholding of 30% on payments of dividends on our Class A common stock to "foreign financial institutions" (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Regulations proposed by the U.S. Treasury Department would eliminate the requirement under FATCA of withholding on gross proceeds of disposition of our Class A common stock. The U.S. Treasury Department has stated that taxpayers may rely on these proposed regulations pending their finalization. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally may obtain a refund of any amounts withheld by filing a U.S. federal income tax return (which may entail significant administrative burden). Non-U.S. Holders should consult their tax advisers regarding the effects of FATCA on their investment in our Class A common stock.

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UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC is acting as representative, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares of Class A common stock indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
Total:	

The underwriters and the representative are collectively referred to as the "underwriters" and the "representative," respectively. The underwriters are offering the shares of Class A common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of Class A common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of Class A common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of Class A common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. After the initial offering of the shares of Class A common stock, the offering price and other selling terms may from time to time be varied by the representative.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of Class A common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of Class A common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of Class A common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of Class A common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us:			
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for expense relating to clearance of this offering with the Financial Industry Regulatory Authority up to $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of Class A common stock offered by them.

We have applied to list our Class A common stock on the NYSE under the trading symbol "PX".

We, all of our directors and executive officers and certain of our beneficial owners representing in the aggregate approximately % of our total outstanding stock have agreed that, without the prior written consent of Morgan Stanley & Co. LLC on behalf of the underwriters, we and they will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of this prospectus (the "restricted period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock.

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agree that, without the prior written consent of Morgan Stanley & Co. LLC on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph to do not apply to:

- the sale of shares to the underwriters; or
- the issuance by the Company of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing; or
- transactions by any person other than us relating to shares of common stock or other securities acquired in open market transactions after the completion of the offering of the shares; provided that no filing under Section 16(a) of the Exchange Act, is required or voluntarily made in connection with subsequent sales of the common stock or other securities acquired in such open market transactions.

Morgan Stanley & Co. LLC, in its sole discretion, may release the Class A common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the Class A common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Class A common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of Class A common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the Class A common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters if any, participating in this offering. The representative may agree to allocate a number of shares of Class A common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representative to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price was determined by negotiations between us and the representative. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area (each, a “Member State”), no securities have been offered or will be offered pursuant to the offering to the public in that Member State prior to the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of securities may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the representatives; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require us or any of our representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the

Prospectus Regulation and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the representatives and us that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any shares being offered to a financial intermediary as that term is used in Article 5 of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a nondiscretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares in any Member State means the communication in any form and by means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase shares, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended).

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Canada

The Class A common stock may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the Class A common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The Class A common stock may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("Companies (Winding Up and Miscellaneous Provisions) Ordinance") or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("Securities and Futures Ordinance"), (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the Class A common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of Class A common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Japan

The shares of Class A common stock have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) ("FIEA"). The shares of Class A common stock may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Class A common stock may not be circulated or distributed, nor may the Class A common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares of Class A common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the shares of Class A common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Solely for the purposes of our obligations pursuant to Section 309B of the SFA, we have determined, and hereby notify all relevant persons (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 ("CMP Regulations")) that the shares of Class common stock are "prescribed capital markets products" (as defined in the CMP Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

This prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Class A common stock. The Class A common stock may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to, the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the Class A common stock constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the Class A common stock or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, or the Class A common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Class A common stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of Class A common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Class A common stock.

United Arab Emirates

The Class A common stock has not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

LEGAL MATTERS

The validity of the Class A common stock will be passed upon for us by Olshan Frome Wolosky LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

The consolidated financial statements of P10 Holdings, Inc. as of December 31, 2020 and 2019 and for each of the years in the two-year period ended December 31, 2020 and the financial statements of Five Points Capital, Inc., and TrueBridge Capital Partners, LLC, as of December 31, 2019 and 2018 and for each of the years in the two-year period ended December 31, 2019, have been included or incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm appearing elsewhere or incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Enhanced Capital Group, LLC and Enhanced Capital Partners, LLC at December 31, 2019 and 2018, and for the years then ended, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the Class A common stock offered in this prospectus. This prospectus, filed as part of the registration statement, does not contain all of the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us and our Class A common stock, we refer you to the registration statement and to its exhibits and schedules. Statements in this prospectus about the contents of any contract, agreement or other document are not necessarily complete and, in each instance, we refer you to the copy of such contract, agreement or document filed as an exhibit to the registration statement, with each such statement being qualified in all respects by reference to the document to which it refers. Anyone may inspect the registration statement and its exhibits and schedules without charge at the public reference facilities the SEC maintains at 100 F Street, N.E., Washington, D.C. 20549. You may obtain copies of all or any part of these materials from the SEC, upon the payment of certain fees prescribed by the SEC. You may obtain further information about the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also inspect these reports and other information without charge at a website maintained by the SEC. The address of this site is www.sec.gov.

Upon completion of this offering, we will become subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and will be required to file reports, proxy statements and other information with the SEC. You will be able to inspect and copy these reports, proxy statements and other information at the public reference facilities maintained by the SEC at the address noted above. You also will be able to obtain copies of this material from the Public Reference Room of the SEC as described above or inspect them without charge at the SEC's website. We intend to furnish our stockholders with annual reports containing consolidated financial statements audited by an independent registered public accounting firm.

INDEX TO FINANCIAL STATEMENTS

P10 Holdings, Inc.

P10 Holdings, Inc.
Consolidated Financial Statements
December 31, 2020 and 2019
(With Report of Independent Registered Public Accounting Firm)

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KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
P10 Holdings, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of P10 Holdings, Inc. and subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

We have served as the Company's auditor since 2017.

Chicago, Illinois
March 1, 2021

P10 Holdings, Inc.
Consolidated Balance Sheets
(in thousands, except share amounts)

	As of December 31, 2020	As of December 31, 2019
ASSETS		
Cash and cash equivalents	$ 11,773	$ 18,710
Restricted cash	1,010	756
Accounts receivable	2,494	704
Due from related parties	2,667	1,901
Investment in unconsolidated subsidiaries	2,158	—
Prepaid expenses and other assets	3,368	1,132
Property and equipment, net	1,124	46
Right-of-use assets	6,491	5,711
Deferred tax assets, net	37,621	21,707
Intangibles, net	143,738	54,814
Goodwill	369,982	97,323
Total assets	$ 582,426	$ 202,804
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable	$ 1,103	$ 106
Accrued expenses	12,505	6,277
Due to related parties	2,200	—
Other liabilities	254	250
Deferred revenues	10,347	7,706
Lease liabilities	7,682	6,578
Debt obligations	290,055	145,846
Total liabilities	324,146	166,763
COMMITMENTS AND CONTINGENCIES (NOTE 9)		
REDEEMABLE NONCONTROLLING INTEREST	198,439	—
STOCKHOLDERS' EQUITY:		
Common stock—$0.001 par value; 110,000,000 and 110,000,000 shares authorized, respectively; 89,411,175 and 89,411,175 issued, respectively; 89,234,816 and 89,234,816 outstanding, respectively	89	89
Treasury stock	(273)	(273)
Additional paid-in-capital	324,284	323,570
Accumulated deficit	(264,259)	(287,345)
Total stockholders' equity	59,841	36,041
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 582,426	$ 202,804

The Notes to Consolidated Financial Statements are an integral part of these statements.

P10 Holdings, Inc.
Consolidated Balance Sheets
(in thousands, except share amounts)

The following presents the portion of the consolidated balances presented above attributable to consolidated variable interest entities.

	As of December 31, 2020	As of December 31, 2019
ASSETS		
Cash and cash equivalents	$ 4,797	$ 18,710
Restricted cash	756	756
Accounts receivable	181	704
Due from related parties	12,817	1,901
Prepaid expenses and other assets	1,406	1,066
Property and equipment, net	1,055	46
Right-of-use assets	6,274	5,711
Intangibles, net	86,541	54,814
Goodwill	247,890	97,323
Total assets	$ 361,717	$ 181,031
LIABILITIES		
Accounts payable	$ 244	$ 106
Accrued expenses	7,933	5,581
Due to related parties	486	—
Other liabilities	—	250
Deferred revenues	8,237	7,706
Lease liabilities	7,430	6,578
Debt obligations	256,688	104,963
Deferred tax liabilities, net	6,038	—
Total liabilities	$ 287,056	$ 125,184

The Notes to Consolidated Financial Statements are an integral part of these statements.

P10 Holdings, Inc.
Consolidated Statements of Operations
(in thousands, except per share amounts)

	For the Years Ended December 31, 2020	2019
REVENUES		
Management and advisory fees	$ 66,125	$ 42,209
Other revenue	1,243	2,693
Total revenues	67,368	44,902
OPERATING EXPENSES		
Compensation and benefits	24,529	12,343
Professional fees	13,953	4,572
General, administrative and other	4,731	4,624
Amortization of intangibles	15,466	10,552
Total operating expenses	58,679	32,091
INCOME FROM OPERATIONS	8,689	12,811
OTHER (EXPENSE)		
Interest expense implied on notes payable to sellers	(988)	(1,957)
Interest expense, net	(10,732)	(9,415)
Total other (expense)	(11,720)	(11,372)
Net (loss) income before income taxes	(3,031)	1,439
Income tax benefit	26,837	10,502
NET INCOME	$ 23,806	$ 11,941
Less: preferred dividends attributable to redeemable noncontrolling interest	$ (720)	—
NET INCOME ATTRIBUTABLE TO P10 HOLDINGS	$ 23,086	$ 11,941
Earnings per share		
Basic earnings per share	$ 0.26	$ 0.13
Diluted earnings per share	$ 0.25	$ 0.13
Weighted average shares outstanding, basic	89,235	89,235
Weighted average shares outstanding, diluted	92,720	90,601

The Notes to Consolidated Financial Statements are an integral part of these statements.

P10 Holdings, Inc.
Consolidated Statements of Changes in Stockholders' Equity
(in thousands)

	Common Stock		Treasury stock		Additional	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Paid-in-capital	Deficit	Equity
Balance at December 31, 2018	89,235	$ 89	176	$ (273)	$ 323,153	$ (299,286)	$ 23,683
Stock-based compensation	—	—	—	—	417	—	417
Net income attributable to P10 Holdings	—	—	—	—	—	11,941	11,941
Balance at December 31, 2019	89,235	$ 89	176	$ (273)	$ 323,570	$ (287,345)	$ 36,041
Stock-based compensation	—	—	—	—	714	—	714
Net income attributable to P10 Holdings	—	—	—	—	—	23,086	23,086
Balance at December 31, 2020	89,235	$ 89	176	$ (273)	$ 324,284	$ (264,259)	$ 59,841

The Notes to Consolidated Financial Statements are an integral part of these statements.

P10 Holdings, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	For the Years Ended December 31, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 23,806	$ 11,941
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation	714	417
Depreciation expense	105	30
Amortization of intangibles	15,466	10,552
Amortization of debt issuance costs and debt discount	2,040	2,683
Benefit for deferred tax	(30,274)	(10,909)
Change in operating assets and liabilities:		
Accounts receivable	1,943	(319)
Due from related parties	(427)	(578)
Prepaid expenses and other assets	(74)	(866)
Right-of-use assets	1,186	829
Accounts payable	619	23
Accrued expenses	2,685	2,291
Due to related parties	141	—
Other liabilities	(34)	—
Deferred revenues	(5,960)	1,586
Lease liabilities	(1,266)	(867)
Net cash provided by operating activities	10,670	16,813
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Five Points Capital, net of cash acquired	(46,640)	—
Acquisition of TrueBridge Capital, net of cash acquired	(87,679)	—
Acquisition of Enhanced, net of cash acquired	(79,590)	—
Post-closing payments for Columbia Partners assets	(250)	(625)
Purchases of property and equipment	(34)	(30)
Net cash used in investing activities	(214,193)	(655)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of redeemable noncontrolling interests	46,353	—
Borrowings on debt obligations	159,350	19,750
Repayments on debt obligations	(4,798)	(25,393)
Debt issuance costs	(4,064)	—
Net cash provided by (used in) financing activities	196,841	(5,643)
Net change in cash and cash equivalents and restricted cash	(6,683)	10,515
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	19,466	8,951
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, end of period	$ 12,783	$ 19,466
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 9,699	$ 5,756
Cash paid for income taxes	$ 1,169	$ —
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Issuance of redeemable noncontrolling interests in acquisitions	$ 141,354	$ —
Issuance of redeemable noncontrolling interests in exchange for tax amortization benefits	$ 10,012	$ —
Increase to purchase price of Enhanced for working capital adjustment	$ 1,707	
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents	$ 11,773	$ 18,710
Restricted cash	1,010	756
Total cash, cash equivalents and restricted cash	$ 12,783	$ 19,466

The Notes to Consolidated Financial Statements are an integral part of these statements.

P10 Holdings, Inc.
Notes to Consolidated Financial Statements
(dollar amounts stated in thousands)

Note 1. Description of Business

Description of Business

P10 Holdings, Inc. and its consolidated subsidiaries ("P10 Holdings" or the "Company," which also may be referred to as "we," "our" or "us") operates as a multi-asset class private market solutions provider in the alternative asset management industry. Our mission is to provide our investors differentiated access to a broad set of solutions and investment vehicles across a multitude of asset classes and geographies. Our existing portfolio of solutions across private equity, venture capital, private credit and impact investing support our mission by offering a comprehensive set of investment vehicles to our investors, including primary fund of funds, secondary investment, direct investment and co-investments, alongside separate accounts (collectively the "Funds").

The subsidiaries of the Company include P10 Intermediate Holdings, LLC ("P10 Intermediate") which owns the subsidiaries P10 RCP Holdco, LLC ("Holdco"), Five Points Capital, Inc. ("Five Points"), TrueBridge Capital Partners, LLC ("TrueBridge") and Enhanced Capital Group, LLC ("ECG"). Holdco is the entity holding the acquisition financing debt and owns the subsidiaries RCP Advisors 2, LLC ("RCP 2") and RCP Advisors 3, LLC ("RCP 3"). See Note 9 for further information on the acquisition financing debt.

Prior to November 19, 2016, P10 Holdings, formerly Active Power, Inc. designed, manufactured, sold, and serviced flywheel-based uninterruptible power supply products and serviced modular infrastructure solutions. On November 19, 2016, we completed the sale of substantially all our assets and liabilities and operations to Langley Holdings plc, a United Kingdom public limited company. Following the sale, we changed our name from Active Power, Inc. to P10 Industries, Inc. and became a non-operating company focused on monetizing its retained intellectual property and acquiring profitable businesses. For the period of December 2016 through September 2017, our business primarily consisted of cash, certain retained intellectual property assets and our net operating losses ("NOLs") and other tax benefits. On March 22, 2017, we filed for re-organization under Chapter 11 of the Federal Bankruptcy Code, using a prepackaged plan of reorganization. The Company emerged from bankruptcy on May 3, 2017. On December 1, 2017, the Company changed its name from P10 Industries, Inc. to P10 Holdings, Inc. We were founded as a Texas corporation in 1992 and reincorporated in Delaware in 2000. Our headquarters is in Dallas, Texas.

On October 5, 2017, we closed on the acquisition of RCP 2 and entered into a purchase agreement to acquire RCP 3 on January 2018. On January 3, 2018, we closed on the acquisition of RCP 3. RCP 2 and RCP 3 are registered investment advisors with the United States Securities and Exchange Commission.

On April 1, 2020, the Company completed the acquisition of Five Points. Five Points is a leading lower middle market alternative investment manager focused on providing both equity and debt capital to private, growth-oriented companies and limited partner capital to other private equity funds, with all strategies focused exclusively in the U.S. lower middle market. See Note 3 for additional information on the acquisition. Five Points is a registered investment advisor with the United States Securities and Exchange Commission.

On October 2, 2020, the Company completed the acquisition of TrueBridge. TrueBridge is an investment firm focused on investing in venture capital through fund-of-funds, co-investments, and separate accounts. See Note 3 for additional information on the acquisition. TrueBridge is a registered investment advisor with the United States Securities and Exchange Commission.

On December 14, 2020, the Company completed the acquisition of 100% of the equity interest in ECG, and a noncontrolling interest in Enhanced Capital Partners, LLC ("ECP") (collectively, "Enhanced"). Enhanced undertakes and manages equity and debt investments in impact initiatives across North America, targeting underserved areas and other socially responsible end markets including renewable energy, historic building renovations, and affordable housing. See Note 3 for additional information on the acquisitions. ECP is a registered investment advisor with the United States Securities and Exchange Commission.

Note 2. Significant Accounting Policies

Basis of Presentation

The accompanying Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Management believes it has made all necessary adjustments so that the Consolidated Financial Statements are presented fairly and that estimates made in preparing the Consolidated Financial Statements are reasonable and prudent. The Consolidated Financial Statements include the accounts of the Company, its wholly owned or majority-owned subsidiaries and entities in which the Company is deemed to have a direct or indirect controlling financial interest based on either a variable interest model or voting interest model. All intercompany transactions and balances have been eliminated upon consolidation.

Certain entities in which the Company holds an interest are investment companies that follow specialized accounting rules under GAAP and reflect their investments at estimated fair value. Accordingly, the carrying value of the Company's equity method investments in such entities retains the specialized accounting treatment.

Principles of Consolidation

The Company performs the variable interest analysis for all entities in which it has a potential variable interest. If the Company has a variable interest in the entity and the entity is a variable interest entity ("VIE"), we will also analyze whether the Company is the primary beneficiary of this entity and if consolidation is required.

Generally, VIEs are entities that lack sufficient equity to finance their activities without additional financial support from other parties, or whose equity holders, as a group, lack one or more of the following characteristics: (a) direct or indirect ability to make decisions, (b) obligation to absorb expected losses or (c) right to receive expected residual returns. A VIE must be evaluated quantitatively and qualitatively to determine the primary beneficiary, which is the reporting entity that has (a) the power to direct activities of a VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The primary beneficiary is required to consolidate the VIE for financial reporting purposes.

To determine a VIE's primary beneficiary, we perform a qualitative assessment to determine which party, if any, has the power to direct activities of the VIE and the obligation to absorb losses and/or receive its benefits. This assessment involves identifying the activities that most significantly impact the VIE's economic performance and determine whether we, or another party, has the power to direct those activities. When evaluating whether we are the primary beneficiary of a VIE, we perform a qualitative analysis that considers the design of the VIE, the nature of our involvement and the variable interests held by other parties. See Note 5 for further information.

The Company has determined that certain of its subsidiaries are VIEs, and that the Company is the primary beneficiary of the entity, because it has the power to direct activities of the entities that most significantly impact the VIE's economic performance and has a controlling financial interest in each entity. Accordingly, the Company consolidates these entities, which includes P10 Intermediate, Holdco, RCP 2, RCP 3 and TrueBridge. The assets and liabilities of the consolidated VIEs are presented gross in the Consolidated Balance Sheets. The assets of our consolidated VIE's are owned by those entities and not generally available to satisfy P10 Holding's obligations, and the liabilities of our consolidated VIE's are obligations of those entities and their creditors do not generally have recourse to the assets of P10 Holdings. See Note 5 for more information on both consolidated and unconsolidated VIEs.

Entities that do not qualify as VIEs are assessed for consolidation under the voting interest model. Under the voting interest model, the Company consolidates those entities it controls through a majority voting interest or other means. Five Points and ECG are concluded to be consolidated subsidiaries of P10 Intermediate under the voting interest model.

Reclassifications

Certain reclassifications have been made within the consolidated financial statements to conform prior periods with current period presentation.

Use of Estimates

The preparation of the Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with original maturities of three months or less to be cash equivalents. As of December 31, 2020, and 2019, cash equivalents include money market funds of $2.8 million and $17.6 million, respectively, which approximates fair value. The Company maintains its cash balances at various financial institutions, which may periodically exceed the Federal Deposit Insurance Corporation ("FDIC") insured limits. The Company believes it is not exposed to any significant credit risk on cash.

Restricted Cash

Restricted cash as of December 31, 2020 and 2019 was primarily cash that is restricted due to certain lease arrangements.

Accounts Receivable and Due from Related Parties

Accounts receivable is equal to contractual amounts reduced for allowances, if applicable. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established as of December 31, 2020 and 2019. If accounts are subsequently determined to be uncollectible, they will be expensed in the period that determination is made.

Due from related parties represents receivables from the Funds for management fees earned but not yet received, reimbursable expenses from the Funds and notes receivable due from affiliates. These amounts are expected to be fully collectible.

Investment in Unconsolidated Subsidiaries

For equity investments in entities that we do not control, but over which we exercise significant influence, we use the equity method of accounting. The equity method investments are initially recorded at cost, and their carrying amount is adjusted for the Company's share in the earnings or losses of each investee, and for distributions received. The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable.

(dollar amounts stated in thousands)

For certain entities in which the Company does not have significant influence and fair value is not readily determinable, we value these investments under the measurement alternative. Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 825, Financial Instruments, requires equity securities to be recorded at cost and adjusted to fair value at each reporting period. However, the guidance allows for a measurement alternative, which is to record the investments at cost, less impairment, if any, and subsequently adjust for observable price changes of identical or similar investments of the same issuer.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the terms of the respective leases or service lives of the improvements, whichever is shorter, using the straight-line method. Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The estimated useful lives of the various assets are as follows:

Computers and purchased software	3 - 5 years
Furniture and fixtures	7 - 10 years

Long-lived Assets

Long-lived assets including property and equipment, lease right-of-use assets, and definite lived intangibles are evaluated for impairment under FASB ASC 360, *Property, Plant, and Equipment*. Long-lived assets are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying value of long-lived assets are determined to not be recoverable if the undiscounted estimated future net operating cash flows directly related to the asset or asset group, including any disposal value, is less than the carrying amount of the asset. If the carrying value of an asset is determined to not be recoverable, the impairment loss is measured as the amount by which the carrying value of the asset exceeds its fair value on the measurement date. Fair value is based on the best information available, including prices for similar assets and estimated discounted cash flows.

Leases

On January 1, 2019, the Company adopted Accounting Standards Update ("ASU") 2016-2, *Leases* ("ASC 842") using the optional transition method allowed under ASU 2018-11, *Leases: Targeted Improvements*. Consequently, financial information and disclosures for the reporting periods beginning after January 1, 2019 are presented under ASC 842. ASC 842 provides a number of optional practical expedients as part of the transition from ASC 840. The Company elected the 'package of practical expedients', which permits it to not reassess, under ASC 842, prior conclusions about lease identification, lease classification and initial direct costs. On adoption, the Company recognized $5.7 million of right-of-use assets and $6.6 million of lease liabilities for its current operating leases. The adoption did not have a material impact on our Consolidated Statements of Operations.

The Company recognizes a lease liability and right-of-use asset in our Consolidated Balance Sheets for contracts that it determines are leases or contain a lease. The Company's leases primarily consist of operating leases for various office spaces. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the leases. The Company's right-of-use assets and lease liabilities are recognized at lease commencement based on the present value of lease payments over the lease term. Lease right-of-use assets include initial direct costs incurred by the Company and are presented net of deferred rent, lease incentives and certain other existing lease liabilities. Absent an implicit interest rate in the lease, the Company uses its incremental borrowing rate, adjusted for the effects of collateralization, based on the information available at commencement in determining the present value of lease payments. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise those options. Lease expense is recognized on a straight-line basis over the lease term. Additionally, upon amendments or other events, the Company may be required to remeasure our lease liability and right-of-use asset.

The Company does not recognize a lease liability or right-of-use asset on our Consolidated Balance Sheets for short-term leases. Instead, the Company recognizes short-term lease payments as an expense on a straight-line basis over the lease term. A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. When determining whether a lease qualifies as a short-term lease, the Company evaluates the lease term and the purchase option in the same manner as all other leases.

Goodwill and Intangible Assets

Goodwill is initially measured as the excess of the cost of the acquired business over the sum of the amounts assigned to identifiable assets acquired, less the liabilities assumed. As of December 31, 2020, goodwill recorded on our Consolidated Balance Sheets relates to the acquisitions of RCP 2, RCP 3, Five Points, TrueBridge and Enhanced. As of December 31, 2020, the intangible assets are comprised of indefinite-lived intangible assets and finite-lived intangible assets related to the acquisitions of RCP 2, RCP 3, Five Points, TrueBridge and Enhanced.

Indefinite-lived intangible assets and goodwill are not amortized. Finite-lived technology is amortized using the straight-line method over its estimated useful life of 4 years. Finite-lived management and advisory contracts, which relate to acquired separate accounts and funds and investor/customer relationships with a specified termination date, are amortized in line with contractual revenue to be received, which range between 7 and 16 years. Certain of our trade names are considered to have finite-lives. Finite-lived trade names are amortized over 10 years in line with the pattern in which the economic benefits are expected to occur.

Goodwill is reviewed for impairment at least annually utilizing a qualitative or quantitative approach and more frequently if circumstances indicate impairment may have occurred. The impairment testing for goodwill under the qualitative approach is based first on a qualitative assessment to determine if it is more likely than not that the fair value of the Company's reporting unit is less than the respective carrying value. The reporting unit is the reporting level for testing the impairment of goodwill. If it is determined that it is more likely than not that a reporting unit's fair value is less than its carrying value, then the difference is recorded as an impairment (not to exceed the carrying amount of goodwill).

The Company performed the annual goodwill impairment assessment as of September 30, 2020 and 2019 and concluded that goodwill was not impaired. Furthermore, given the amount of acquisition activity since September 30, 2020, we performed a roll forward assessment through December 31, 2020 and concluded that goodwill was not impaired. The Company has not recognized any impairment charges in any of the periods presented.

Debt Issuance Costs

Costs incurred which are directly related to the issuance of debt are deferred and amortized on a straight-line basis over the terms of the underlying obligation, which approximates the effective interest method, and are presented as a reduction to the carrying value of the associated debt on our Consolidated Balance Sheets. As these costs are amortized, they are included in interest expense, net within our Consolidated Statements of Operations.

Redeemable Noncontrolling Interest

Redeemable noncontrolling interest represents third party and related party interests in the Company’s consolidated subsidiary, P10 Intermediate. This interest is redeemable at the option of the investors and therefore is not treated as permanent equity. Redeemable noncontrolling interest is presented at the greater of its carrying amount or redemption value at each reporting date in the Company’s Consolidated Balance Sheets. Any changes in redemption value are recorded to retained earnings, or in the absence of retained earnings, additional paid-in capital. See Note 15 for additional information.

Treasury Stock

The Company records common stock purchased for treasury at cost. At the date of subsequent reissuance, the treasury stock account is reduced by the cost of such stock using the average cost method.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable parties who are willing and able to transact for an asset or liability at the measurement date. We use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then we rank the estimated values based on the reliability of the inputs used following the fair value hierarchy set forth by the FASB.

As of December 31, 2020 and 2019, we used the following valuation techniques to measure fair value for assets and there were no changes to these methodologies during the periods presented:

Level 1—Assets were valued using the closing price reported in the active market in which the individual security was traded.

Level 2—Assets were valued using quoted prices in markets that are not active, broker dealer quotations, and other methods by which all significant inputs were observable at the measurement date.

Level 3—Assets were valued using unobservable inputs in which little or no market data exists as reported by the respective institutions at the measurement date.

The carrying values of financial instruments comprising cash and cash equivalents, prepaid assets, accounts payable, accounts receivable and due from related parties approximate fair values due to the short-term maturities of these instruments. The fair value of the credit and guarantee facility approximates the carrying value based on the interest rates which approximate current market rates. The carrying values of the seller notes payable and tax amortization benefits approximate fair value. As of December 31, 2020 and 2019, the Company did not have any assets or liabilities that were measured at fair value on a recurring basis.

P10 Holdings, Inc.
Notes to Consolidated Financial Statements
(dollar amounts stated in thousands)

Revenue Recognition

On January 1, 2019, the Company adopted ASC 606, *Revenue from Contracts with Customers* ("ASC 606") using the modified retrospective method. The adoption did not change the historical pattern of recognizing revenue. Accordingly, the Company did not record a cumulative adjustment upon adoption.

Revenue is recognized when, or as, the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services. While the determination of who is the customer in a contractual arrangement will be made on a contract-by-contract basis, the customer will generally be the investment fund for the Company's significant management and advisory contracts.

Management and Advisory Fees

The Company earns management fees for asset management services provided to the Funds where the Company has discretion over investment decisions. The Company primarily earns fees for advisory services provided to clients where the Company does not have discretion over investment decisions. Management and advisory fees received in advance reflects the amount of fees that have been received prior to the period the fees are earned. These fees are recorded as deferred revenue on the Consolidated Balance Sheets.

For asset management and advisory services, the Company typically satisfies its performance obligations over time as the services are rendered, since the customers simultaneously receive and consume the benefits provided as the Company performs the service. The transaction price is the amount of consideration to which the Company expects to be entitled based on the terms of the arrangement. For certain funds, management fees are initially calculated based on committed capital during the investment period and on net invested capital through the remainder of the fund's term. Additionally, the management fee may step down for certain funds depending on the contractual arrangement. Advisory services are generally based upon fixed amounts and billed quarterly. Other advisory services include transaction and management fees associated with managing the origination and ongoing compliance of certain investments.

Other Revenue

Other revenue on our Consolidated Statements of Operations primarily consists of subscriptions, consulting agreements and referral fees. The subscription and consulting agreements typically have renewable one-year lives, and revenue is recognized ratably over the current term of the subscription or the agreement. If subscriptions or fees have been paid in advance, these fees are recorded as deferred revenue on our Consolidated Balance Sheets. Referral fee revenue is recognized upon closing of certain opportunities.

Income Taxes

Current income tax expense represents our estimated taxes to be paid or refunded for the current period. In accordance with ASC 740, *Income Taxes* ("ASC 740"), we recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are recorded to reduce deferred tax assets to the amount we believe is more likely than not to be realized.

P10 Holdings, Inc.
Notes to Consolidated Financial Statements
(dollar amounts stated in thousands)

Uncertain tax positions are recognized only when we believe it is more likely than not that the tax position will be upheld on examination by the taxing authorities based on the merits of the position. We recognize interest and penalties, if any, related to uncertain tax positions in income tax expense.

We file various federal and state and local tax returns based on federal and state local consolidation and stand-alone tax rules as applicable.

Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing net income attributable to common stockholders by the weighted-average number of common shares. Diluted EPS includes the determinants of basic EPS and common stock equivalents outstanding during the period adjusted to give effect to potentially dilutive securities. See Note 14 for additional information.

The numerator in the computation of diluted EPS is impacted by the redeemable convertible preferred shares issued by P10 Intermediate since these preferred shares are convertible into common shares of P10 Intermediate. Under the if converted method, diluted EPS reflects a reduction in earnings that P10 Holdings would recognize by owning a smaller percentage of P10 Intermediate when the preferred shares are assumed to be converted.

The denominator in the computation of diluted EPS is impacted by additional common shares that would have been outstanding if dilutive potential shares of common stock had been issued. Potential shares of common stock that may be issued by the Company include shares of common stock that may be issued upon exercise of outstanding stock options. Under the treasury stock method, the unexercised options are assumed to be exercised at the beginning of the period or at issuance, if later. The assumed proceeds are then used to purchase shares of common stock at the average market price during the period.

Stock-Based Compensation Expense

Stock-based compensation relates to option grants for shares of P10 Holdings awarded to our employees. Stock-based compensation cost is estimated at the grant date based on the fair-value of the award, which is determined using the Black Scholes option valuation model and is recognized as expense ratably over the requisite service period of the award, generally five years. The share price used in the Black Scholes model is based on the trading price of our shares on the OTC Market. Expected life is based on the vesting period and expiration date of the option. Stock price volatility is estimated based on a group of similar publicly traded companies determined to be most reflective of the expected volatility of the Company due to the nature of operations of these entities. The risk-free rates are based on the U.S. Treasury yield in effect at the time of grant. Forfeitures are recognized as they occur.

Segment Reporting

The Company operates as an integrated private markets solution provider and a single operating segment. According to ASC 280, *Disclosures about Segments of an Enterprise and Related Information*, operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker(s) in deciding how to allocate resources and in assessing performance.

Business Acquisitions

In accordance with ASC 805, *Business Combinations* ("ASC 805"), the Company identifies a business to have three key elements; inputs, processes, and outputs. While an integrated set of assets and activities that is a business usually has outputs, outputs are not required to be present. In addition, all the inputs and processes that a seller uses in operating a set of assets and activities are not required if market participants can acquire the set of assets and activities and continue to produce outputs. In addition, the Company also performs a screen test to determine when a set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the set of assets is not a business. If the set of assets and activities is not considered a business, it is accounted for as an asset acquisition using a cost accumulation model. In the cost accumulation model, the cost of the acquisition, including certain transaction costs, is allocated to the assets acquired on the basis of relative fair values.

The Company includes the results of operations of acquired businesses beginning on the respective acquisition dates. In accordance with ASC 805, the Company allocates the purchase price of an acquired business to its identifiable assets and liabilities based on the estimated fair values using the acquisition method. The excess of the purchase price over the amount allocated to the assets and liabilities, if any, is recorded as goodwill. The excess value of the net identifiable assets and liabilities acquired over the purchase price of an acquired business is recorded as a bargain purchase gain. The Company uses all available information to estimate fair values of identifiable intangible assets and property acquired. In making these determinations, the Company may engage an independent third-party valuation specialist to assist with the valuation of certain intangible assets, notes payable, and tax amortization benefits.

The consideration for certain of our acquisitions may include liability classified contingent consideration, which is determined based on formulas stated in the applicable purchase agreements. The amount to be paid under these arrangements is based on certain financial performance measures subsequent to the acquisitions. The contingent consideration included in the purchase price is measured at fair value on the date of the acquisition. The liabilities are remeasured at fair value on each reporting date, with changes in the fair value reflected in general, administrative and other on our Consolidated Statements of Operations.

For business acquisitions, the Company recognizes the fair value of goodwill and other acquired intangible assets, and estimated contingent consideration at the acquisition date as part of purchase price. This fair value measurement is based on unobservable (Level 3) inputs.

Recent Accounting Pronouncements

The Company adopted ASU No. 2016-15, Statement of Cash Flows (“ASC 320”) *Classification of Certain Cash Receipts and Cash Payments* on January 1, 2019. The adoption of this new guidance did not have a material impact on our Consolidated Financial Statements and related disclosures.

The Company adopted ASU No. 2016-18, Statement of Cash Flows (“ASC 320”) *Restricted Cash* on January 1, 2019. The adoption of this new guidance did not have a material impact on our Consolidated Financial Statements and related disclosures.

The Company adopted ASU No. 2017-01, Business Combinations (“ASC 805”) *Clarifying the Definition of a Business* on January 1, 2019. The adoption of this new guidance did not have a material impact on our Consolidated Financial Statements and related disclosures.

The Company adopted ASU No. 2017-04, Intangibles—Goodwill and Other (“ASC 350”) *Simplifying the Test for Goodwill Impairment* on January 1, 2020. The adoption of this new guidance did not have a material impact on our Consolidated Financial Statements and related disclosures.

(dollar amounts stated in thousands)

The Company adopted ASU No. 2018-13, *Fair Value Measurement ("ASC 820"): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement* on January 1, 2020. The adoption of this new guidance did not have a material impact on our Consolidated Financial Statements and related disclosures.

Pronouncements not yet adopted

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 provides amendments to ASC 326, *Financial Instruments—Credit Losses*, which replaces the incurred loss impairment model with a current expected credit loss ("CECL") model. CECL requires a company to estimate lifetime expected credit losses based on relevant information about historical events, current conditions and reasonable and supportable forecasts. The guidance must be applied using the modified retrospective adoption method on January 1, 2023, with early adoption permitted.

Note 3. Acquisitions

Five Points Capital

On April 1, 2020, we completed the acquisition of 100% of the capital stock of Five Points, an independent private equity manager focused exclusively on the U.S. lower middle market. The transaction was accounted for as a business combination under the acquisition method of accounting pursuant to ASC 805.

The following is a summary of consideration paid:

	Fair Value
Cash	$ 46,751
Preferred stock	20,100
Total purchase consideration	$ 66,851

Consideration paid in the transaction consisted of both cash and equity. See Note 15 for additional information on the preferred stock issued in the connection with the acquisition of Five Points.

For the acquisition of Five Points, we recognized $1.1 million and $1.2 million of acquisition-related costs for the years ended December 31, 2020 and 2019, respectively. These costs are included in professional fees on our Consolidated Statements of Operations.

The acquisition date fair values of certain assets and liabilities, including intangible assets acquired and related weighted average expected lives and deferred income taxes, are provisional and subject to revision within one year of the acquisition date. As such, our estimates of fair values are pending finalization, which may result in adjustments to goodwill.

(dollar amounts stated in thousands)

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The following table presents the fair value of the net assets acquired as of the acquisition date:

	Fair Value
ASSETS	
Cash and cash equivalents	$ 111
Accounts receivable	295
Due from related parties	27
Prepaid expenses and other	13
Property and equipment	87
Right-of-use assets	339
Intangible assets	23,960
Total assets acquired	$ 24,832
LIABILITIES	
Accounts payable	$ 358
Accrued expenses	390
Long-term lease obligation	339
Deferred tax liability	5,524
Total liabilities assumed	$ 6,611
Net identifiable assets acquired	$ 18,221
Goodwill	48,630
Net assets acquired	$ 66,851

The following table presents the provisional fair value of identifiable intangible assets acquired:

	Fair Value	Weighted-Average Amortization Period
Value of management contracts	$ 19,900	10
Value of trade name	4,060	10
Total identifiable intangible assets	$ 23,960	

Goodwill

The goodwill recorded as part of the acquisition includes benefits that management believes will result from the acquisition, including expanding the Company's product offering into private credit. The goodwill is not expected to be deductible for tax purposes.

Acquisition of TrueBridge Capital

On October 2, 2020, the Company completed the acquisition of 100% of the issued and outstanding membership interests of TrueBridge for a total consideration of $189.1 million, which includes cash, contingent consideration and preferred stock of P10 Intermediate. TrueBridge is a leading venture capital firm that invests in both venture funds and directly in select venture-backed companies. The transaction was accounted for as a business combination under the acquisition method of accounting pursuant to ASC 805.

P10 Holdings, Inc.
Notes to Consolidated Financial Statements
(dollar amounts stated in thousands)

The following is a summary of consideration paid:

	Fair Value
Cash	$ 94,216
Contingent consideration	572
Preferred stock	94,350
Total purchase consideration	$ 189,138

A net cash amount of $89.5 million was financed through an amendment to the existing term loan under the credit and guarantee facility with HPS Investment Partners, LLC (“HPS”), an unrelated party. The additional draw has the same terms as the existing Facility including the maturity date. See Note 15 for additional information on the preferred stock issued in the connection with the acquisition of TrueBridge.

Included in total consideration is $572 thousand of contingent consideration, representing the fair value of expected future payments on the date of the acquisition. The amount ultimately owed to the sellers is based on achieving specific fundraising targets, and all amounts under this arrangement are expected to be paid by August 2021. As of December 31, 2020, the estimated fair value of the contingent consideration totaled $593 thousand, resulting in $21 thousand recognized in general, administrative and other on the Consolidated Statements of Operations.

For the acquisition of TrueBridge, we recognized $1.7 million and $0 of acquisition-related costs for the years ended December 31, 2020 and 2019, respectively. These costs are included in professional fees on our Consolidated Statements of Operations.

The acquisition date fair values of certain assets and liabilities, including intangible assets acquired and related weighted average expected lives and deferred income taxes, are provisional and subject to revision within one year of the acquisition date. As such, our estimates of fair values are pending finalization, which may result in adjustments to goodwill.

P10 Holdings, Inc.
Notes to Consolidated Financial Statements
(dollar amounts stated in thousands)

The following table presents the fair value of the net assets acquired as of the acquisition date:

	Fair Value
ASSETS	
Cash and cash equivalents	$ 6,537
Accounts receivable	14
Due from related parties	55
Prepaid expenses and other	60
Property and equipment	1,061
Right-of-use assets	1,627
Intangible assets	43,600
Total assets acquired	$ 52,954
LIABILITIES	
Accounts payable	$ 20
Accrued expenses	323
Deferred revenues	6,491
Long-term lease obligation	2,031
Deferred tax liability	5,518
Total liabilities assumed	$ 14,383
Net identifiable assets acquired	$ 38,571
Goodwill	150,567
Net assets acquired	$ 189,138

The following table presents the provisional fair value of identifiable intangible assets acquired:

	Fair Value	Weighted-Average Amortization Period
Value of management contracts	$ 34,100	10
Value of trade name	$ 7,300	10
Value of technology	2,200	4
Total identifiable intangible assets	$ 43,600	

Goodwill

The goodwill recorded as part of the acquisition includes the expected benefits that management believes will result from the acquisition, including the Company's build out of its investment product offering. Approximately $73.7 million of goodwill is expected to be deductible for tax purposes.

Acquisition of Enhanced

On December 14, 2020, the Company completed the acquisition of 100% of the equity interest in ECG and a non-controlling interest in ECP's outstanding equity, comprised of a 49% voting interest and a 50% economic interest, for total consideration of $111.2 million. The consideration included cash, estimated working capital adjustments and preferred stock of P10 Intermediate. ECG is an alternative asset manager and provider of tax credit transaction and consulting services focused on underserved areas and other socially responsible end markets such as renewable energy (impact investing). The alternative asset management business includes providing management, transaction, and consulting services to various entities which have historically been wholly owned by subsidiaries and affiliates of ECG. ECP's primary business is to participate in various state sponsored premium tax credit investment programs through debt, equity, and equity-related investments. The acquisition of ECG was accounted for as a business combination under the acquisition method of accounting pursuant to ASC 805, while ECP will be reported as an unconsolidated investee of P10 and accounted for under the equity method of accounting.

(dollar amounts stated in thousands)

Upon the completion of the acquisitions, certain agreements contemplated in the Securities Purchase Agreement became effective immediately upon the closing of the acquisitions. The allocation of the consideration paid for the assets acquired and liabilities assumed takes into consideration the fact that these agreements occurred contemporaneously with the closing of the acquisitions.

Prior to and through the date of the acquisition by the Company, ECG had certain consolidated subsidiaries and funds whose primary activities consisted of issuing qualified debt or equity instruments to tax credit investors in order to make investments in qualified businesses, which are referred to as the "Permanent Capital Subsidiaries." Pursuant to a Reorganization Agreement, upon the closing of P10's acquisition of ECG, the Permanent Capital Subsidiaries were contributed by ECG to Enhanced Permanent Capital, LLC ("Enhanced PC"), a newly formed entity. In exchange for this contribution of the Permanent Capital Subsidiaries, ECG obtained a non-controlling equity interest in Enhanced PC. The ownership in Enhanced PC was evaluated by management, and it was determined to be a variable interest. However, ECG was concluded to not be the primary beneficiary of Enhanced PC and, accordingly, Enhanced PC is not consolidated by ECG. Rather, the interest in Enhanced PC is reflected as an equity method investment by ECG. In addition to the Reorganization Agreement, see Note 10 for information on the Advisory Agreement and Administrative Services Agreement.

The acquisition of the equity interests in ECG and ECP were negotiated simultaneously for a single purchase price. The following tables illustrate the consideration paid for Enhanced, and the allocation of the purchase price to the acquired assets and assumed liabilities.

	Fair Value
Cash	$ 82,596
Estimated post-closing working capital adjustment	1,707
Preferred stock	26,904
Total purchase consideration	$ 111,207

A total of $66.6 million of the cash consideration was financed through an amendment to the existing term loan under the Facility with HPS. The additional draw has the same terms as the existing Facility, including the maturity date. See Note 15 for additional information on the preferred stock issued in the connection with the acquisition of Enhanced.

For the acquisition of Enhanced, we recognized $3.7 million and $0 of acquisition-related costs for the years ended December 30, 2020 and 2019, respectively. These costs are included in professional fees on our Consolidated Statements of Operations.

The acquisition date fair values of certain assets and liabilities, including intangible assets acquired and related weighted average expected lives and deferred income taxes, are provisional and subject to revision within one year of the acquisition date. As such, our estimates of fair values are pending finalization, which may result in adjustments to goodwill.

(dollar amounts stated in thousands)

The following table presents the fair value of the net assets acquired as of the acquisition date:

	Fair Value
ASSETS	
Cash and cash equivalents	$ 2,752
Restricted cash	254
Accounts receivable	3,424
Due from related parties	257
Prepaid expenses and other assets	2,099
Investment in unconsolidated subsidiaries	2,158
Intangible assets	36,820
Total assets acquired	$ 47,764
LIABILITIES	
Accrued expenses	$ 551
Other liabilities	288
Deferred revenues	2,110
Due to related parties	2,059
Debt obligations	1,693
Deferred tax liability	3,318
Total liabilities assumed	$ 10,019
Net identifiable assets acquired	$ 37,745
Goodwill	73,462
Net assets acquired	$ 111,207

The following table presents the provisional fair value of identifiable intangible assets acquired:

	Fair Value	Weighted-Average Amortization Period
Value of management and advisory contracts	$ 30,820	12
Value of trade name	6,000	10
Total identifiable intangible assets	$ 36,820	

Goodwill

The goodwill recorded as part of the acquisition includes the expected benefits that management believes will result from the acquisition, including the Company's build out of its investment product offering. Approximately $18.7 million of goodwill is expected to be deductible for tax purposes.

P10 Holdings, Inc.
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Identifiable Intangible Assets

The fair value of management and advisory contracts acquired were estimated using the excess earnings method. Significant inputs to the valuation model include existing revenue, estimates of expenses and contributory asset charges, the economic life of the contracts and a discount rate based on a weighted average cost of capital.

The fair value of trade names acquired were estimated using the relief from royalty method. Significant inputs to the valuation model include estimates of existing and future revenue, estimated royalty rate, economic life and a discount rate based on a weighted average cost of capital.

The fair value of technology acquired was estimated using the relief from royalty method. Significant inputs to the valuation model include a royalty rate, an estimated life and a discount rate.

The management and advisory contracts, trade names and the acquired technology all have a finite useful life. The carrying value of the management fund and advisory contracts and trade names will be amortized in line with the pattern in which the economic benefits arise and are reviewed at least annually for indicators of impairment in value that is other than temporary. The technology will be amortized on a straight-line basis.

Pro-forma Financial Information

Since the acquisition dates for Five Points, TrueBridge and Enhanced, the total revenue and net loss of the businesses acquired have been included in our Consolidated Statements of Operations and were $21.0 million and $2.5 million, respectively.

The following unaudited pro forma condensed consolidated results of operations of the Company assumes the acquisitions of Five Points, TrueBridge and Enhanced were completed on January 1, 2019:

	For the Years Ended December 31,	
	2020	2019
Revenue	$118,978	$ 111,813
Net income	14,269	4,159

Pro forma adjustments include revenue and net income (loss) of the acquired business for each period. Other pro forma adjustments include intangible amortization expense and interest expense based on debt issued or repaid in connection with the acquisitions as if the acquisitions were completed on January 1, 2019. The pro forma adjustments also give effect to the reorganization of Enhanced and formation of Enhanced Permanent Capital, as well as the impacts of the advisory services agreement as further described at Note 10.

Note 4. Revenue

The following presents revenues disaggregated by product offering:

	For the Years Ended December 31,	
	2020	2019
Management and advisory fees	$ 66,125	$42,209
Subscriptions	671	788
Consulting agreements and referral fees	55	1,479
Other revenue	517	426
Total revenues	$ 67,368	$44,902

Note 5. Variable Interest Entities

Consolidated VIEs

The Company consolidates certain VIEs for which it is the primary beneficiary. VIEs consist of certain operating entities not wholly owned by the Company and include P10 Intermediate, Holdco, RCP 2 and RCP 3 and TrueBridge. See Note 2 for more information on the Company's accounting policies related to the consolidation of VIEs. The assets of the consolidated VIEs totaled $361.7 million and $181.0 million as of December 31, 2020 and 2019, respectively. The liabilities of the consolidated VIEs totaled $287.1 million and $125.1 million as of December 31, 2020 and 2019, respectively. The assets of our consolidated VIE's are owned by those entities and not generally available to satisfy P10 Holding's obligations, and the liabilities of our consolidated VIE's are obligations of those entities and their creditors do not generally have recourse to the assets of P10 Holdings.

Unconsolidated VIEs

Through its subsidiary, ECG, the Company holds variable interests in the form of direct equity interests in certain VIEs that are not consolidated because the Company is not the primary beneficiary. The Company's maximum exposure to loss is limited to the potential loss of assets recognized by the Company relating to these unconsolidated entities.

Note 6. Investment in Unconsolidated Subsidiaries

The Company's investment in unconsolidated subsidiaries consist of equity method investments primarily related to ECG's tax credit finance and asset management activities.

As of December 31, 2020, investment in unconsolidated subsidiaries totaled $2.2 million, of which $2.0 million related to ECG's asset management businesses and $0.2 related to ECG's tax credit finance businesses.

Asset Management

ECG manages its alternative asset management funds through various unconsolidated subsidiaries and records these investments under the equity method of accounting. ECG recorded its share of income in the amount of $0 for the period from December 14, 2020 through December 31, 2020. For the period from December 14, 2020 through December 31, 2020, ECG made no capital contributions and received no distributions.

Tax Credit Finance

ECG provides a wide range of tax credit transactions and consulting services through various entities which are wholly owned subsidiaries of Enhanced Tax Credit Finance, LLC ("ETCF"), which is a wholly owned subsidiary of ECG. Some of these subsidiaries own nominal interests, typically under 1.0%, in various VIEs and record these investments under the measurement alternative described in Note 2 above.

P10 Holdings, Inc.
Notes to Consolidated Financial Statements
(dollar amounts stated in thousands)

Note 7. Property and Equipment

Property and equipment consist of the following:

	As of December 31, 2020	As of December 31, 2019
Computers and purchased software	$ 281	$ 151
Furniture and fixtures	449	—
Leasehold improvements	595	—
	$ 1,325	$ 151
Less: accumulated depreciation	(201)	(105)
Total property and equipment, net	$ 1,124	$ 46

Note 8. Goodwill and Intangibles

Changes in goodwill for the years ended December 31, 2020 and 2019 are as follows:

Balance at December 31, 2018	$ 97,323
Increase from acquisitions	—
Balance at December 31, 2019	$ 97,323
Increase from acquisitions	272,659
Balance at December 31, 2020	$ 369,982

Intangibles consists of the following:

	As of December 31, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived intangible assets:			
Trade names	$ 17,350	$ —	$ 17,350
Total indefinite-lived intangible assets	17,350	—	17,350
Finite-lived intangible assets:			
Trade names	17,360	(368)	16,992
Management and advisory contracts	139,796	(33,967)	105,829
Technology	8,160	(4,593)	3,567
Total finite-lived intangible assets	165,316	(38,928)	126,388
Total intangible assets	$ 182,666	$ (38,928)	$ 143,738

P10 Holdings, Inc.
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(dollar amounts stated in thousands)

	As of December 31, 2019		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived intangible assets:			
Trade names	$ 17,350	$ —	$ 17,350
Total indefinite-lived intangible assets	17,350	—	17,350
Finite-lived intangible assets:			
Management and advisory contracts	54,976	(20,495)	34,481
Technology	5,950	(2,967)	2,983
Total finite-lived intangible assets	60,926	(23,462)	37,464
Total intangible assets	$ 78,276	$ (23,462)	$ 54,814

Management and advisory contracts and finite lived trade names are amortized over 7—16 years and are being amortized in line with pattern in which the economic benefits arise. Technology is amortized on a straight-line basis over 4 years. The amortization expense for each of the next five years and thereafter are as follows:

2021	$ 21,989
2022	15,909
2023	12,700
2024	10,024
2025	7,942
Thereafter	57,824
Total amortization	$ 126,388

Note 9. Debt Obligations

Debt obligations consists of the following:

	As of December 31, 2020	As of December 31, 2019
Gross revolving credit facility state tax credits	$ 1,533	$ —
Debt issuance costs	(25)	—
Revolving credit facility state tax credits, net	$ 1,508	$ —
Gross notes payable to sellers	$ 41,064	$ 57,814
Less debt discount	(9,205)	(16,931)
Notes payable to sellers, net	$ 31,859	$ 40,883
Gross credit and guaranty facility	$ 261,683	$ 106,971
Debt issuance costs	(4,995)	(2,008)
Credit and guaranty facility, net	$ 256,688	$ 104,963
Total debt obligations	$ 290,055	$ 145,846

Revolving Credit Facility State Tax Credits

Enhanced State Tax Credit Fund III, LLC, a subsidiary of ECG, has a $10 million revolving credit facility with a regional financial institution restricted solely for the purchase of allocable state tax credits from various state tax credit incentive programs. The facility bears interest at 0.25% above the Prime Rate and matures on June 15, 2022. As of December 31, 2020, the credit facility had an outstanding balance of $1,533,000 and is reported net of unamortized debt issuance costs on our Consolidated Balance Sheets. As of December 31, 2020, the Company's investment in allocable state tax credits was $1,533,000.

Notes Payable to Sellers

On October 5, 2017, the Company issued Secured Promissory Notes Payable ("2017 Seller Notes") in the amount of $81.3 million to the owners of RCP 2 in connection with the acquisition of that entity. The 2017 Seller Notes mature on January 15, 2025. The 2017 Seller Notes are non-interest bearing and will be paid using cash generated from the business operations and borrowings under the Credit and Guaranty Facility ("Facility") described below. The 2017 Seller Notes were recorded at their discounted fair value in the amount of $78.7 million. Non-cash interest expense was recorded on a periodic basis increasing the 2017 Seller Notes to their gross value. As of December 31, 2020 and 2019, the gross value of the 2017 Seller Notes was $6.4 million.

On January 3, 2018, the Company issued Secured Promissory Notes Payable ("2018 Seller Notes") in the amount of $22.1 million to the owners of RCP 3 in connection with the acquisition of that entity. The 2018 Seller Notes mature on January 15, 2025. The 2018 Seller Notes are non-interest bearing and will be paid using cash generated from the business operations and borrowings under the Facility described below. The 2018 Seller Notes were recorded at their discounted fair value in the amount of $21.2 million. Noncash interest expense was recorded on a periodic basis increasing the 2018 Seller Notes to their gross value. As of December 31, 2020 and 2019, the gross value of the 2018 Seller Notes was $3.0 million.

On January 3, 2018, the Company issued tax amortization benefits in the amount of $48.4 million ("TAB Payments") to the owners of RCP 3 in connection with the acquisition of that entity. The TAB Payments are non-interest bearing and will be paid in equal annual installments beginning April 15, 2023. The TAB Payments mature on April 15, 2037. The TAB Payments were recorded at their discounted fair value in the amount of $28.9 million. Non-cash interest expense is recorded on a periodic basis increasing the TAB Payments to their gross value. On April 1, 2020, the holders of the TAB Payments contributed $16.8 million of their TAB Payments to P10 Intermediate in exchange for receiving 3.3 million shares of Series C preferred stock. The discounted fair value of the TAB Payments received was $10.0 million on the date of the Five Points acquisition, April 1, 2020. See Note 13 for additional information. As of December 31, 2020 and 2019, the gross value of the 2018 TAB Payments was $31.7 million and $48.4 million, respectively.

During the years ended December 31, 2020 and 2019, we recorded combined interest expense on the 2018 Seller Notes and 2017 Seller Notes in the amount of $0 and $0.6 million, respectively. During the years ended December 31, 2020 and 2019, we recorded $1.0 million and $1.3 million in interest expense related to the TAB Payments, respectively. During the year ended December 31, 2020, no payments were made on the 2017 Seller Notes and 2018 Seller Notes. During the year ended December 30, 2019, payments of $19.8 million were made on the 2017 Seller Notes and 2018 Seller Notes.

The 2017 Seller Notes, the 2018 Seller Notes and the TAB Payments are collectively referred to as "Notes payable to sellers" on our Consolidated Financial Statements.

(dollar amounts stated in thousands)

Credit and Guaranty Facility

The Company's subsidiary, Holdco, entered into the Facility with HPS as administrative agent and collateral agent on October 7, 2017. The Facility initially provided for a $130.0 million senior secured credit facility in order to refinance the existing debt obligations of RCP Advisors and provide for the financing to repay the Seller Notes due resulting from the acquisition of RCP Advisors. The Facility provided for a $125 million five-year term, subject to certain EBITDA levels and conditions, and a $5 million one-year line of credit. The line of credit was repaid and subsequently expired during 2018. Holdco was permitted to draw up to $125 million in aggregate on the term loan in tranches through July 31, 2019.

On October 2, 2020 and December 14, 2020, in connection with the acquisitions of TrueBridge and Enhanced, the term loan under the Facility was amended adding an additional $91.4 million and $68.0 million to the Facility, respectively.

Interest is calculated upon each tranche at LIBOR for either one, two, three, or six months, as selected by Holdco, plus an applicable margin of 6.00% per annum. To date, Holdco has chosen three-month and six-month LIBOR at the time of each draw and each subsequent repricing at the end of the chosen LIBOR period. Principal is contractually repaid at a rate of 0.75% of the original tranche draw per calendar quarter. The maturity date of the Facility is October 7, 2022.

The Facility contains affirmative and negative covenants typical of such financing transactions, and specific financial covenants which require Holdco to maintain a minimum leverage ratio, asset coverage ratio and a fixed charge ratio. The Facility also contains restrictions regarding the creation of indebtedness, the occurrence of mergers or consolidations, the payment of dividends and other restrictions. As of December 31, 2020, Holdco was in compliance with all the financial covenants required under the Facility. The outstanding balance of the Facility was $261.7 million and $107.0 million as of December 31, 2020 and 2019, respectively, and is reported net of unamortized debt issuance costs on our Consolidated Balance Sheets.

Phase-Out of LIBOR

In July 2017, the UK's Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR as a benchmark by the end of 2021. At the present time, our Facility has a term that extends beyond 2021. The Facility provides for a mechanism to amend the underlying agreements to reflect the establishment of an alternate rate of interest. However, we have not yet pursued any amendment or other contractual alternative to our Facility to address this matter. We are currently evaluating the potential impact of the eventual replacement of the LIBOR interest rate.

Debt Payable

Future principal maturities of debt as of December 31, 2020 are as follows:

2021	$ 9,756
2022	253,460
2023	—
2024	2,111
2025	2,111
Thereafter	36,842
	$ 304,280

Debt Issuance Costs

Debt issuance costs are offset against the Revolving Credit Facility State Tax Credits and the Credit and Guaranty Facility. Unamortized debt issuance costs for the Credit and Guaranty Facility as of December 31, 2020 and 2019 were $5.0 million and $2.0 million, respectively. Unamortized debt issuance costs for the Revolving Credit Facility State Tax Credits as of December 31, 2020 was $25 thousand.

Amortization expense related to debt issuance costs totaled $1.1 million and $0.7 million for the years ended December 31, 2020 and 2019, respectively, and are included within interest expense, net on the accompanying Consolidated Statements of Operations. During the year ended December 31, 2020, we recorded $4.1 million in debt issuance costs. There were no debt issuance costs incurred during the year ended December 31, 2019.

Note 10. Related Party Transactions

Effective May 1, 2018, P10 Holdings pays a monthly services fee of $31.7 thousand for administration and consulting services along with a monthly fee of $18.8 thousand for certain reimbursable expenses to 210/P10 Acquisition Partners, LLC, which owns approximately 24.9% of P10 Holdings. P10 Holdings paid 210/P10 Acquisition Partners $0.6 million during the years ended December 31, 2020 and 2019, respectively. These services were terminated effective December 31, 2020.

On June 30, 2020, RCP 2 entered into an intercompany services agreement with Five Points whereby RCP 2 will provide certain accounting, human resources, back office, administrative functions and such other services to Five Points as mutually agreed upon from time to time. In consideration for the services provided, Five Points shall pay RCP 2 a quarterly fee in the amount of $850 thousand. As a result of the agreement, Five Points owes RCP 2 in the amount of $2.6 million for the period ended December 31, 2020. These amounts were eliminated in consolidation.

Effective April 1, 2020, P10 Intermediate pays a quarterly management fee of $250 thousand to Keystone Capital XXX, LLC, which is the holder of the Series B preferred shares issued by P10 Intermediate in connection with the acquisition of Five Points. See Note 15 below for additional information.

As described in Note 1, through its subsidiaries, the Company serves as the investment manager to the Funds. Certain expenses incurred by the Funds are paid upfront and are reimbursed from the Funds as permissible per fund agreements. As of December 31, 2020, the total accounts receivable from the Funds totaled $2.6 million, of which $0.6 million related to reimbursable expenses and $2.0 million related to fees earned but not yet received. In certain instances, the Company may incur expenses related to specific products that never materialize.

Upon the closing of the Company’s acquisition of ECG and ECP, the Advisory Agreement between ECG and Enhanced PC immediately became effective. Under this agreement, ECG will provide advisory services to Enhanced PC related to the assets and operations of the permanent capital subsidiaries owned by Enhanced PC, as contributed by both ECG and ECP. In exchange for those services, which commences on January 1, 2021, ECG will receive advisory fees from Enhanced PC based on a declining fixed fee schedule totaling $76.0 million over 7 years. This agreement is subject to customary termination provisions.

Upon the closing of the Company’s acquisition of ECG and ECP, the Administrative Services Agreement between ECG and Enhanced Capital Holdings, Inc. (“ECH”), the entity which holds a controlling equity interest in ECP, immediately became effective. Under this agreement, ECG will pay ECH for the use of their employees to provide services to Enhanced PC at the direction of ECG. The Company recognized $0.4 million of general and administrative expenses under this arrangement for the period from December 14, 2020 through December 31, 2020.

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Notes to Consolidated Financial Statements
(dollar amounts stated in thousands)

Note 11. Commitments and Contingencies

Operating Leases

The Company leases office space and various equipment under non-cancelable operating leases, with the longest lease expiring in 2027. These lease agreements provide for various renewal options. Rent expense for the various leased office space and equipment was approximately $1.6 million and $1.2 million for the years ended December 31, 2020 and 2019, respectively.

The following table presents information regarding the Company's operating leases as of December 31, 2020:

Operating lease right-of-use assets	$ 6,491
Operating lease liabilities	$ 7,682
Cash paid for lease liabilities	$ 1,554
Weighted-average remaining lease term (in years)	4.36
Weighted-average discount rate	5.45%

The future contractual lease payments as of December 31, 2020 are as follows:

2021	$ 2,053
2022	1,941
2023	1,936
2024	1,768
2025	611
Thereafter	287
Total undiscounted lease payments	8,596
Less discount	(914)
Total lease liabilities	$ 7,682

Contingencies

We may be involved, either as plaintiff or defendant, in a variety of ongoing claims, demands, suits, investigations, tax matters and proceedings that arise from time to time in the ordinary course of our business. We evaluated all potentially significant litigation, government investigations, claims or assessments in which we are involved and do not believe that any of these matters, individually or in the aggregate, will result in losses that are materially in excess of amounts already recognized, if any.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a global pandemic, which has resulted in significant disruption and uncertainty in the global economic markets. The extent of the operational and financial impact the COVID-19 pandemic may have on the Company has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Currently, we have activated our Business Continuity Plan, which assures the ability for all aspects of our business to continue operating without interruption. COVID-19 has not negatively impacted our business in a material way and our business continuity plan is operating as planned with limited interruptions. We are closely monitoring developments related to COVID-19 and assessing any negative impacts to our business. It is possible that our future results may be adversely affected by slowdowns in fundraising activity and the pace of capital deployment, which could result in delayed or decreased management fees.

P10 Holdings, Inc.
Notes to Consolidated Financial Statements
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Note 12. Income Taxes

All the Company's operations are domestic. The components of the provision (benefit) for income taxes attributable to continuing operations are as follows:

	For the Years Ended December 31, 2020	2019
Current		
Federal	$ 2,104	$ —
State	1,333	407
Total Current	$ 3,437	$ 407
Deferred		
Federal	$(28,906)	(11,481)
State	(1,368)	572
Total Deferred	$(30,274)	$(10,909)
Total provision (benefit)	$(26,837)	$(10,502)

The reconciliation of the Company's federal statutory rate to the effective tax rate is as follows:

	For the Years Ended December 31, 2020	2019
Federal statutory rate	21.0%	21.0%
State taxes, net of federal benefit	7.4%	73.4%
Permanent items and other	2.0%	(18.6%)
Expiration of net operating losses and tax credits	(125.7%)	0.0%
Valuation allowance increase/decrease	1168.7%	(805.1%)
Uncertain tax positions	(145.2%)	0.0%
Return to provision adjustments and change in tax rates	(42.8%)	(1.0%)
Effective rate	885.4%	(730.3%)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse.

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Significant components of the Company's deferred taxes are as follows:

	As of December 31, 2020	As of December 31, 2019
Deferred tax assets:		
Intangibles	$ —	$ 3,602
Capitalized legal costs	1,403	437
Stock compensation	423	268
Deferred rent	—	2
Interest expense	1,029	2,004
Other	535	347
Lease liabilities—operating leases	1,987	1,914
Passthrough activity—investment in partnerships	3,767	—
Debt obligations	11,122	—
Suspended losses	1,591	—
Contingent liabilities	153	—
Net operating losses and credit carryforwards	52,699	59,017
Total deferred tax assets	74,709	67,591
Valuation allowance for deferred tax assets	(17,102)	(40,370)
Deferred tax assets, net of valuation allowance	57,607	27,221
Deferred tax liabilities:		
Goodwill	(5,166)	(3,840)
Intangibles	(12,983)	—
Property and equipment	(158)	(12)
Right of use assets—operating leases	(1,679)	(1,662)
Total deferred tax liabilities	(19,986)	(5,514)
Net deferred taxes	37,621	21,707

Due to the uncertainty of realizing the benefits of our domestic favorable tax attributes in future tax returns, as of December 31, 2020, the Company has recorded a valuation allowance against its net deferred tax asset of $17.1 million. During the years ended December 31, 2020 and 2019, the valuation allowance decreased by approximately $23.3 million and $10.6 million, respectively, due primarily to projected future income from operations, acquisitions and the impact of changes in tax law. Among other factors, the Company's long-term management and advisory fee contracts and related projected income serve as the positive evidence to support the release of the valuation allowance. With the exception of certain deferred tax assets, primarily related to built-in capital losses, management believes it is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax assets.

As of December 31, 2020, the Company had federal and post-apportioned state NOL carryforwards of approximately $247.2 million and $42.3 million, respectively, and research and development credit carryforwards of approximately $5.3 million. The federal NOL and credit carryforwards will expire beginning in 2021, if not utilized. $36.7 million of federal NOLs will expire in 2021, $24.5 million will expire in 2022, and

(dollar amounts stated in thousands)

$186 million will expire between 2023-2039. $11 million of the state NOLs will expire between 2021 and 2029 and $31.3 million will expire between 2030 and 2039. Utilization of the NOLs and tax credits may be subject to substantial annual limitation due to the “change of ownership” provisions of the Internal Revenue Code of 1986. The annual limitation may result in the expiration of net operating losses and credit carryforwards before utilization.

Tax positions are evaluated utilizing a two-step process. The Company first determines whether any of its tax positions are more-likely-than-not to be sustained upon examination, based solely on the technical merits of the position. Once it is determined that a position meets this recognition threshold, the position is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement.

The reconciliation of the Company’s unrecognized tax benefits at the beginning and end of the year is as follows:

	For the Years Ended December 31,	
	2020	2019
Balance at January 1	$ 1,966	$ 1,966
Additions based on tax positions related to the current year	—	—
Additions for tax positions of prior years	5,412	—
Reductions for tax positions of prior years	—	—
Settlements	—	—
Balance at December 31	$ 7,378	$ 1,966

The uncertain tax position is primarily related to transfer pricing, research and development credits and state exposure due to intercompany interest expense.

The Company does not anticipate any significant changes to the unrecognized tax benefits within the next twelve months. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2020 and 2019, the Company has $0.1 million of accrued interest and penalties related to uncertain tax positions.

The Company is subject to U.S. federal income tax as well as income tax of multiple state jurisdictions. The Company is not currently under audit in any other income tax jurisdictions. We are generally subject to U.S. federal and state tax examinations for all tax years since 1999 due to our net operating loss carryforwards and the utilization of the carryforwards in years still open under statute.

Note 13. Stockholders’ Equity

Common Stock

On May 28, 2014, our stockholders approved an amendment to the Company’s Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 30 million shares to 40 million shares. On May 3, 2017, through the court reorganization process, an amendment to the Company’s Restated Certificate of Incorporation further increased the authorized shares of common stock from 40 million to 110 million.

(dollar amounts stated in thousands)

Stock Option Plans

Options granted under the 2018 Incentive Plan vest over a period of up to four years and five years, respectively. The Company is authorized to issue 8,000,000 shares for awards of equity share options under the 2018 Incentive Plan. The term of each option is no more than ten years from the date of grant. When the options are exercised, the Board of Directors has the option of issuing shares of common stock or paying a lump sum cash payment on the exercise date equal to the difference between the common stock's fair market value on the exercise date and the option price.

A summary of stock option activity for the year ended December 31, 2020 is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Life Remaining (in years)	Aggregate Intrinsic Value (whole dollars)
Outsanding as of December 31, 2019	5,670,000	$ 0.93	8.25	$ 2,668,000
Granted	2,000,000	$ 1.92		
Exercised	—	$ —		
Expired/Forfeited	(26,000)	$ 2.57		
Outsanding as of December 31, 2020	7,644,000	$ 1.18	7.75	$41,442,250
Exercisable as of December 31, 2020	1,684,000	$ 0.47	6.22	$10,363,950

The weighted average assumptions used in calculating the fair value of stock options granted during the years ended December 31, 2020 and 2019 were as follows:

	For the Years Ended December 31, 2020	2019
Expected life	7.5 (yrs)	7.5 (yrs)
Expected volatility	39.49%	39.60%
Risk-free interest rate	1.11%	2.49%
Expected dividend yield	0.00%	0.00%

Compensation expense equal to the grant date fair value is recognized for these awards over the vesting period and is included in compensation and benefits on our Consolidated Statements of Operations. The stock-based compensation expense for the years ended December 31, 2020 and 2019 was $0.7 million and $0.4 million, respectively. Unrecognized stock-based compensation expense related to outstanding unvested stock options as of December 31, 2020 was $2.4 million and is expected to be recognized over a weighted average period of 3.11 years. Any future forfeitures will impact this amount.

Note 14. Earnings Per Share

The Company presents basic EPS and diluted EPS for our common stock. Basic EPS excludes potential dilution and is computed by dividing net income by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if shares of common stock were issued pursuant to our stock-based compensation awards. Additionally, diluted EPS reflects the potential dilution that could occur if convertible preferred shares of P10 Intermediate were converted into common shares of P10 Intermediate.

(dollar amounts stated in thousands)

The following table presents a reconciliation of the numerators and denominators used in the computation of basic and diluted EPS:

	For the Years Ended December 31, 2020	2019
Numerator:		
Numerator for basic calculation—Net income attributable to P10 Holdings	$23,086	$ 11,941
Numerator for earnings per share assuming dilution	$23,086	$ 11,941
Denominator:		
Denominator for basic calculation—Weighted-average shares	89,235	89,235
Weighted shares assumed upon exercise of stock options	3,486	1,366
Denominator for earnings per share assuming dilution	92,720	90,601
Earnings per share—basic	$ 0.26	$ 0.13
Earnings per share—diluted	$ 0.25	$ 0.13

The computations of diluted earnings excluded options to purchase 1.3 million shares and 2.6 million shares of common stock for the years ended December 31, 2020 and 2019, respectively, because the options were anti-dilutive. Additionally, for the year ended December 31, 2020, the computation of diluted earnings excluded the effect of 61.7 million of convertible preferred shares of P10 Intermediate because the assumed conversion was anti-dilutive.

Note 15. Redeemable Noncontrolling Interest

In connection with the closing of the acquisition of Five Points on April 1, 2020, the Company formed a new subsidiary, P10 Intermediate, which was the acquiring entity of Five Points. On April 1, 2020, P10 Intermediate issued three series (A, B and C) of redeemable convertible preferred shares. On October 2, 2020 and December 14, 2020, P10 Intermediate issued two additional series (D and E) in connection with the acquisitions of TrueBridge and Enhanced. The preferred shares on an as-if-converted basis represent approximately 40.9% of the aggregate issued and outstanding share capital of P10 Intermediate with P10 Holdings owning the remaining 59.1% through its 100% ownership of the outstanding common stock of P10 Intermediate. The third-party ownership interest represents a noncontrolling interest in P10 Intermediate, which we have a controlling interest in. There are common features among all three series of preferred shares, including:

- The right to convert each share into a common share of P10 Intermediate (1:1 ratio).
- The right to require P10 Intermediate to purchase all shares from the preferred shareholder after the 3rd anniversary of the Five Points acquisition close date unless the Company meets the acquisition threshold (as defined in P10 Intermediate’s Operating Agreement), at which point the right will be extended to the 5th anniversary. The shares are redeemable at fair market value.

- P10 Intermediate has the right to exchange, immediately prior to a qualified public offer (as defined in P10 Intermediate's Operating Agreement), each preferred share into an ordinary share of the new public entity at the then effective and applicable conversion price.
- Each preferred share accrues dividends at the rate of 1% of the issue price per annum.
- In the event of any liquidation, dissolution or winding up of P10 Intermediate, the preferred shareholders have legal rights after the debt holders, but before the notes payable to sellers and common equity holders.
- Except for certain additional rights granted to the Series B preferred shareholder, each preferred shareholder has a number of votes equal to the number of shares they hold. The voting rights are identical to the common shareholders.

The following is a summary of each individual series and any additional features they have:

Series A

P10 Intermediate issued to the Five Points sellers 6,700,000 shares of Series A redeemable convertible preferred shares at a price of $3.00 per share for an aggregate issuance price of $20.1 million. These shares were a part of the purchase consideration in the acquisition of Five Points described in Note 3.

Series B

P10 Intermediate issued to Keystone Capital XXX, LLC ("Keystone") 10,000,000 shares of Series B redeemable convertible preferred shares at a price of $3.00 per share for an aggregate issuance price of $30.0 million. The shares were issued in exchange for cash. The cash received was used as part of the cash consideration in the acquisition of Five Points described in Note 3.

In addition to the rights listed above, the Series B preferred shares also feature a call option that gives the shareholder the ability to purchase up to an additional 5,000,000 Series B preferred shares at an exercise price of $3 per share; provided the option may only be used for funding the cash purchase price of an acquisition and any related fees. The option may only be exercised with respect to a definitive agreement related to an acquisition and the option expires on the second anniversary of the Five Points acquisition close date.

On October 2, 2020, in connection with the acquisition of TrueBridge, Keystone exercised its option purchasing 1,333,333 shares of Series B redeemable convertible preferred shares at a price of $3.00 per share for an aggregate issuance price of $4.0 million.

On December 14, 2020, in connection with the acquisition of Enhanced, Keystone exercised its option purchasing 3,333,334 shares of Series B redeemable convertible preferred shares at a price of $3.00 per share for an aggregate issuance price of $10.0 million.

The Series B preferred shareholder is also granted additional protective rights with respect to certain matters.

Series C

P10 Intermediate issued to the holders of the TAB Payments 3,337,470 shares of Series C redeemable convertible preferred shares at a price of $3.00 per share for an aggregate issuance price of $10.0 million. The shares were issued in a non-cash exchange for a portion of the TAB Payments held. The gross value of the TAB payments received was $16.8 million.

(dollar amounts stated in thousands)

Additionally, P10 Intermediate issued to certain key members of Five Points management 333,333 shares of Series C redeemable convertible preferred shares at a price of $3.00 per share for an aggregate issuance price of $1.0 million. The shares were issued in exchange for cash.

Series D

P10 Intermediate issued to the TrueBridge sellers 28,590,910 shares of Series D redeemable convertible preferred shares at a price of $3.30 per share for an aggregate issuance price of $94.4 million. These shares were a part of the purchase consideration in the acquisition of TrueBridge described in Note 3.

Additionally, on December 14, 2020, P10 Intermediate issued to certain TrueBridge employees 285,714 shares of Series D redeemable convertible preferred shares at a price of $3.50 per share for an aggregate issuance price of $1.0 million. The shares were issued in exchange for cash.

The Series D preferred shareholders are also granted additional protective rights with respect to certain matters.

Series E

P10 Intermediate issued to the Enhanced sellers 7,686,925 shares of Series E redeemable convertible preferred shares at a price of $3.50 per share for an aggregate issuance price of $26.9 million. These shares were a part of the purchase consideration in the acquisition of Enhanced described in Note 3.

Additionally, P10 Intermediate issued to certain key members of Enhanced management 100,714 shares of Series E redeemable convertible preferred shares at a price of $3.50 per share for an aggregate issuance price of $0.4 million. The shares were issued in exchange for cash.

Since the preferred shares are redeemable at the option of the holder and the redemption is not solely in the control of the Company, the preferred shares are accounted for as a redeemable noncontrolling interest and classified within temporary equity in the Company's Consolidated Balance Sheet as of December 31, 2020. The redeemable noncontrolling interest was initially measured at the fair value of the consideration paid. The preferred shares are considered not currently redeemable, but probable of becoming redeemable and therefore the redeemable noncontrolling interest is subsequently measured at the greater of the carrying amount or redemption value as of each reporting date. Dividends on the preferred shares are recognized as preferred dividends attributable to redeemable non-controlling interest in our Consolidated Statements of Operations.

The table below presents the reconciliation of changes in redeemable noncontrolling interests:

Balance at December 31, 2019	$ —
Issuance of subsidiary preferred stock	197,719
Preferred dividends attributable to redeemable noncontrolling interest	720
Balance at December 31, 2020	$ 198,439

Cumulative dividends in arrears on the preferred stock were $0.7 million and $0 as of December 31, 2020 and 2019, respectively.

Note 16. Subsequent Events

Effective January 1, 2021, the Company entered into a sublease with 210 Capital, LLC, a related party, for office space serving as our corporate headquarters. The monthly rent expense is $20.3 thousand, and the lease expires December 31, 2029.

As described in Note 3 above, the total purchase consideration for the acquisition of TrueBridge included contingent consideration. In January 2021, the Company paid the TrueBridge sellers $414 thousand of the contingent consideration.

In February 2021, the Company granted 2,987,500 options under the 2018 Incentive Plan. The options vest over five years and expire ten years from the grant date.

In accordance with ASC 855, Subsequent Events, the Company evaluated all material events or transactions that occurred after December 31, 2020, the Consolidated Balance Sheet date, through the date the Consolidated Financial Statements were issued, and determined there have been no additional events or transactions which would materially impact the Consolidated Financial Statements.

Five Points Capital, Inc.
Financial Statements
December 31, 2019 and 2018
(With Independent Auditors' Report Thereon)

KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Independent Auditors' Report

The Board of Directors
Five Points Capital, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Five Points Capital, Inc., which comprise the statements of assets, liabilities and shareholders' equity as of December 31, 2019 and 2018, and the related statements of operations, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Five Points Capital, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Chicago, Illinois
October 19, 2020

Five Points Capital, Inc.
Statements of Assets, Liabilities and Shareholders' Equity
December 31, 2019 and December 31, 2018

	December 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	$ 183,959	$ 579,861
Prepaid expenses	19,860	35,901
Property and equipment, net	93,010	124,766
Other assets	20,920	111,892
Right-of-use assets	419,309	—
Total assets	$ 737,058	$ 852,420
Liabilities and Shareholders' Equity		
Accounts payable and accrued liabilities	$ 805,334	$ 221,301
Pension liability	1,291,164	663,449
Lease obligation	443,681	—
Total liabilities	2,540,179	884,750
Shareholders' equity		
Common stock - no par value; 15,000 and 15,000 shares authorized, respectively; 14,630 and 14,630 issued and outstanding, respectively	—	—
Additional paid-in capital	1,463	1,463
Accumulated deficit	(1,808,115)	(36,528)
Accumulated other comprehensive income	3,531	2,735
Total shareholders' equity	(1,803,121)	(32,330)
Total liabilities and shareholders' equity	$ 737,058	$ 852,420

The accompanying notes are an integral part of these financial statements.

Five Points Capital, Inc.
Statements of Operations
For the Years Ended December 31, 2019 and 2018

	For the Year Ended December 31, 2019	2018
Revenues		
Management fees	$ 17,644,913	$ 14,339,335
Total revenue	17,644,913	14,339,335
Expenses		
Compensation and benefits	11,110,004	10,080,931
Professional fees	1,553,051	326,601
General, administrative and other	935,460	855,706
Depreciation and amortization	32,985	35,536
Total expenses	13,631,500	11,298,774
Net income	$ 4,013,413	$ 3,040,561

The accompanying notes are an integral part of these financial statements.

Five Points Capital, Inc.
Statements of Comprehensive Income
For the Years Ended December 31, 2019 and 2018

	For the Year Ended December 31, 2019	2018
Net income	$ 4,013,413	$ 3,040,561
Other comprehensive income:		
Items related to employee benefit plans:		
Change in net actuarial gain	796	2,735
Comprehensive income	$ 4,014,209	$ 3,043,296

The accompanying notes are an integral part of these financial statements.

Five Points Capital, Inc.
Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2019 and 2018

	Common Stock		Additional Paid-in-Capital	Accumulated Deficit	Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount				
Balance at December 31, 2017	14,630	—	1,463	222,911	—	224,374
Net income	—	—	—	3,040,561	—	3,040,561
Distributions to shareholders	—	—	—	(3,300,000)	—	(3,300,000)
Other comprehensive income	—	—	—	—	2,735	2,735
Balance at December 31, 2018	14,630	$ —	$ 1,463	$ (36,528)	$ 2,735	$ (32,330)
Net income	—	—	—	4,013,413	—	4,013,413
Distributions to shareholders	—	—	—	(5,785,000)	—	(5,785,000)
Other comprehensive income	—	—	—	—	796	796
Balance at December 31, 2019	14,630	$ —	$ 1,463	$ (1,808,115)	$ 3,531	$ (1,803,121)

The accompanying notes are an integral part of these financial statements.

Five Points Capital, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	For the Year Ended December 31, 2019	2018
Cash flows from operating activities		
Net income	$ 4,013,413	$ 3,040,561
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	32,985	35,536
Changes in assets and liabilities:		
Other assets	89,743	439,725
Prepaid expenses	16,041	(29,924)
Right-of-use asset	171,205	—
Accounts payable and accrued liabilities	613,202	(925,083)
Pension liability	628,511	694,100
Lease obligation	(176,002)	—
Net cash provided by (used in) operating activities	5,389,098	3,254,915
Cash flows from investing activities		
Purchase of furniture, equipment and leasehold improvements	—	(29,648)
Net cash provided by (used in) investing activities	—	(29,648)
Cash flows from financing activities		
Distributions paid	(5,785,000)	(3,300,000)
Net cash provided by (used in) financing activities	(5,785,000)	(3,300,000)
Increase (decrease) in cash and cash equivalents	(395,902)	(74,733)
Cash and cash equivalents		
Beginning of year	579,861	654,594
End of year	$ 183,959	$ 579,861
Supplemental information		
Cash paid for amounts included in lease obligation	$ 205,481	$ —

The accompanying notes are an integral part of these financial statements.

Five Points Capital, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2019 and 2018

1. Organization and Nature of Business

Five Points Capital, Inc. (the "Company"), a corporation organized in the state of North Carolina, is registered with the Securities and Exchange Commission ("SEC") as an investment advisor. As a registered investment advisor, it provides investment advisory services to various private investment funds.

The Company was incorporated on February 21, 2005 as ReyCap Services, Inc. and changed its name to Five Points Capital, Inc. on February 22, 2013.

The Company's headquarters are located in Winston-Salem, North Carolina.

2. Significant Accounting Policies

Basis of Presentation

The financial statements of the Company are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All accounts are maintained in U.S. dollars.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts included in the financial statements and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers any investment with an original maturity of three months or less to be a cash equivalent. The Company holds no cash equivalents at December 31, 2019 and December 31, 2018.

Furniture, Equipment and Leasehold Improvements

Property, equipment and software are stated at cost and are depreciated over their estimated useful lives, ranging from 3 to 7 years, using the straight-line method beginning in the year an item was placed in service. Leasehold improvements, which are also stated at cost, are amortized over the shorter of their estimated useful lives or the term of the leases.

Long-lived Assets

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of their carrying amounts to future undiscounted cash flows that the assets are expected to generate. If long-lived assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the assets exceeds estimated fair value, and is recorded in the period in which the determination was made. The Company has determined there are no impairment losses for the years ended December 31, 2019 and 2018.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable parties who are willing and able to transact for an asset or

2. Significant Accounting Policies (continued)

liability at the measurement date. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then the Company ranks the estimated values based on the reliability of the inputs used following the fair value hierarchy set forth by the Financial Accounting Standards Board (FASB).

At December 31, 2019 and 2018, the Company used the following valuation techniques to measure fair value for assets:

- Level 1 – Assets were valued using the closing price reported in the active market in which the individual security was traded.
- Level 2 – Assets were valued using quoted prices in markets that are not active, broker dealer quotations, and other methods by which all significant inputs were observable at the measurement date.
- Level 3 – Assets were valued using unobservable inputs in which little or no market data exists as reported by the respective institutions at the measurement date.

Leases

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases*, and subsequently issued several related amendments which are codified in ASC Topic 842. The standard requires lessees to record right of-use assets and lease obligations arising from most operating leases on its statement of assets, liabilities and shareholders' equity. The Company adopted the standard for the reporting period beginning January 1, 2019, and adopted the standard using a modified retrospective method. The adoption did not significantly impact its statement of operations or its statement of cash flows. Upon adoption, the Company recorded a lease obligation and a corresponding right-of-use asset of $619,683 and $590,514, respectively. The Company elected the transition practical expedients provided by ASU 2016-02, which allowed the Company to carryforward its historical lease classification.

The Company currently leases office space under operating lease arrangements. As these leases expire, it is expected that, in the normal course of business, they will be renewed or replaced. The Company must record a right-of-use asset and a lease obligation at the commencement date of the lease, other than for leases with an initial term of 12 months or less. As permitted under ASU 2016-02, the Company elects not to record short-term leases with an initial lease term less than 12 months on the Company's statement of financial assets, liabilities and shareholders' equity. A lease obligation is initially and subsequently reported at the present value of the outstanding lease payments determined by discounting those lease payments over the remaining lease term using the incremental borrowing rate of the Company as of the commencement date. A right-of-use asset is initially reported at the present value of the corresponding lease obligation plus any prepaid lease payments and initial direct costs of entering into the lease, and reduced by any lease incentives. Subsequently, a right-of-use asset is reported at the present value of the lease obligation adjusted for any prepaid or accrued lease payments, remaining balances of any lease incentives received, unamortized initial direct costs of entering into the lease and any impairments of the right-of-use asset. The Company tests for possible impairments of right-of-use assets annually or more frequently whenever events or changes in circumstances indicate that the carrying value of a right-of-use asset may exceed its fair value. Subsequent to an impairment, the carrying value of the right-of-use asset is amortized on a straight-line basis over the remaining lease term.

Most lease agreements for office space that are classified as operating leases contain renewal options, rent escalation clauses or other lease incentives provided by the lessor. Lease expense is accrued to recognize lease

2. Significant Accounting Policies (continued)

escalation provisions and renewal options that are reasonably certain to be exercised, as well as lease incentives provided by the lessor, on a straight-line basis over the lease term and is reported in general, administrative and other expenses in the statements of operations.

Revenue Recognition of Management Fees

On January 1, 2019, the Company adopted the new Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, using the modified retrospective method. As a result, prior period amounts continue to be reported under legacy GAAP. The adoption did not change the historical pattern of recognizing revenue for management fees, and no cumulative adjustments were necessary upon adoption.

In accordance with ASC 606, *Revenue from Contracts with Customers*, revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services. ASC 606 includes a five-step framework that requires an entity to: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when the entity satisfies a performance obligation.

While the determination of who is the customer in a contractual arrangement will be made on a contract-by-contract basis, the customer will generally be the investment fund for the Company's significant management and advisory contracts.

The Company's revenues consist primarily of investment advisory fees, which are recognized as revenue when earned. Investment advisory fees from the affiliated funds are recognized as earned and are billed in advance on a quarterly basis.

As it relates to the Company's performance obligation to provide investment management services, the Company typically satisfies this performance obligation over time as the services are rendered, since the funds simultaneously receive and consume the benefits provided as the Company performs the service. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the funds. Management fees earned from each investment management contract over the contract life represent variable consideration because the consideration the Company is entitled to varies based on fluctuations in the basis for the management fee, for example fund net asset value ("NAV") or assets under management ("AUM"). Given that the management fee basis is susceptible to market factors outside of the Company's influence, management fees are constrained and, therefore, estimates of future period management fees are generally not included in the transaction price. Revenue recognized for the investment management services provided is generally the amount determined at the end of the period because that is when the uncertainty for that period is resolved.

Accounts receivable are equal to contractual amounts reduced for allowances, if applicable. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established as of December 31, 2019 or 2018. If accounts become uncollectible, they will be expensed when that determination is made. There are no receivables relating to management fees as of December 31, 2019 or 2018.

Income Taxes

The Company is not subject to federal income taxes. The shareholders are responsible for reporting their proportionate share of the Company's income on their separate tax returns. Accordingly, no federal income tax

2. Significant Accounting Policies (continued)

accruals have been provided for in the accompanying financial statements. The Company is subject to North Carolina unincorporated business taxes and pass-through entity taxes, which are based on a percentage of income, as defined by the respective tax rules.

Accounting principles generally accepted in the United States of America set forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The Company did not have any unrecognized tax benefits in the accompanying financial statements. In the normal course of business, the Company is subject to examination by federal, state, local and foreign jurisdictions, where applicable. As of December 31, 2019 and December 31, 2018, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations is from the year 2016 and 2015 forward (with limited exceptions).

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Income Taxes.* ASC 740-10 provides several clarifications related to uncertain tax positions. Most notably, a "more likely-than-not" standard for initial recognition of tax positions, a presumption of audit detection and a measurement of recognized tax benefits based on the largest amount that has a greater than 50 percent likelihood of realization. ASC 740-10 applies a two-step process to determine the amount of tax benefit to be recognized in the financial statements. First, the Company must determine whether any amount of the tax benefit may be recognized. Second, the Company determines how much of the tax benefit should be recognized (this would only apply to tax positions that qualify for recognition). Accordingly, the Company has not recognized any penalty, interest or tax impact related to uncertain tax positions.

Defined Benefit Plan

Defined benefit plans are accounted for in accordance with FASB ASC 715 *Compensation – Retirement Benefits* (ASC 715), which requires that an entity recognize the overfunded or underfunded status of a single-employer defined benefit postretirement plan as an asset or a liability in its statements of assets, liabilities and shareholders' equity, recognize changes in that funded status in comprehensive income, and disclose in the notes to the financial statements additional information about net periodic benefit cost. ASC 715 also requires entities to recognize as components of other comprehensive income the gains or losses and prior services costs or credits that arise during a period but are not recognized in the statements of operations as components of net periodic benefit cost. Those amounts recognized in other comprehensive income are adjusted as they are subsequently recognized in the statements of operations as components of net periodic benefit cost. Additionally, ASC 715 requires that an entity measure plan assets and benefit obligations as of the date of its fiscal year-end statements of assets, liabilities and shareholders' equity. Effective January 1, 2018, the Company adopted ASU 2017-07, *Compensation – Retirement Benefits* (Topic 715), Improving the Net Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. This standard requires that an employer report the service cost component in the same line item or items as the compensation costs arising from services rendered by the pertinent employees during the period.

The Company records annual amounts relating to its pension plan based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates and healthcare cost trend rates. The Company reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The Company believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions.

2. Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13 provides amendments to ASC 326, *Financial Instruments - Credit Losses*, which replaces the incurred loss impairment model with a current expected credit loss (CECL) model. CECL requires a company to estimate lifetime expected credit losses based on relevant information about historical events, current conditions and reasonable and supportable forecasts. The guidance must be applied using the modified retrospective adoption method and is to be implemented no later than January 1, 2023. The adoption of the new guidance is not expected to have a material effect on the financial statements and related disclosures.

Risks and Uncertainties

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties. The Company's maximum exposure under these arrangements is unknown as they involve future claims that have not occurred and may not occur. However, based on past experience, management expects the risk of loss to be remote.

3. Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements at December 31, 2019 and December 31, 2018 are summarized as follows:

	As of December 31, 2019	As of December 31, 2018
Computer software	$ 37,400	$ 37,400
Computer equipment	111,614	111,614
Furniture and fixtures	401,638	401,638
Leasehold improvements	61,779	61,779
	612,431	612,431
Less: Accumulated depreciation and amortization	(519,421)	(487,665)
Property and equipment, net	$ 93,010	$ 124,766

Depreciation and amortization expense amounted to $32,985 and $35,536 for the years ended December 31, 2019 and December 31, 2018, respectively.

4. 401(k) Profit Sharing Plan

The Company has a noncontributory 401(k) profit sharing plan that covers all eligible employees of the Company. Company contributions are made on a discretionary basis. The Company's contribution to this plan for the years ended December 31, 2019 and December 31, 2018 amounted to $195,917 and $171,989, respectively, which is included in compensation and benefits in the statements of operations.

Five Points Capital, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2019 and 2018

5. Commitments and Contingencies

Operating Leases

The Company currently leases space in Winston-Salem, North Carolina. At December 31, 2019, the Company's lease has a remaining term of 2.25 years.

The lease commitments provide for minimum annual rental payments as of December 31, 2019 and are as follows:

Year ending December 31	Minimum Rental Commitments
2020	$ 209,163
2021	212,957
2022	53,792
Total future minimum lease payments	475,912
Less: Imputed interest	(32,231)
	$ 443,681

Future minimum lease payments under non-cancelable operating leases as of December 31, 2018 are as follows:

Year ending December 31	Minimum Rental Commitments
2019	$ 205,481
2020	209,163
2021	212,957
2022	53,792
Total future minimum lease payments	$ 681,393

These minimum rentals are subject to escalation or reduction based upon certain nonlease component costs, such as, maintenance, utility and tax increases, incurred by the landlord for each year that the premise is actually occupied by the Company. During the years ended December 31, 2019 and December 31, 2018, the Company recognized rent expense on operating leases of $217,107 and $215,111, and such amount is included in general, administrative and other expenses in the statements of operations.

In determining the lease obligation on the statement of assets, liabilities and shareholders' equity as of January 1, 2019, the Company utilized a discount rate of 6.05%.

The Company is subject to claims, legal proceedings and other contingencies in the ordinary course of its business activities. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company. The Company establishes accruals for matters that are probable and can be reasonably estimated. Management believes that any liability in excess of these accruals upon the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the Company.

6. Related Party Transactions

The Company is the investment advisor for affiliated private funds. During the years ended December 31, 2019 and December 31, 2018, the Company earned investment advisory fees of $18,191,295 and $14,582,587, respectively, from these funds, of which $546,382 and $243,252 was waived.

The Company paid for general, administrative and other expenses on behalf of affiliated private funds. These expenses were reimbursed by the affiliated funds. Total reimbursed expenses amounted to $445,009 and $478,874 for the years ended December 31, 2019 and December 31, 2018. These reimbursements were applied against the general, administrative and other expenses included in the statements of operations. The Company paid an additional $34,183 for general, administrative and other expenses on behalf of affiliated private funds, which was billed and remained outstanding as of December 31, 2018. This amount is included in other assets in the statement of assets, liabilities and shareholders' equity as of December 31, 2018. The amount was subsequently reimbursed by the affiliated funds in 2019. There is no outstanding receivable balance as of December 31, 2019.

During 2018, the Company contributed $50,000 to one of the affiliated private funds on behalf of an affiliated investment vehicle. This balance is included in other assets in the statement of assets, liabilities and shareholders' equity as of December 31, 2018. This was subsequently reimbursed to the Company in 2019 and no balance remains outstanding as of December 31, 2019.

7. Shareholders' Equity

The Company is authorized to issue 15,000 shares of common stock having no par value. At December 31, 2019 and 2018, there are 14,630 shares issued and outstanding.

8. Distributions and Allocations

The Articles of Incorporation (the "Agreement"), governing the operations of the Company, contains provisions which call for the allocation of income and gain to equity accounts and subsequent distribution to its shareholders. This is generally in proportion to their respective ownership percentage, as defined in the Agreement.

9. Concentrations

The Company maintains its cash balances in one major North Carolina bank. The balances in these accounts usually exceed the insurance limits of the Federal Deposit Insurance Corporation. The Company is subject to credit risk should this financial institution be unable to fulfill its obligations. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on such deposits.

Five Points Capital, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2019 and 2018

10. Pension Plan

The Company sponsors Five Points Capital, Inc. Pension Plan (the "Plan"), which is a defined benefit plan. The Plan, which was effective on January 1, 2016, covers all employees who have attained the age of 21, completed one year of service with at least 1,000 hours of service, and are specifically included within the Plan. The participants are vested in the Plan based on years of service as follows:

Vesting Schedule

Years of Service	Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Retirement benefits are equal to the value of the employee's accumulation account, comprised of the employer's contribution, each year plus accumulated earnings. The retirement benefit commences upon retirement or termination of employment and can be distributed as an annuity or a lump sum distribution.

	2019	2018
Change in projected benefit obligation		
Benefit obligation, beginning of year	$ 1,904,307	$ 1,313,983
Service cost	1,294,696	666,186
Interest cost	94,842	65,606
(Gains)/losses	368,642	(164,806)
Plan amendments	—	23,591
Less benefits paid	—	(253)
Benefit obligation, end of year	3,662,487	1,904,307
Change in plan assets		
Fair value of plan assets, beginning of year	1,240,858	680,685
Actual return on plan assets	456,222	(103,287)
Employer contributions	674,243	663,713
Less benefits paid	—	(253)
Fair value of plan assets, end of year	2,371,323	1,240,858
Underfunded status	$ 1,291,164	$ 663,449

The underfunded status of the Plan is recognized in the accompanying statements of assets, liabilities and shareholders' equity as pension liability in the amount of $1,291,164 and $663,449 at December 31, 2019 and 2018. Employer contributions reflected in the change in plan assets table in the amount of $674,243 and $663,713 for the year ended December 31, 2019 and December 31, 2018 reflect the actual cash contributed to, and received by, the Plan during such year.

10. Pension Plan (continued)

The following are weighted-average assumptions used to determine benefit obligations at December 31, 2019 and 2018.

	2019	2018
Discount Rate	5.0%	5.0%
Mortality tables	RP-2014 mortality table adjusted to the base year of 2006	RP-2014 mortality table adjusted to the base year of 2006

The net periodic pension cost for the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
Net periodic benefit cost recognized in the statements of operations		
Service cost	$ 1,294,696	$ 666,186
Interest cost	94,842	65,606
Net periodic benefit cost	$ 1,389,538	$ 731,792

This amount is included in compensation and benefits in the accompanying statements of operations for the years ended December 31, 2019 and 2018. A discount rate of 5.0% and expected return on plan assets of 5.0% were assumed in the determination of the net periodic pension cost. The expected rate of return on plan assets is determined based on historical returns adjusted for expectations of future returns.

Investment Policy and Strategy

The Plan invests in an investment portfolio characterized by moderate risk. The principal goal of the investment of the funds in the Plan is both security and long-term stability with moderate growth commensurate with the anticipated retirement dates of participants. Investments, other than “fixed dollar” investments, is included among the Plan’s investments to prevent erosion by inflation. However, investments are sufficiently liquid to enable the Plan, on short notice, to make some distributions in the event of the death or disability of a participant.

The Plan is invested in mutual funds as of December 31, 2019 and 2018.

10. Pension Plan (continued)

Fair Value Measurements

The fair value of the Plan's assets by asset class is as follows:

	December 31, 2019			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual funds	$2,371,323	$ —	$ —	$2,371,323
	$2,371,323	$ —	$ —	$2,371,323

	December 31, 2018			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual funds	$1,240,858	$ —	$ —	$1,240,858
	$1,240,858	$ —	$ —	$1,240,858

The mutual funds are valued at quoted market prices at the last sales price on the date of determination on the largest securities exchange in which such securities have been traded on such date.

On December 30, 2019, the Company determined that the Plan would be terminated, effective March 31, 2020. On March 27, 2020, the Company paid $1,310,355 to the Plan. As a result of this payment, the Plan was fully funded and, on March 31, 2020, the Plan was terminated.

11. Subsequent Events

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a global pandemic, which has resulted in significant disruption and uncertainty in the global economic markets. The extent of the operational and financial impact the COVID-19 pandemic may have on the Company has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Currently, the Company has activated our Business Continuity Plan, which assures the ability for all aspects of our business to continue operating without interruption. The Company is unable to accurately predict how COVID-19 will affect the results of our operations because the virus's severity and the duration of the pandemic are uncertain. However, the Company does not expect a significant impact to our near-term results given the structure of our contracts.

On April 1, 2020, 100% of the outstanding shares of the Company were acquired by P10 Intermediate Holdings, LLC, a 100% owned subsidiary of P10 Holdings, Inc. ("P10"). The Company's corporate governance is now controlled by a newly formed board of managers consisting of a combination of representatives from both the Company and P10.

Subsequent to December 31, 2019, the Company entered into employment agreements with certain key individuals that are renewable on an annual basis. These contracts expire in January 2024.

In accordance with ASC 855, Subsequent Events, the Company evaluated all material events or transactions that occurred after December 31, 2019, the statements of assets, liabilities and shareholders' equity date, through October 19, 2020, the date the financial statements were issued, and determined no additional events or transactions which would materially impact the financial statements.

Five Points Capital, Inc.
Unaudited Financial Statements
March 31, 2020 and 2019

Five Points Capital, Inc.
Statements of Assets, Liabilities and Shareholders' Equity
March 31, 2020 and December 31, 2019

	March 31, 2020	December 31, 2019
Assets		
Cash and cash equivalents	$ —	$ 183,959
Prepaid expenses	—	19,860
Property and equipment, net	86,502	93,010
Other assets	330,042	20,920
Right-of-use assets	375,620	419,309
Total assets	$ 792,164	$ 737,058
Liabilities and Shareholders' Equity		
Accounts payable and accrued liabilities	$ 1,526,020	$ 805,334
Pension liability	—	1,291,164
Lease obligation	398,268	443,681
Shareholder loans	4,100,000	—
Total liabilities	6,024,288	2,540,179
Shareholders' equity (deficit)		
Common stock - no par value; 15,000 and 15,000 shares authorized, respectively; 14,630 and 14,630 issued and outstanding, respectively	—	—
Additional paid-in capital	1,463	1,463
Accumulated deficit	(5,233,587)	(1,808,115)
Accumulated other comprehensive income	—	3,531
Total shareholders' equity (deficit)	(5,232,124)	(1,803,121)
Total liabilities and shareholders' equity (deficit)	$ 792,164	$ 737,058

Five Points Capital, Inc.
Statements of Operations
For the Three Months Ended March 31, 2020 and 2019

	Three Months Ended March 31, 2020	2019
Revenues		
Management fees	$ 4,333,827	$ 3,835,315
Total revenue	4,333,827	3,835,315
Expenses		
Compensation and benefits	6,914,088	2,197,950
Professional fees	566,348	129,666
General, administrative and other	272,048	147,385
Depreciation and amortization	6,815	8,246
Total expenses	7,759,299	2,483,247
Net income (loss)	$ (3,425,472)	$ 1,352,068

Five Points Capital, Inc.
Statements of Comprehensive Income
For the Three Months Ended March 31, 2020 and 2019

	Three Months Ended March 31,	
	2020	2019
Net income (loss)	$ (3,425,472)	$ 1,352,068
Other comprehensive income:		
Items related to employee benefit plans:		
Change in net actuarial gain	(3,531)	199
Comprehensive income (loss)	$ (3,429,003)	$ 1,352,267

Five Points Capital, Inc.
Statements of Changes in Shareholders' Equity (Deficit)
For the Three Months Ended March 31, 2020 and 2019

	Common Stock					
	Shares	Amount	Additional Paid-in-Capital	Accumulated Deficit	Other Comprehensive Income	Total Shareholders' Equity (Deficit)
Balance at December 31, 2019	14,630	—	1,463	(1,808,115)	3,531	(1,803,121)
Net income	—	—	—	(3,425,472)	—	(3,425,472)
Distributions to shareholders	—	—	—	—	—	—
Other comprehensive loss	—	—	—	—	(3,531)	(3,531)
Balance at March 31, 2020	14,630	$ —	$ 1,463	$(5,233,587)	$ —	$ (5,232,124)

	Common Stock					
	Shares	Amount	Additional Paid-in-Capital	Accumulated Deficit	Other Comprehensive Income	Total Shareholders' Equity (Deficit)
Balance at December 31, 2018	14,630	—	1,463	(36,528)	2,735	(32,330)
Net income	—	—	—	1,352,068	—	1,352,068
Distributions to shareholders	—	—	—	(2,000,000)	—	(2,000,000)
Other comprehensive income	—	—	—	—	199	199
Balance at March 31, 2019	14,630	$ —	$ 1,463	$ (684,460)	$ 2,934	$ (680,063)

Five Points Capital, Inc.
Statements of Cash Flows
For the Three Months Ended March 31, 2020 and 2019

	Three Months Ended March 31, 2020	2019
Cash flows from operating activities		
Net income (loss)	$ (3,425,472)	$ 1,352,068
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	6,815	8,246
Changes in assets and liabilities:		
Other assets	(309,429)	(833,747)
Prepaid expenses	19,860	(1,084)
Right-of-use asset	43,689	(546,350)
Accounts payable and accrued liabilities	720,686	(171,988)
Pension liability	(1,294,695)	157,128
Lease obligation	(45,413)	574,695
Net cash provided by (used in) operating activities	(4,283,959)	538,968
Cash flows from financing activities		
Proceeds from shareholders loans	4,100,000	—
Net cash provided by financing activities	4,100,000	—
Increase (decrease) in cash and cash equivalents	(183,959)	538,968
Cash and cash equivalents		
Beginning of period	183,959	579,861
End of period	$ —	$ 1,118,829
Supplemental information		
Cash paid for amounts included in lease obligation	$ 51,896	$ 50,995
Accrued distributions payable	—	2,000,000

Five Points Capital, Inc.
Notes to the Financial Statements
For the Three Months Ended March 31, 2020 and 2019

1. Organization and Nature of Business

Five Points Capital, Inc. (the "Company"), a corporation organized in the state of North Carolina, is registered with the Securities and Exchange Commission ("SEC") as an investment advisor. As a registered investment advisor, it provides investment advisory services to various private investment funds.

The Company was incorporated on February 21, 2005 as ReyCap Services, Inc. and changed its name to Five Points Capital, Inc. on February 22, 2013.

The Company's headquarters are located in Winston-Salem, North Carolina.

2. Significant Accounting Policies

Basis of Presentation

The financial statements of the Company are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All accounts are maintained in U.S. dollars.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts included in the financial statements and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers any investment with an original maturity of three months or less to be a cash equivalent. The Company holds no cash equivalents at March 31, 2020 and December 31, 2019.

Furniture, Equipment and Leasehold Improvements

Property, equipment and software are stated at cost and are depreciated over their estimated useful lives, ranging from 3 to 7 years, using the straight-line method beginning in the year an item was placed in service. Leasehold improvements, which are also stated at cost, are amortized over the shorter of their estimated useful lives or the term of the leases.

Long-lived Assets

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of their carrying amounts to future undiscounted cash flows that the assets are expected to generate. If long-lived assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the assets exceeds estimated fair value, and is recorded in the period in which the determination was made. The Company has determined there are no impairment losses for the three months ended March 31, 2020 and 2019.

Other Assets

Included within other assets on the statement of assets, liabilities and equity at March 31, 2020 is approximately $290,000 of receivables related to payroll tax refunds.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable parties who are willing and able to transact for an asset or liability at the measurement date. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then the Company ranks the estimated values based on the reliability of the inputs used following the fair value hierarchy set forth by the Financial Accounting Standards Board (FASB).

At March 31, 2020 and December 31, 2019, the Company used the following valuation techniques to measure fair value for assets:

- Level 1 – Assets were valued using the closing price reported in the active market in which the individual security was traded.
- Level 2 – Assets were valued using quoted prices in markets that are not active, broker dealer quotations, and other methods by which all significant inputs were observable at the measurement date.
- Level 3 – Assets were valued using significant unobservable inputs in which little or no market data exists as reported by the respective institutions at the measurement date.

Leases

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, Leases, and subsequently issued several related amendments which are codified in ASC Topic 842. The standard requires lessees to record right of-use assets and lease obligations arising from most operating leases on its statement of assets, liabilities and shareholders' equity. The Company adopted the standard for the reporting period beginning January 1, 2019, and adopted the standard using a modified retrospective method. The adoption did not significantly impact its statement of operations or its statement of cash flows. Upon adoption, the Company recorded a lease obligation and a corresponding right-of-use asset of $619,683 and $590,514, respectively. The Company elected the transition practical expedients provided by ASU 2016-02, which allowed the Company to carryforward its historical lease classification.

The Company currently leases office space under operating lease arrangements. As these leases expire, it is expected that, in the normal course of business, they will be renewed or replaced. The Company must record a right-of-use asset and a lease obligation at the commencement date of the lease, other than for leases with an initial term of 12 months or less. As permitted under ASU 2016-02, the Company elects not to record short-term leases with an initial lease term less than 12 months on the Company's statement of assets, liabilities and shareholders' equity. A lease obligation is initially and subsequently reported at the present value of the outstanding lease payments determined by discounting those lease payments over the remaining lease term using the incremental borrowing rate of the Company as of the commencement date. A right-of-use asset is initially reported at the present value of the corresponding lease obligation plus any prepaid lease payments and initial direct costs of entering into the lease, and reduced by any lease incentives. Subsequently, a right-of-use asset is reported at the present value of the lease obligation adjusted for any prepaid or accrued lease payments, remaining balances of any lease incentives received, unamortized initial direct costs of entering into the lease and any impairments of the right-of-use asset. The Company tests for possible impairments of right-of-use assets annually or more frequently whenever events or changes in circumstances indicate that the carrying value of a right-of-use asset may exceed its fair value. Subsequent to an impairment, the carrying value of the right-of-use asset is amortized on a straight-line basis over the remaining lease term.

Most lease agreements for office space that are classified as operating leases contain renewal options, rent escalation clauses or other lease incentives provided by the lessor. Lease expense is accrued to recognize lease escalation provisions and renewal options that are reasonably certain to be exercised, as well as lease incentives provided by the lessor, on a straight-line basis over the lease term and is reported in general, administrative and other expenses in the statements of operations.

Revenue Recognition of Management Fees

On January 1, 2019, the Company adopted the new Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, using the modified retrospective method. As a result, prior period amounts continue to be reported under legacy GAAP. The adoption did not change the historical pattern of recognizing revenue for management fees, and no cumulative adjustments were necessary upon adoption.

In accordance with ASC 606, *Revenue from Contracts with Customers*, revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services. ASC 606 includes a five-step framework that requires an entity to: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when the entity satisfies a performance obligation.

While the determination of who is the customer in a contractual arrangement will be made on a contract-by-contract basis, the customer will generally be the investment fund for the Company’s significant management and advisory contracts.

The Company’s revenues consist primarily of investment management fees, which are recognized as revenue when earned. Investment management fees from the affiliated funds are recognized as earned and are billed in advance on a quarterly basis.

As it relates to the Company’s performance obligation to provide investment management services, the Company typically satisfies this performance obligation over time as the services are rendered, since the funds simultaneously receive and consume the benefits provided as the Company performs the service. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the funds. Management fees earned from each investment management contract over the contract life represent variable consideration because the consideration the Company is entitled to varies based on fluctuations in the basis for the management fee, for example fund net asset value (“NAV”) or assets under management (“AUM”). Given that the management fee basis is susceptible to market factors outside of the Company’s influence, management fees are constrained and, therefore, estimates of future period management fees are generally not included in the transaction price. Revenue recognized for the investment management services provided is generally the amount determined at the end of the period because that is when the uncertainty for that period is resolved.

Accounts receivable are equal to contractual amounts reduced for allowances, if applicable. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established as of March 31, 2020 or 2019. If accounts become uncollectible, they will be expensed when that determination is made. There are no receivables relating to management fees as of March 31, 2020 or December 31, 2019.

Income Taxes

The Company is not subject to federal income taxes. The shareholders are responsible for reporting their proportionate share of the Company's income on their separate tax returns. Accordingly, no federal income tax accruals have been provided for in the accompanying financial statements. The Company is subject to North Carolina unincorporated business taxes and pass-through entity taxes, which are based on a percentage of income, as defined by the respective tax rules.

Accounting principles generally accepted in the United States of America set forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The Company did not have any unrecognized tax benefits in the accompanying financial statements. In the normal course of business, the Company is subject to examination by federal, state, local and foreign jurisdictions, where applicable. As of March 31, 2020, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations is from the year 2016 forward (with limited exceptions).

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Income Taxes*. ASC 740-10 provides several clarifications related to uncertain tax positions. Most notably, a "more likely-than-not" standard for initial recognition of tax positions, a presumption of audit detection and a measurement of recognized tax benefits based on the largest amount that has a greater than 50 percent likelihood of realization. ASC 740-10 applies a two-step process to determine the amount of tax benefit to be recognized in the financial statements. First, the Company must determine whether any amount of the tax benefit may be recognized. Second, the Company determines how much of the tax benefit should be recognized (this would only apply to tax positions that qualify for recognition). Accordingly, the Company has not recognized any penalty, interest or tax impact related to uncertain tax positions.

Defined Benefit Plan

Defined benefit plans are accounted for in accordance with FASB ASC 715 *Compensation – Retirement Benefits* (ASC 715), which requires that an entity recognize the overfunded or underfunded status of a single-employer defined benefit postretirement plan as an asset or a liability in its statements of assets, liabilities and shareholders' equity, recognize changes in that funded status in comprehensive income, and disclose in the notes to the financial statements additional information about net periodic benefit cost. ASC 715 also requires entities to recognize as components of other comprehensive income the gains or losses and prior services costs or credits that arise during a period but are not recognized in the statements of operations as components of net periodic benefit cost. Those amounts recognized in other comprehensive income are adjusted as they are subsequently recognized in the statements of operations as components of net periodic benefit cost. Additionally, ASC 715 requires that an entity measure plan assets and benefit obligations as of the date of its fiscal year-end statements of assets, liabilities and shareholders' equity.

The Company records annual amounts relating to its pension plan based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates and healthcare cost trend rates. The Company reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The Company believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions.

Risks and Uncertainties

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties. The Company's maximum exposure under these arrangements is unknown as they involve future claims that have not occurred and may not occur. However, based on past experience, management expects the risk of loss to be remote.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13 provides amendments to ASC 326, *Financial Instruments - Credit Losses*, which replaces the incurred loss impairment model with a current expected credit loss (CECL) model. CECL requires a company to estimate lifetime expected credit losses based on relevant information about historical events, current conditions and reasonable and supportable forecasts. The guidance must be applied using the modified retrospective adoption method and is to be implemented no later than January 1, 2023. The adoption of the new guidance is not expected to have a material effect on the financial statements and related disclosures.

3. Related Party Transactions

The Company is the investment advisor for affiliated private funds. During the three months ended March 31, 2020 and 2019, the Company earned investment management fees of $4,333,827 and $3,835,315, respectively, from these funds.

The Company paid for general, administrative, and other expenses on behalf of affiliated private funds. These expenses were reimbursed by the affiliated funds. Total reimbursed expenses amounted to $61,862 and $125,896 for the three months ended March 31, 2020 and 2019, respectively. These reimbursements were applied against the general, administrative, and other expenses included in the statement of operations.

The Company was indebted to four separate shareholders of the Company for an aggregate amount of $4,100,000 at March 31, 2020 as reflected on the statement of assets, liability and shareholders' equity. Each of the four separate, interest-free loans were funded on March 26, 2020 and entire balance of the principal of each note is due and payable upon the later of the closing date as defined in the certain Purchase Agreement related to acquisition of the Company as described in Note 7, or by written request of the shareholder.

4. Distributions and Allocations

The Articles of Incorporation (the "Agreement"), governing the operations of the Company, contains provisions which call for the allocation of income and gain to equity accounts and subsequent distribution to its shareholders. This is generally in proportion to their respective ownership percentage, as defined in the Agreement.

5. Concentrations

The Company maintains its cash balances in one major North Carolina bank. The balances in these accounts usually exceed the insurance limits of the Federal Deposit Insurance Corporation. The Company is subject to credit risk should this financial institution be unable to fulfill its obligations. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on such deposits.

Five Points Capital, Inc.
Notes to the Financial Statements
For the Three Months Ended March 31, 2020 and 2019

6. Pension Plan

The Company sponsored Five Points Capital, Inc. Pension Plan (the "Plan"), which is a defined benefit plan. The Plan, which was effective on January 1, 2016, covers all employees who have attained the age of 21, completed one year of service with at least 1,000 hours of service, and are specifically included within the Plan. Participants are vested in the Plan based on years of service.

Retirement benefits are equal to the value of the employee's accumulation account, comprised of the employer's contribution, each year plus accumulated earnings. The retirement benefit commences upon retirement or termination of employment and can be distributed as an annuity or a lump sum distribution. The underfunded status of the Plan is recognized in the accompanying statements of assets, liabilities and shareholders' equity as pension liability at December 31, 2019. Net periodic benefit cost for the three months ended March 31, 2019 was $347,385.

On December 31, 2019, the Company determined that the Plan would be terminated, effective March 31, 2020. On March 27, 2020, the Company paid $1,310,355 to the Plan. As a result of this payment, the Plan was fully funded and, on March 31, 2020, the Plan was terminated. Included within compensation and benefits on the statement of operations for the three months ended March 31, 2020 are approximately $50,000 of additional expenses paid by the Company related to the plan.

7. Subsequent Events

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a global pandemic, which has resulted in significant disruption and uncertainty in the global economic markets. The extent of the operational and financial impact the COVID-19 pandemic may have on the Company has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Currently, the Company has activated our Business Continuity Plan, which assures the ability for all aspects of our business to continue operating without interruption. The Company is unable to accurately predict how COVID-19 will affect the results of our operations because the virus's severity and the duration of the pandemic are uncertain. However, the Company does not expect a significant impact to our near-term results given the structure of our contracts.

On April 1, 2020, 100% of the outstanding shares of the Company were acquired by P10 Intermediate Holdings, LLC, a 100% owned subsidiary of P10 Holdings, Inc. ("P10"). The Company's corporate governance is now controlled by a newly formed board of managers consisting of a combination of representatives from both the Company and P10.

In accordance with ASC 855, Subsequent Events, the Company evaluated all material events or transactions that occurred after March 31, 2020, the statements of assets, liabilities and shareholders' equity date, through October 31, 2020, the date the financial statements were issued, and determined no additional events or transactions which would materially impact the financial statements.

TrueBridge Capital Partners, LLC
Financial Statements
December 31, 2019 and 2018
(With Independent Auditors' Report Thereon)

Table of Contents

KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Independent Auditors' Report

The Members
TrueBridge Capital Partners, LLC:

We have audited the accompanying financial statements of TrueBridge Capital Partners, LLC (the Company), which comprise the statements of assets, liabilities, and members' equity as of December 31, 2019 and 2018, and the related statements of operations, comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TrueBridge Capital Partners, LLC as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2019, the Company adopted new accounting guidance, Accounting Standards Codification 606, *Revenue from Contracts with Customers* and ASU No. 2016-2, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

KPMG LLP

Chicago, Illinois
November 1, 2020

TrueBridge Capital Partners, LLC
Statements of Assets, Liabilities and Members' Equity
December 31, 2019 and December 31, 2018

	December 31, 2019	December 31, 2018
Assets		
Investments in funds	$ 1,644,559	$ 1,220,935
Cash and cash equivalents	244,294	1,376
Right-of-use assets	1,609,007	—
Due from affiliated investment funds	154,434	778,190
Prepaid expenses	60,301	837,513
Property and equipment, net	1,275,855	1,294,348
Pension asset	460,426	—
Other assets	32,956	39,810
Total assets	$ 5,481,832	$ 4,172,172
Liabilities and Members' Equity		
Accounts payable and accrued liabilities	$ 559,542	$ 1,326,357
Pension liability	—	140,996
Lease obligation	2,190,034	—
Line of credit	583,333	519,225
Total liabilities	3,332,909	1,986,578
Members' equity		
Retained earnings	2,196,314	2,522,935
Accumulated other comprehensive (loss)	(47,391)	(337,341)
Total members' equity	2,148,923	2,185,594
Total liabilities and members' equity	$ 5,481,832	$ 4,172,172

The accompanying notes are an integral part of these financial statements.

TrueBridge Capital Partners, LLC
Statements of Operations
For the Years Ended December 31, 2019 and 2018

	For the Year Ended December 31, 2019	2018
Revenues		
Management fees	$ 18,581,364	$ 15,683,120
Investment income	383,176	183,934
Total revenues	18,964,540	15,867,054
Expenses		
Compensation and benefits	3,993,153	3,185,396
Management fee expenses	5,193,624	5,247,505
Professional fees	167,200	901,778
General, administrative and other	988,216	826,683
Depreciation and amortization	218,601	62,544
Loss on disposal of equipment	—	61,140
Total expenses	10,560,794	10,285,046
Net income	$ 8,403,746	$ 5,582,008

The accompanying notes are an integral part of these financial statements.

TrueBridge Capital Partners, LLC
Statements of Comprehensive Income
For the Years Ended December 31, 2019 and 2018

	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
Net income	$ 8,403,746	$ 5,582,008
Other comprehensive income (loss):		
Items related to employee benefit plans:		
Change in net actuarial gain (loss)	278,728	(186,471)
Change in unrecognized transition amount	11,222	11,222
Other comprehensive income (loss)	289,950	(175,249)
Comprehensive income	$ 8,693,696	$ 5,406,759

The accompanying notes are an integral part of these financial statements.

TrueBridge Capital Partners, LLC
Statements of Changes in Members' Equity
For the Years Ended December 31, 2019 and 2018

	Retained Earnings	Accumulated Other Comprehensive (Loss)	Total Members' Equity
Balance at December 31, 2017	$ 2,070,967	$ (162,092)	$ 1,908,875
Net income	5,582,008	—	5,582,008
Distributions to members	(5,130,040)	—	(5,130,040)
Other comprehensive income (loss)	—	(175,249)	(175,249)
Balance at December 31, 2018	$ 2,522,935	$ (337,341)	$ 2,185,594
Net income	8,403,746	—	8,403,746
Distributions to members	(8,730,367)	—	(8,730,367)
Other comprehensive income (loss)	—	289,950	289,950
Balance at December 31, 2019	$ 2,196,314	$ (47,391)	$ 2,148,923

The accompanying notes are an integral part of these financial statements.

TrueBridge Capital Partners, LLC
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	For the Year Ended December 31, 2019	2018
Cash flows from operating activities		
Net income	$ 8,403,746	$ 5,582,008
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	218,601	62,544
Change in fair value of investments in funds	(383,176)	323,532
In-kind management fee income	(784,318)	—
Changes in assets and liabilities:		
Due from affiliated investment funds	623,756	(433,864)
Prepaid expenses	777,212	88,124
Right-of-use assets	227,824	—
Other assets	6,854	15,441
Accounts payable and accrued liabilities	(81,813)	873,531
Subscriptions payable	—	(507,466)
Pension asset/liability	(311,472)	(187,950)
Lease obligation	(331,799)	—
Net cash provided by (used in) operating activities	8,365,415	5,815,900
Cash flows from investing activities		
Purchase of furniture, equipment and leasehold improvements	(200,108)	(1,251,649)
Contributions to investments	(254,895)	(259,973)
Distributions from investments	294,515	256,618
Net cash provided by (used in) investing activities	(160,488)	(1,255,004)
Cash flows from financing activities		
Draw on line of credit	700,000	1,192,936
Repayment of line of credit	(635,892)	(673,711)
Distributions paid	(8,026,117)	(5,130,040)
Net cash provided by (used in) financing activities	(7,962,009)	(4,610,815)
Increase (decrease) in cash and cash equivalents	242,918	(49,919)
Cash and cash equivalents		
Beginning of year	1,376	51,295
End of year	$ 244,294	$ 1,376
Supplemental information		
Cash paid for amounts included in lease obligation	$ 440,436	$ —
Cash paid for interest on line of credit	17,494	11,268
Non-cash supplemental information		
In-kind distribution of investment	$ (704,250)	$ —
In-kind management fee income	784,318	—

The accompanying notes are an integral part of these financial statements.

TrueBridge Capital Partners, LLC
Notes to the Financial Statements
For the Years Ended December 31, 2019 and 2018

1. Organization and Nature of Business

TrueBridge Capital Partners, LLC (the "Company"), a limited liability company organized in the state of Delaware, is registered with the Securities and Exchange Commission ("SEC") as an investment advisor. As a registered investment advisor, it provides investment advisory services to various private investment funds.

The Company was incorporated on February 12, 2007 as Williams Poston Co., LLC and changed its name to TrueBridge Capital Partners, LLC on April 4, 2007.

The Company's principal place of business is located in Chapel Hill, North Carolina.

2. Significant Accounting Policies and Basis of Presentation

The financial statements of the Company are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All accounts are maintained in U.S. dollars.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts included in the financial statements and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers any investment with an original maturity of three months or less to be a cash equivalent. The Company holds no cash equivalents at December 31, 2019 and December 31, 2018.

Furniture, Equipment and Leasehold Improvements

Property, equipment and software are stated at cost and are depreciated over their estimated useful lives, ranging from 3 to 10 years, using the straight-line method beginning in the year an item was placed in service. Leasehold improvements, which are also stated at cost, are amortized over the shorter of their estimated useful lives or the term of the leases.

Long-lived Assets

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of their carrying amounts to future undiscounted cash flows that the assets are expected to generate. If long-lived assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the assets exceeds estimated fair value, and is recorded in the period in which the determination was made. The Company has determined there are no impairment losses for the years ended December 31, 2019 and 2018.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable parties who are willing and able to transact for an asset or

2. Significant Accounting Policies and Basis of Presentation (continued)

Fair Value Measurements (continued)

liability at the measurement date. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then the Company ranks the estimated values based on the observability of the inputs used following the fair value hierarchy set forth by the Financial Accounting Standards Board (FASB).

At December 31, 2019 and 2018, the Company used the following valuation techniques to measure fair value for assets:

- Level 1 – Assets were valued using the closing price reported in the active market in which the individual security was traded.
- Level 2 – Assets were valued using quoted prices in markets that are not active, broker dealer quotations, and other methods by which all significant inputs were observable at the measurement date.
- Level 3 – Assets were valued using unobservable inputs in which little or no market data exists as reported by the respective institutions at the measurement date.

Leases

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, *Leases*, and subsequently issued several related amendments which are codified in ASC Topic 842. The standard requires lessees to record right of-use assets and lease obligations arising from most operating leases on its statement of assets, liabilities and members’ equity. The Company adopted the standard for the reporting period beginning January 1, 2019, and adopted the standard using a modified retrospective method. The adoption did not significantly impact its statement of operations or its statement of cash flows. Upon adoption, the Company recorded a lease obligation and a corresponding right-of-use asset of $2,521,833 and $1,836,831, respectively. The Company elected the transition practical expedients provided by ASU 2016-02, which allowed the Company to carryforward its historical lease classification.

The Company currently leases office space under operating lease arrangements. As these leases expire, it is expected that, in the normal course of business, they will be renewed or replaced. The Company must record a right-of-use asset and a lease obligation at the commencement date of the lease, other than for leases with an initial term of 12 months or less. As permitted under ASU 2016-02, the Company elects not to record short-term leases with an initial lease term less than 12 months on the Company’s statement of assets, liabilities and members’ equity. The Company has no leases with an initial term of 12 months or less. A lease obligation is initially and subsequently reported at the present value of the outstanding lease payments determined by discounting those lease payments over the remaining lease term using the incremental borrowing rate of the Company as of the commencement date. A right-of-use asset is initially reported at the present value of the corresponding lease obligation plus any prepaid lease payments and initial direct costs of entering into the lease, and reduced by any lease incentives. Subsequently, a right-of-use asset is reported at the present value of the lease obligation adjusted for any prepaid or accrued lease payments, remaining balances of any lease incentives received, unamortized initial direct costs of entering into the lease and any impairments of the right-of-use asset. The Company tests for possible impairments of right-of-use assets annually or more frequently whenever events or changes in circumstances indicate that the carrying value of a right-of-use asset may exceed its fair value. Subsequent to an impairment, the carrying value of the right-of-use asset is amortized on a straight-line basis over the remaining lease term.

2. Significant Accounting Policies and Basis of Presentation (continued)

Leases (continued)

Most lease agreements for office space that are classified as operating leases contain renewal options, rent escalation clauses or other lease incentives provided by the lessor. Lease expense is accrued to recognize lease escalation provisions and renewal options that are reasonably certain to be exercised, as well as lease incentives provided by the lessor, on a straight-line basis over the lease term and is reported in general, administrative and other expenses in the statements of operations.

Revenue Recognition

On January 1, 2019, the Company adopted the new Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, using the modified retrospective method. As a result, prior period amounts continue to be reported under legacy GAAP. The adoption did not change the historical pattern of recognizing revenue for management fees, and no cumulative adjustments were necessary upon adoption.

In accordance with ASC 606, *Revenue from Contracts with Customers*, revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services. ASC 606 includes a five-step framework that requires an entity to: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when the entity satisfies a performance obligation.

While the determination of who is the customer in a contractual arrangement will be made on a contract-by-contract basis, the customer will generally be the investment fund for the Company's significant management and advisory contracts.

The Company's revenues consist primarily of investment advisory fees, which are recognized as revenue when earned. Investment advisory fees from the affiliated investment funds are recognized as earned and are billed quarterly based on aggregate subscriptions of all partners for each fiscal year.

As it relates to the Company's performance obligation to provide investment management services, the Company typically satisfies this performance obligation over time as the services are rendered, since the investment funds simultaneously receive and consume the benefits provided as the Company performs the service. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the investment funds. Management fees earned from each investment management contract over the contract life represent variable consideration because the consideration the Company is entitled to varies based on fluctuations in the basis for the management fee, for example fund net asset value ("NAV") or assets under management ("AUM"). Given that the management fee basis is susceptible to market factors outside of the Company's influence, management fees are constrained and, therefore, estimates of future period management fees are generally not included in the transaction price. Revenue recognized for the investment management services provided is generally the amount determined at the end of the period because that is when the uncertainty for that period is resolved.

The Company receives investment advisory performance fees, including incentive allocations (carried interest) from certain actively managed investment funds. Carried interest is dependent upon exceeding specified investment return thresholds. For the year ended December 31, 2019, the Company recognized $835,087 of

2. Significant Accounting Policies and Basis of Presentation (continued)

Revenue Recognition (continued)

carried interest, comprised of $50,769 of cash received and $784,318 of in-kind distribution of securities, which is included in management fees in the statements of operations. There was $0 of carried interest for the year ended December 31, 2018.

Performance fees, including carried interest, are recognized when it is determined that they are no longer probable of significant reversal (such as upon the sale of a fund's investment). Performance fees typically arise from investment management services that began in prior reporting periods. Consequently, a portion of the fees the Company recognizes may be partially related to the services performed in prior periods that meet the recognition criteria in the current period.

The Company is allocated carried interest from certain alternative investment funds upon exceeding performance thresholds. The Company may be required to reverse/return all, or part, of such carried interest allocations/distributions depending upon future performance of these investment funds.

The Company records a liability for deferred carried interest to the extent it receives cash related to carried interest prior to meeting the revenue recognition criteria. At December 31, 2019 and 2018, the Company had $121,558 and $0, respectively, of deferred carried interest recorded in accounts payable and accrued liabilities on the statements of assets, liabilities, and members' equity.

The ultimate timing of the recognition of performance fee revenue is unknown. The Company does not record performance fee revenue until: (1) performance thresholds have been exceeded and (2) management determines the fees are no longer probable of significant reversal.

Accounts receivable are equal to contractual amounts reduced for allowances, if applicable. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established as of December 31, 2019 or 2018. If accounts become uncollectible, they will be expensed when that determination is made.

Income Taxes

The Company is not subject to federal income taxes. The members are responsible for reporting their proportionate share of the Company's income on their separate tax returns. Accordingly, no federal income tax accruals have been provided for in the accompanying financial statements. The Company is subject to North Carolina unincorporated business taxes and pass-through entity taxes, which are based on a percentage of income, as defined by the respective tax rules.

Accounting principles generally accepted in the United States of America set forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The Company did not have any unrecognized tax benefits in the accompanying financial statements. In the normal course of business, the Company is subject to examination by federal, state, local and foreign jurisdictions, where applicable. As of December 31, 2019 and December 31, 2018, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations is from the year 2016 and 2015 forward (with limited exceptions).

The Company accounts for uncertain tax positions in accordance with ASC 740-10, Income Taxes. ASC 740-10 provides several clarifications related to uncertain tax positions. Most notably, a "more likely-than-not" standard

2. Significant Accounting Policies and Basis of Presentation (continued)

Income Taxes (continued)

for initial recognition of tax positions, a presumption of audit detection and a measurement of recognized tax benefits based on the largest amount that has a greater than 50 percent likelihood of realization. ASC 740-10 applies a two-step process to determine the amount of tax benefit to be recognized in the financial statements. First, the Company must determine whether any amount of the tax benefit may be recognized. Second, the Company determines how much of the tax benefit should be recognized (this would only apply to tax positions that qualify for recognition). Accordingly, the Company has not recognized any penalty, interest or tax impact related to uncertain tax positions.

Defined Benefit Plan

Defined benefit plans are accounted for in accordance with FASB ASC 715 *Compensation – Retirement Benefits* (ASC 715), which requires that an entity recognize the overfunded or underfunded status of a single-employer defined benefit postretirement plan as an asset or a liability in its statements of assets, liabilities and members' equity, recognize changes in that funded status in comprehensive income, and disclose in the notes to the financial statements additional information about net periodic benefit cost. The components of net periodic pension cost are described in Note 11.

ASC 715 also requires entities to recognize as components of other comprehensive income the gains or losses and prior service costs or credits that arise during a period but are not recognized in the statements of operations as components of net periodic benefit cost. Those amounts recognized in other comprehensive income are adjusted as they are subsequently recognized in the statements of operations as components of net periodic benefit cost. Upon the adoption of ASC 715, the Company recorded a transition obligation in accumulated other comprehensive income reflecting the unfunded status of the defined benefit plan. This amount is amortized as a component of net periodic pension cost on a straight line basis over the average remaining service period of the active plan participants.

The Company records annual amounts relating to its pension plan based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates and healthcare cost trend rates. The Company reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The Company believes that the assumptions utilized in recording its obligations under its plan are reasonable based on its experience and market conditions.

Effective January 1, 2018, the Company adopted ASU 2017-07, *Compensation – Retirement Benefits* (Topic 715), Improving the Net Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. This standard requires that an employer report the service cost component in the same line item or items as the compensation costs arising from services rendered by the pertinent employees during the period.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13 provides amendments to ASC 326, *Financial Instruments - Credit Losses*, which replaces the incurred loss impairment model with a current expected credit loss (CECL) model. CECL requires a company to estimate lifetime expected credit losses based on relevant information about historical events, current conditions and reasonable and supportable forecasts. The guidance must be applied using the modified

2. Significant Accounting Policies and Basis of Presentation (continued)

Recent Accounting Pronouncements (continued)

retrospective adoption method and is to be implemented no later than January 1, 2023. The adoption of the new guidance is not expected to have a material effect on the financial statements and related disclosures.

Risks and Uncertainties

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties. The Company's maximum exposure under these arrangements is unknown as they involve future claims that have not occurred and may not occur. However, based on past experience, management expects the risk of loss to be remote.

Variable Interest Entities

As further described in Note 3, the Company holds limited partner interests in investment funds within the TrueBridge family of funds. In addition to the limited partner interests, the principal owners of the Company maintain limited partner interests in the TrueBridge family of funds.

The Company serves as the investment manager to the affiliated investment funds. Limited partner investors in the funds have no substantive rights to impact ongoing governance and operating activities of the funds, including the ability to remove the general partner. The equity at risk to the Company is not considered substantive and the Company has no obligation to cover any future losses of the funds. As a result of these factors, the affiliated investment funds are considered variable interest entities (VIEs) in accordance with FASB ASC Topic 810, *Consolidation*.

The Company analyzes whether it is the primary beneficiary of a VIE at the time it becomes involved with a VIE and reconsiders that conclusion at each reporting date. Performance of that analysis requires the exercise of significant judgment. In evaluating whether the Company is the primary beneficiary, the Company evaluates its economic interests in the VIE held either directly by the Company or indirectly through related parties, to determine whether the Company has the power to direct the activities that most significantly impact the VIE's economic performance and has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. As a result of this analysis, the investors in the affiliated investment funds have been identified as the primary beneficiaries of the funds. As it is not the primary beneficiary of the affiliated investment funds, the Company has not consolidated the funds for financial reporting purposes.

Investments in Funds

For equity investments where the Company does not control the investee, and where it is not the primary beneficiary of a VIE, but can exert significant influence over the financial and operating policies of the investee, the Company follows the equity method of accounting. The evaluation of whether the Company exerts control or significant influence over the financial and operational policies of its investees requires significant judgment based on the facts and circumstances surrounding each individual investment. Factors considered in these evaluations may include the type of investment, the legal structure of the investee, the terms and structure of the investment agreement, including investor voting or other rights, the terms of the Company's advisory agreement or other agreements with the investee, any influence the Company may have on the governing board of the investee, the legal rights of other investors in the entity pursuant to the fund's operating documents and the relationship between the Company and other investors in the entity.

TrueBridge Capital Partners, LLC
Notes to the Financial Statements
For the Years Ended December 31, 2019 and 2018

2. Significant Accounting Policies and Basis of Presentation (continued)

Investments in Funds (continued)

The Company's equity method investees are investment companies and record their underlying investments at fair value. Therefore, under the equity method of accounting, the Company's share of the investee's underlying net income predominantly represents fair value adjustments in the investments held by the equity method investees. The Company's share of the investee's underlying net income or loss is based upon the most currently available information and is recorded as investment income.

Investments in non-affiliated private investment funds are recorded within investments in funds on the statements of assets, liabilities and members' equity. The Company values these investment funds utilizing the net asset values provided by these investment funds as a practical expedient ("practical expedient") unless it is probable the Company will sell a portion of its investment at an amount different from the net asset valuation. As of December 31, 2019 and 2018, these investment funds were valued entirely utilizing the practical expedient.

3. Investments in Funds

At December 31, 2019 and December 31, 2018, the Company held limited partner interests in affiliated investment funds accounted for under the equity method in the amounts of $1,381,712 and $983,303, respectively, which is included in investments in funds, on the statements of assets, liabilities, and members' equity. At December 31, 2019 and 2018, investments in non-affiliated investment funds totaled $262,847 and $237,632, respectively, which is also included in investments in funds, on the statements of assets, liabilities, and members' equity.

In addition to direct investments in certain affiliated and non-affiliated investment funds, the Company also holds variable interests in all affiliated investment funds through its position as investment manager to the funds. The investment strategies of the investment funds are summarized as follows:

Affiliated Investment Funds	Investment Strategy
TrueBridge-BVP VIII-TN Special Purpose, LLC	The Company is primarily invested in Bessemer Venture Partners VIII Institutional L.P., which is a Cayman Islands based entity.
TrueBridge-BVP VIII Special Purpose, LLC	The Company is primarily invested in Bessemer Venture Partners VIII Institutional L.P., which is a Cayman Islands based entity.
TrueBridge-Redpoint Omega II Special Purpose, LLC	The Company is invested in one single investment, Redpoint Omega II, L.P.
TrueBridge Special Purpose (F), LLC	The Company is primarily a fund of funds, with most of its investments in a strategically diversified portfolio of venture capital and equity par
TrueBridge Special Purpose (F3), LLC	The Company is primarily a fund of funds, with most of its investments in a strategically diversified portfolio of venture capital and equity par
TrueBridge-Bain 2014 Special Purpose, LLC	The Company is invested in two investments, Bain Capital Venture Fund 2014, L.P. and Bain Capital Venture Coinvestment Fund L.P. (Bain Funds), which are C

TrueBridge Capital Partners, LLC
Notes to the Financial Statements
For the Years Ended December 31, 2019 and 2018

3. Investments in Funds (continued)

Affiliated Investment Funds	Investment Strategy
TrueBridge Capital FSA, LLC	The Company is primarily a fund of funds, with most of its investments in a strategically diversified portfolio of venture capital and equity p
TrueBridge Capital Venture Partners, LLC	The Company is primarily invested in venture capital, private equity and absolute or relative return investment funds.
TrueBridge Capital Venture Partners II, LLC	The Company is primarily invested in venture capital funds. The Company is currently invested in one venture partnership, Craft Ventures II, L.P., and one si
TrueBridge Special Purpose (S2), LLC	The Company is invested in one single undisclosed investment.
Sozo Venture GP	The Partnership invests in late-stage venture investments in leading internet, IT and digital media companies.
TrueBridge GP Holdings III, LP	The Company is invested in venture capital and growth-related private equity funds, direct investments into start-up and development stage
TrueBridge GP Holdings IV, LP	The Company is invested in venture capital and growth-related private equity funds, direct investments into start-up and development stage
TrueBridge Capital GP Partners, LP	The Company is invested in venture capital and growth-related private equity funds, direct investments into start-up and development stage

Non-affiliated Investment Funds	Investment Strategy
Firelake Inv Fd II	The Fund is invested in storage and wholesale food distribution, as well as start-up technology companies.
Kalysta Capital	The Company is invested in incubation, seed stage, start-up stage, early stage and growth stage portfolio companies.
SV Angel IV	The Fund is invested primarily in privately held, early stage technology companies.
SV Angel VI	The Fund is invested primarily in privately held, early stage technology companies.
TTV Fund III, LP	The Fund is invested primarily in privately held, early stage technology companies.

The carrying amount of assets on the statements of assets, liabilities and members' equity related to the investment funds represents the Company's maximum exposure to loss related to its variable interests.

4. Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements at December 31, 2019 and December 31, 2018 are summarized as follows:

	As of December 31, 2019	As of December 31, 2018
Furniture and fixtures	$ 575,042	$ 479,611
Computer equipment	135,687	106,530
Computer software	645	645
Other depreciable property	64,055	21,335
Leasehold improvements	789,926	757,126
	1,565,355	1,365,247
Less: Accumulated depreciation and amortization	(289,500)	(70,899)
Net fixed assets	$ 1,275,855	$ 1,294,348

Depreciation and amortization expense amounted to $218,601 and $62,544 for the years ended December 31, 2019 and December 31, 2018, respectively.

5. 401(k) Profit Sharing Plan

The Company has a noncontributory 401(k) profit sharing plan that covers all eligible employees of the Company. Company contributions are made on a discretionary basis. The Company's contribution to this plan for the years ended December 31, 2019 and December 31, 2018 amounted to $244,963 and $227,194, which is included in compensation and benefits in the statements of operations.

6. Commitments and Contingencies

Operating Leases

The Company currently leases space at Chapel Hill, North Carolina. At December 31, 2019, the Company's lease has a remaining term of approximately 6 years.

The lease commitments provide for minimum annual rental payments, net of amounts prepaid, as of December 31, 2019 and are as follows:

Year ending December 31	Minimum Rental Commitments
2020	$ 381,654
2021	426,510
2022	437,213
2023	448,140
2024	459,319
Thereafter	390,881
Total future minimum lease payments	2,543,717
Less: Imputed interest	(353,683)
	$ 2,190,034

6. Commitments and Contingencies (continued)

Operating Leases (continued)

Future minimum lease payments under non-cancelable operating leases as of December 31, 2018 are as follows:

Year ending December 31	Minimum Rental Commitments
2019	$ 405,974
2020	416,116
2021	426,510
2022	437,213
2023	448,140
Thereafter	850,200
Total future minimum lease payments	$ 2,984,153

These minimum rentals are subject to escalation or reduction based upon certain nonlease component costs, such as, maintenance, utility and tax increases, incurred by the landlord for each year that the premise is actually occupied by the Company. During the years ended December 31, 2019 and December 31, 2018, the Company recognized rent expense on operating leases of $336,455 and $224,657, and such amount is included in general, administrative and other expenses in the statements of operations.

In determining the lease obligation on the statement of assets, liabilities and members' equity as of January 1, 2019, the Company utilized a discount rate of 5.00%.

The Company is subject to claims, legal proceedings and other contingencies in the ordinary course of its business activities. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to the Company. The Company establishes accruals for matters that are probable and can be reasonably estimated. Management believes that any liability in excess of these accruals upon the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the Company.

7. Line of Credit

The Company entered into a non-revolving line of credit ("LOC") with First Republic Bank that provides for borrowings up to $1,500,000. This amount was subsequently reduced to $700,000 in March 2019. The LOC has a maturity date of May 22, 2022. Any outstanding line of credit balance bears interest at the greater of the prime rate minus 0.5% or 3.25%. As of December 31, 2019 and December 31, 2018, the outstanding balances amounted to $583,333 and $519,225, respectively. The LOC was subsequently paid in full on September 23, 2020.

8. Related Party Transactions

The Company provides investment management and advisory services to affiliated investment funds for which the Company receives management fees. During the years ended December 31, 2019 and December 31, 2018, the Company earned management fees of $19,593,096 and $15,683,120, respectively, from these affiliated investment funds, of which $1,846,819 were waived for the year ended December 31, 2019. No management fees were waived for the year ended December 31, 2018.

8. Related Party Transactions (continued)

The Company entered into a co-branding agreement in which a percentage of management fees are remitted to a related party. The co-branding agreement expired in March 2018. The total amount of management fees remitted in accordance with the co-branding agreement during 2018 is $604,335.

The Company paid for general, administrative and other expenses on behalf of affiliated investment funds. These expenses are reimbursed by the affiliated investment funds. Total reimbursed expenses amounted to $786,954 and $2,824,131 for the years ended December 31, 2019 and December 31, 2018. These amounts were reimbursed in 2020 and 2019, respectively. The total amount of reimbursable expenses outstanding is included in due from affiliated investment funds in the statements of assets, liabilities and members' equity as of December 31, 2019 and December 31, 2018 for $154,434 and $778,190, respectively.

Management fee expenses in the statements of operations represents amounts paid to the managing members for services related to managing the Company.

9. Distributions and Allocations

The Limited Liability Company Agreement (the "Agreement"), governing the operations of the Company, contains provisions which call for the allocation of income and gain to equity accounts and subsequent distribution to its members. This is generally in proportion to their respective ownership percentage, as defined in the Agreement.

10. Concentrations

The Company maintains its cash balances in one major North Carolina bank. The balances in these accounts usually exceed the insurance limits of the Federal Deposit Insurance Corporation. The Company is subject to credit risk should this financial institution be unable to fulfill its obligations. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on such deposits.

11. Pension Plan

The Company sponsors TrueBridge Capital Cash Balance Plan (the "Plan"), which is a defined benefit plan. The Plan, which was effective on January 1, 2013, covers all employees who have attained the age of 21, completed one year of service with at least 1,000 hours of service, and are specifically included within the Plan. The participants are vested in the Plan based on a 3-year cliff vesting schedule as follows:

Vesting Schedule	
Years of Service	**Percentage**
1	0%
2	0%
3	100%

11. Pension Plan (continued)

Retirement benefits are equal to the value of the employee's accumulation account, comprised of the employer's contribution each year plus accumulated earnings. The retirement benefit commences upon retirement or termination of employment and can be distributed as an annuity or a lump sum distribution.

	2019	2018
Change in projected benefit obligation		
Benefit obligation, beginning of year	$1,834,610	$1,490,115
Service cost	287,303	278,685
Interest cost	91,674	74,270
(Gains)/losses	(1,802)	928
Less benefits paid	(2,215)	(9,388)
Benefit obligation, end of year	2,209,570	1,834,610
Change in plan assets		
Fair value of plan assets, beginning of year	1,693,614	1,336,418
Actual return on plan assets	376,601	(107,114)
Employer contributions	601,996	473,698
Less benefits paid	(2,215)	(9,388)
Fair value of plan assets, end of year	2,669,996	1,693,614
(Over) underfunded status	$ (460,426)	$ 140,996

The (over) underfunded status of the Plan is recognized in the accompanying statements of assets, liabilities and members' equity as pension asset and pension liability in the amount of $460,426 and $(140,996) at December 31, 2019 and 2018. Employer contributions reflected in the change in plan assets table in the amount of $601,996 and $473,698 for the year ended December 31, 2019 and December 31, 2018 reflect the actual cash contributed to, and received by, the Plan during such year.

The following are weighted-average assumptions used to determine benefit obligations at December 31, 2019 and 2018.

	2019	2018
Discount Rate	5.0%	5.0%
Mortality tables	RP 2014 w/ scale MP-2019	RP 2014 w/ scale MP-2018

The net periodic pension cost for the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
Net periodic benefit cost recognized in the statements of operations		
Service cost	$287,303	$278,685
Interest cost	91,674	74,270
Expected return on plan assets	(99,675)	(78,429)
Amortization of transition obligation	11,222	11,222
Net periodic benefit cost	$290,524	$285,748

11. Pension Plan (continued)

This amount is included in compensation and benefits in the accompanying statements of operations for the years ended December 31, 2019 and 2018. A discount rate of 5.0% and expected return on plan assets of 5.0% were assumed in the determination of the net periodic pension cost. The expected rate of return on plan assets is determined based on historical returns adjusted for expectations of future returns.

Investment Policy and Strategy

The Plan invests in an investment portfolio characterized by moderate risk. The principal goal of the investment of the funds in the Plan is both security and long-term stability with moderate growth commensurate with the anticipated retirement dates of participants. Investments, other than “fixed dollar” investments, is included among the Plan’s investments to prevent erosion by inflation. However, investments are sufficiently liquid to enable the Plan, on short notice, to make some distributions in the event of the death or disability of a participant.

The Plan is invested in mutual funds as of December 31, 2019 and 2018.

Fair Value Measurements

The fair value of the Plan’s assets by asset class is as follows:

	December 31, 2019			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual funds	$2,669,996	$ —	$ —	$2,669,996
	$2,669,996	$ —	$ —	$2,669,996

	December 31, 2018			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual funds	$1,693,614	$ —	$ —	$1,693,614
	$1,693,614	$ —	$ —	$1,693,614

The mutual funds are valued at quoted market prices at the last sales price on the date of determination on the largest securities exchange in which such securities have been traded on such date.

On September 30, 2020, the Company determined that the Plan would be terminated, effective November 15, 2020.

12. Subsequent Events

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a global pandemic, which has resulted in significant disruption and uncertainty in the global economic markets. The extent of the operational and financial impact the COVID-19 pandemic may have on the Company has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Currently, the Company has activated our Business Continuity Plan, which assures the ability for all aspects of our business to continue operating without interruption. The Company is unable to accurately predict

12. Subsequent Events (continued)

how COVID-19 will affect the results of our operations because the virus's severity and the duration of the pandemic are uncertain. However, the Company does not expect a significant impact to our near-term results given the structure of our contracts.

On October 2, 2020, 100% of the equity interests held by the members in the Company was acquired by P10 Intermediate Holdings, LLC, a 100% owned subsidiary of P10 Holdings, Inc. ("P10"). The Company's corporate governance is now controlled by a newly formed board of managers consisting of a combination of representatives from both the Company and P10.

In accordance with ASC 855, Subsequent Events, the Company evaluated all material events or transactions that occurred after December 31, 2019, the statements of assets, liabilities and members' equity date, through November 1, 2020, the date the financial statements were issued, and determined no additional events or transactions which would materially impact the financial statements.

TrueBridge Capital Partners, LLC
Unaudited Financial Statements
September 30, 2020 and 2019

TrueBridge Capital Partners, LLC
Statements of Assets, Liabilities and Members' Equity
September 30, 2020 and December 31, 2019

	September 30, 2020	December 31, 2019
Assets		
Investments in funds, at fair value	$ 1,765,967	$ 1,644,559
Cash and cash equivalents	10,603	244,294
Right-of-use assets	1,436,263	1,609,007
Accounts receivable	13,939	—
Due from affiliated funds	54,859	154,434
Prepaid expenses	26,867	60,301
Property and equipment, net	1,128,071	1,275,855
Pension asset	903,017	460,426
Other assets	33,621	32,956
Total assets	$ 5,373,207	$ 5,481,832
Liabilities and Members' Equity		
Accounts payable and accrued liabilities	$ 3,747,953	$ 559,541
Lease obligation	1,993,945	2,190,034
Notes payable	—	583,333
Total liabilities	5,741,898	3,332,908
Members' equity		
Retained earnings	(188,519)	2,196,314
Accumulated other comprehensive income (loss)	(180,172)	(47,390)
Total members' equity	(368,691)	2,148,924
Total liabilities and members' equity	$ 5,373,207	$ 5,481,832

The accompanying notes are an integral part of these financial statements.

TrueBridge Capital Partners, LLC
Statements of Operations
For the Nine Months Ended September 30, 2020 and 2019

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Revenues		
Management fees	$ 14,637,388	$ 12,669,111
Investment income	142,450	195,397
Total revenue	14,779,838	12,864,508
Expenses		
Compensation and benefits	8,538,527	2,494,010
Management fee expenses	2,740,021	3,053,393
Professional fees	2,130,700	250,085
General, administrative and other	731,621	756,091
Depreciation and amortization	184,920	169,064
Gain on disposal of equipment	(13,000)	—
Total expenses	14,312,789	6,722,643
Net income	$ 467,049	$ 6,141,865

The accompanying notes are an integral part of these financial statements.

TrueBridge Capital Partners, LLC
Statements of Comprehensive Income
For the Nine Months Ended September 30, 2020 and 2019

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Net income	$ 467,049	$ 6,141,865
Other comprehensive income:		
Items related to employee benefit plans:		
Change in net actuarial gain (loss)	(141,198)	209,046
Change in unrecognized transition amount	8,417	8,417
Other comprehensive income (loss):	(132,781)	217,463
Comprehensive income	$ 334,268	$ 6,359,328

The accompanying notes are an integral part of these financial statements.

TrueBridge Capital Partners, LLC
Statements of Changes in Members' Equity
For the Nine Months Ended September 30, 2020 and 2019

	Retained Earnings	Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at December 31, 2018	$ 2,522,935	$ (337,341)	$ 2,185,594
Net income	6,141,865	—	6,141,865
Distributions to members	(3,442,324)	—	(3,442,324)
Other comprehensive income	—	217,463	217,463
Balance at September 30, 2019	$ 5,222,476	$ (119,878)	$ 5,102,598
Balance at December 31, 2019	$ 2,196,314	$ (47,391)	$ 2,148,923
Net income	467,049	—	467,049
Distributions to members	(3,834,944)	—	(3,834,944)
Contributions from members	983,062	—	983,062
Other comprehensive loss	—	(132,781)	(132,781)
Balance at September 30, 2020	$ (188,519)	$ (180,172)	$ (368,691)

The accompanying notes are an integral part of these financial statements.

TrueBridge Capital Partners, LLC
Statements of Cash Flows
For the Nine Months Ended September 30, 2020 and 2019

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Cash flows from operating activities		
Net income	$ 467,049	$ 6,141,865
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	184,920	169,064
Gain on disposition of furniture and equipment	(13,000)	—
Change in fair value of investments in funds	(142,450)	(195,397)
Changes in assets and liabilities:		
Accounts receivable	(13,939)	(1,131,252)
Due from affiliated funds	99,575	586,874
Prepaid expenses	33,434	(13,381)
Right-of-use assets	172,744	172,141
Other assets	(665)	6,487
Pension asset	(575,372)	(508,802)
Accounts payable and accrued liabilities	3,188,412	(197,602)
Lease obligation	(196,089)	(222,384)
Net cash provided by operating activities	3,204,619	4,807,613
Cash flows from investing activities		
Contributions to investments	(81,505)	(120,168)
Distributions from investments	102,546	58,579
Proceeds from disposal of furniture, equipment and leasehold improvements	13,000	—
Purchase of furniture, equipment and leasehold improvements	(37,136)	(196,536)
Net cash used in investing activities	(3,095)	(258,125)
Cash flows from financing activities		
Net draws (payments) on line of credit	(583,333)	122,442
Contributions from members	983,062	—
Distributions paid	(3,834,944)	(3,442,324)
Net cash used in financing activities	(3,435,215)	(3,319,882)
Increase (decrease) in cash and cash equivalents	(233,691)	1,229,606
Cash and cash equivalents		
Beginning of year	244,294	1,376
End of year	$ 10,603	$ 1,230,982
Supplemental information		
Cash paid for amounts included in lease obligation	$ 277,069	$ 330,327

The accompanying notes are an integral part of these financial statements.

1. Organization and Nature of Business

TrueBridge Capital Partners, LLC (the "Company"), a limited liability company organized in the state of Delaware, is registered with the Securities and Exchange Commission ("SEC") as an investment advisor. As a registered investment advisor, it provides investment advisory services to various private investment funds.

The Company was incorporated on February 12, 2007 as Williams Poston Co., LLC and changed its name to TrueBridge Capital Partners, LLC on April 4, 2007.

The Company's principal place of business is located in Chapel Hill, North Carolina.

2. Significant Accounting Policies and Basis of Presentation

The financial statements of the Company are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All accounts are maintained in U.S. dollars.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts included in the financial statements and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers any investment with an original maturity of three months or less to be a cash equivalent. The Company holds no cash equivalents at September 30, 2020 and December 31, 2019.

Furniture, Equipment and Leasehold Improvements

Property, equipment and software are stated at cost and are depreciated over their estimated useful lives, ranging from 3 to 10 years, using the straight-line method beginning in the year an item was placed in service. Leasehold improvements, which are also stated at cost, are amortized over the shorter of their estimated useful lives or the term of the leases.

Long-lived Assets

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of their carrying amounts to future undiscounted cash flows that the assets are expected to generate. If long-lived assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the assets exceeds estimated fair value, and is recorded in the period in which the determination was made. The Company has determined there are no impairment losses for the nine months ended September 30, 2020 and 2019.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable parties who are willing and able to transact for an asset or

2. Significant Accounting Policies and Basis of Presentation (Continued)

Fair Value Measurements (continued)

liability at the measurement date. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then the Company ranks the estimated values based on the observability of the inputs used following the fair value hierarchy set forth by the Financial Accounting Standards Board (FASB).

At September 30, 2020 and December 31, 2019, the Company used the following valuation techniques to measure fair value for assets:

- Level 1 – Assets were valued using the closing price reported in the active market in which the individual security was traded.
- Level 2 – Assets were valued using quoted prices in markets that are not active, broker dealer quotations, and other methods by which all significant inputs were observable at the measurement date.
- Level 3 – Assets were valued using unobservable inputs in which little or no market data exists as reported by the respective institutions at the measurement date.

Leases

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, Leases, and subsequently issued several related amendments which are codified in ASC Topic 842. The standard requires lessees to record right of-use assets and lease obligations arising from most operating leases on its statement of assets, liabilities and members’ equity. The Company adopted the standard for the reporting period beginning January 1, 2019, and adopted the standard using a modified retrospective method. The adoption did not significantly impact its statement of operations or its statement of cash flows. Upon adoption, the Company recorded a lease obligation and a corresponding right-of-use asset of $2,521,833 and $1,836,831, respectively. The Company elected the transition practical expedients provided by ASU 2016-02, which allowed the Company to carryforward its historical lease classification.

The Company currently leases office space under operating lease arrangements. As these leases expire, it is expected that, in the normal course of business, they will be renewed or replaced. The Company must record a right-of-use asset and a lease obligation at the commencement date of the lease, other than for leases with an initial term of 12 months or less. As permitted under ASU 2016-02, the Company elects not to record short-term leases with an initial lease term less than 12 months on the Company’s statement of assets, liabilities and members’ equity. The Company has no leases with an initial term of 12 months or less. A lease obligation is initially and subsequently reported at the present value of the outstanding lease payments determined by discounting those lease payments over the remaining lease term using the incremental borrowing rate of the Company as of the commencement date. A right-of-use asset is initially reported at the present value of the corresponding lease obligation plus any prepaid lease payments and initial direct costs of entering into the lease, and reduced by any lease incentives. Subsequently, a right-of-use asset is reported at the present value of the lease obligation adjusted for any prepaid or accrued lease payments, remaining balances of any lease incentives received, unamortized initial direct costs of entering into the lease and any impairments of the right-of-use asset. The Company tests for possible impairments of right-of-use assets annually or more frequently whenever events or changes in circumstances indicate that the carrying value of a right-of-use asset may exceed its fair value. Subsequent to an impairment, the carrying value of the right-of-use asset is amortized on a straight-line basis over the remaining lease term.

2. Significant Accounting Policies and Basis of Presentation (Continued)

Leases (continued)

Most lease agreements for office space that are classified as operating leases contain renewal options, rent escalation clauses or other lease incentives provided by the lessor. Lease expense is accrued to recognize lease escalation provisions and renewal options that are reasonably certain to be exercised, and lease incentives provided by the lessor, on a straight-line basis over the lease term and is reported in general, administrative and other expenses in the statements of operations.

Revenue Recognition of Management Fees

On January 1, 2019, the Company adopted the new Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers (ASC 606), using the modified retrospective method. As a result, prior period amounts continue to be reported under legacy GAAP. The adoption did not change the historical pattern of recognizing revenue for management fees, and no cumulative adjustments were necessary upon adoption.

In accordance with ASC 606 revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services. ASC 606 includes a five-step framework that requires an entity to: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when the entity satisfies a performance obligation.

While the determination of who is the customer in a contractual arrangement will be made on a contract-by-contract basis, the customer will generally be the investment fund for the Company’s significant management and advisory contracts.

The Company’s revenues consist primarily of investment advisory fees, which are recognized as revenue when earned. Investment advisory fees from the affiliated investment funds are recognized as earned and are billed quarterly based on aggregate subscriptions of all partners for each fiscal year.

As it relates to the Company’s performance obligation to provide investment management services, the Company typically satisfies this performance obligation over time as the services are rendered, since the investment funds simultaneously receive and consume the benefits provided as the Company performs the service. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the investment funds. Management fees earned from each investment management contract over the contract life represent variable consideration because the consideration the Company is entitled to varies based on fluctuations in the basis for the management fee, for example fund net asset value (“NAV”) or assets under management (“AUM”). Given that the management fee basis is susceptible to market factors outside of the Company’s influence, management fees are constrained and, therefore, estimates of future period management fees are generally not included in the transaction price. Revenue recognized for the investment management services provided is generally the amount determined at the end of the period because that is when the uncertainty for that period is resolved.

The Company receives investment advisory performance fees, including incentive allocations (carried interest) from certain actively managed investment funds. These performance fees are dependent upon exceeding specified investment return thresholds.

2. Significant Accounting Policies and Basis of Presentation (Continued)

Revenue Recognition of Management Fees (continued)

Performance fees, including carried interest, are recognized when it is determined that they are no longer probable of significant reversal (such as upon the sale of a fund's investment). Performance fees typically arise from investment management services that began in prior reporting periods. Consequently, a portion of the fees the Company recognizes may be partially related to the services performed in prior periods that meet the recognition criteria in the current period.

The Company is allocated carried interest from certain alternative investment funds upon exceeding performance thresholds. The Company may be required to reverse/return all, or part, of such carried interest allocations/distributions depending upon future performance of these investment funds.

The Company records a liability for deferred carried interest to the extent it receives cash related to carried interest prior to meeting the revenue recognition criteria. Any deferred carried interest is recorded in accounts payable and accrued liabilities on the statements of assets, liabilities, and members' equity.

The ultimate timing of the recognition of performance fee revenue is unknown. The Company does not record performance fee revenue until: (1) performance thresholds have been exceeded and (2) management determines the fees are no longer probable of significant reversal.

Accounts receivable are equal to contractual amounts reduced for allowances, if applicable. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established as of September 30, 2020 or December 31, 2019. If accounts become uncollectible, they will be expensed when that determination is made.

Income Taxes

The Company is not subject to federal income taxes. The members are responsible for reporting their proportionate share of the Company's income on their separate tax returns. Accordingly, no federal income tax accruals have been provided for in the accompanying financial statements. The Company is subject to North Carolina unincorporated business taxes and pass-through entity taxes, which are based on a percentage of income, as defined by the respective tax rules.

Accounting principles generally accepted in the United States of America set forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The Company did not have any unrecognized tax benefits in the accompanying financial statements. In the normal course of business, the Company is subject to examination by federal, state, local and foreign jurisdictions, where applicable. As of September 30, 2020 and December 31, 2019, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations is from the year 2016 and 2015 forward (with limited exceptions).

The Company accounts for uncertain tax positions in accordance with ASC 740-10, Income Taxes. ASC 740-10 provides several clarifications related to uncertain tax positions. Most notably, a "more likely-than-not" standard for initial recognition of tax positions, a presumption of audit detection and a measurement of recognized tax benefits based on the largest amount that has a greater than 50 percent likelihood of realization. ASC 740-10 applies a two-step process to determine the amount of tax benefit to be recognized in the financial statements. First, the Company must determine whether any amount of the tax benefit may be recognized. Second, the Company determines how much of the tax benefit should be recognized (this would only apply to tax positions that qualify for recognition). Accordingly, the Company has not recognized any penalty, interest or tax impact related to uncertain tax positions.

2. Significant Accounting Policies and Basis of Presentation (Continued)

Defined Benefit Plan

Defined benefit plans are accounted for in accordance with FASB ASC 715 Compensation –Retirement Benefits (ASC 715), which requires that an entity recognize the overfunded or underfunded status of a single-employer defined benefit postretirement plan as an asset or a liability in its statements of assets, liabilities and members' equity, recognize changes in that funded status in comprehensive income, and disclose in the notes to the financial statements additional information about net periodic benefit cost. The components of net periodic pension cost are described in Note 8.

ASC 715 also requires entities to recognize as components of other comprehensive income the gains or losses and prior services costs or credits that arise during a period but are not recognized in the statements of operations as components of net periodic benefit cost. Those amounts recognized in other comprehensive income are adjusted as they are subsequently recognized in the statements of operations as components of net periodic benefit cost. Upon the adoption of ASC 715, the Company recorded a transition obligation in accumulated other comprehensive income reflecting the unfunded status of the defined benefit plans. This amount is amortized as a component of net periodic pension cost on a straight line basis over the average remaining service period of the active plan participants.

The Company records annual amounts relating to its pension plan based on calculations that incorporate various actuarial and other assumptions, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates and healthcare cost trend rates. The Company reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The Company believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions.

Effective January 1, 2018, the Company adopted ASU 2017-07, *Compensation – Retirement Benefits* (Topic 715), Improving the Net Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. This standard requires that an employer report the service cost component in the same line item or items as the compensation costs arising from services rendered by the pertinent employees during the period.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13 provides amendments to ASC 326, *Financial Instruments – Credit Losses*, which replaces the incurred loss impairment model with a current expected credit loss (CECL) model. CECL requires a company to estimate lifetime expected credit losses based on relevant information about historical events, current conditions and reasonable and supportable forecasts. The guidance must be applied using the modified retrospective adoption method and is to be implemented no later than January 1, 2023. The adoption of the new guidance is not expected to have a material effect on the financial statements and related disclosures.

Risks and Uncertainties

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties. The Company's maximum exposure under these arrangements is unknown as they involve future claims that have not occurred and may not occur. However, based on past experience, management expects the risk of loss to be remote.

2. Significant Accounting Policies and Basis of Presentation (Continued)

Variable Interest Entities

As further described in Note 3, the Company holds limited partner interests in investment funds within the TrueBridge family of funds. In addition to the limited partner interests, the principal owners of the Company maintain limited partner interests in the TrueBridge family of funds.

The Company serves as the investment manager to the affiliated investment funds. Limited partner investors in the funds have no substantive rights to impact ongoing governance and operating activities of the funds, including the ability to remove the general partner. The equity at risk to the Company is not considered substantive and the Company has no obligation to cover any future losses of the funds. As a result of these factors, the affiliated investment funds are considered variable interest entities (VIEs) in accordance with FASB ASC Topic 810, *Consolidation*.

The Company analyzes whether it is the primary beneficiary of a VIE at the time it becomes involved with a VIE and reconsiders that conclusion at each reporting date. Performance of that analysis requires the exercise of significant judgment. In evaluating whether the Company is the primary beneficiary, the Company evaluates its economic interests in the VIE held either directly by the Company or indirectly through related parties, to determine whether the Company has the power to direct the activities that most significantly impact the VIE's economic performance and has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. As a result of this analysis, the investors in the affiliated investment funds have been identified as the primary beneficiaries of the funds. As it is not the primary beneficiary of the affiliated investment funds, the Company has not consolidated the funds for financial reporting purposes.

Investments in Funds

For equity investments where the Company does not control the investee, and where it is not the primary beneficiary of a VIE, but can exert significant influence over the financial and operating policies of the investee, the Company follows the equity method of accounting. The evaluation of whether the Company exerts control or significant influence over the financial and operational policies of its investees requires significant judgment based on the facts and circumstances surrounding each individual investment. Factors considered in these evaluations may include the type of investment, the legal structure of the investee, the terms and structure of the investment agreement, including investor voting or other rights, the terms of the Company's advisory agreement or other agreements with the investee, any influence the Company may have on the governing board of the investee, the legal rights of other investors in the entity pursuant to the fund's operating documents and the relationship between the Company and other investors in the entity.

The Company's equity method investees are investment companies and record their underlying investments at fair value. Therefore, under the equity method of accounting, the Company's share of the investee's underlying net income predominantly represents fair value adjustments in the investments held by the equity method investees. The Company's share of the investee's underlying net income or loss is based upon the most currently available information and is recorded as investment income.

Investments in non-affiliated private investment funds and are recorded within investments in funds on the statements of assets, liabilities, and members' equity. The Company values these investment funds utilizing the net asset values provided by these investment funds as a practical expedient ("practical expedient") unless it is probable the Company will sell a portion of its investment at an amount different from the net asset valuation. As of September 30, 2020 and December 31, 2019, these investment funds were valued entirely utilizing the practical expedient.

TrueBridge Capital Partners, LLC
Notes to the Financial Statements
For the Nine Months Ended September 30, 2020 and 2019

2. Significant Accounting Policies and Basis of Presentation (Continued)

Investments in Funds (continued)

In January 2016 the FASB issued ASU No. 2016-01, Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities (ASU 2016-01). Effective January 1, 2018 the Company early adopted the provisions of ASU 2016-01 as the Company believed this guidance was preferable to then-existing standards. ASU 2016-01 requires the company to record equity investments, including other ownership interests such as partnerships that are not accounted for under the equity method of accounting, at fair value with changes in fair value recognized within net income. Therefore in accordance with ASU 2016-01 the Company records changes in fair value of these investments in investment income on the statement of operations.

3. Investments in Funds

At September 30, 2020 and December 31, 2019, the Company held limited partner interests in affiliated investment funds accounted for under the equity method in the amounts of $1,316,159 and $1,381,712, respectively, and limited partner interests in non-affiliated investment funds totaling $449,808, and $262,847, respectively, which is included on the statements of assets, liabilities, and member's equity.

The Company participates in capital appreciation and depreciation due to changes in value of the affiliated investment funds' underlying investments based on its pro-rata share of total capital, which is included in investment income on the statements of operations. However, the primary benefit to the Company results from its position as the investment manager, and the resulting management fee revenues. The activities of the affiliated investment funds are financed by the capital commitments of the limited partners.

In addition to direct investments in certain affiliated and non-affiliated investment funds, the Company also holds variable interests in all affiliated investment funds through its position as investment manager to the funds.

The carrying amount of assets on the statements of assets, liabilities and members' equity related to the investment funds represents the Company's maximum exposure to loss related to its variable interests.

4. Line of Credit

The Company entered into a non-revolving line of credit ("LOC") with First Republic Bank that provides for borrowings up to $1,500,000. This amount was subsequently reduced to $700,000 in March 2019. The LOC has a maturity date of May 22, 2022. Any outstanding line of credit balance bears interest at the greater of the prime rate minus 0.5% or 3.25%. As of December 31, 2019, the outstanding balance amounted to $583,333. The LOC was paid in full on September 23, 2020 and as such, no balance is reflected at September 30, 2020.

5. Related Party Transactions

The Company provides investment management and advisory services to affiliated investment funds for which the Company receives management fees. During the periods ended September 30, 2020 and September 30, 2019, the Company earned investment management fees of $16,979,536 and $13,972,537, respectively, from these affiliated investment funds, of which $2,342,148 and $1,303,426 were waived for the year ended September 30, 2020 and 2019.

The Company paid for general, administrative and other expenses on behalf of affiliated investment funds. These expenses are reimbursed by the affiliated investment funds. Total reimbursed expenses amounted to $311,211

5. Related Party Transactions (Continued)

and $594,503 for the periods ended September 30, 2020 and September 30, 2019. These amounts were reimbursed in 2020 and 2019, respectively. The total amount of reimbursable expenses outstanding is included in due from affiliated investment funds in the statements of assets, liabilities and members' equity as of September 30, 2020 and December 31, 2019 for $54,859 and $154,434, respectively.

Management fee expenses in the statements of operations represent amounts paid to the managing members for services related to managing the Company.

6. Distributions and Allocations

The Limited Liability Company Agreement (the "Agreement"), governing the operations of the Company, contains provisions which call for the allocation of income and gain to equity accounts and subsequent distribution to its members. This is generally in proportion to their respective ownership percentage, as defined in the Agreement.

7. Concentrations

The Company maintains its cash balances in one major North Carolina bank. The balances in these accounts usually exceed the insurance limits of the Federal Deposit Insurance Corporation. The Company is subject to credit risk should this financial institution be unable to fulfill its obligations. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on such deposits.

8. Pension Plan

The Company sponsors TrueBridge Capital Cash Balance Plan (the "Plan"), which is a defined benefit plan. The Plan, which was effective on January 1, 2013, covers all employees who have attained the age of 21, completed one year of service with at least 1,000 hours of service, and are specifically included within the Plan. The participants are vested in the Plan based on a 3-year cliff vesting schedule.

Retirement benefits are equal to the value of the employee's accumulation account, comprised of the employer's contribution each year plus accumulated earnings. The retirement benefit commences upon retirement or termination of employment and can be distributed as an annuity or a lump sum distribution. The underfunded status of the Plan is recognized in the accompanying statements of assets, liabilities and members' equity as pension asset in the amount of $903,017 and $460,426 at September 30, 2020 and December 31, 2019, respectively.

The net periodic pension cost for the periods ended September 30, 2020 and 2019 were $354,414 and $217,893, respectively. This amount is included in compensation and benefits in the accompanying statements of operations for the Periods ended September 30, 2020 and 2019.

Investment Policy and Strategy

The Plan invests in an investment portfolio characterized by moderate risk. The principal goal of the investment of the funds in the Plan is both security and long-term stability with moderate growth commensurate with the anticipated retirement dates of participants. Investments, other than "fixed dollar" investments, is included among the Plan's investments to prevent erosion by inflation. However, investments are sufficiently liquid to enable the plan, on short notice, to make some distributions in the event of the death or disability of a participant.

8. Pension Plan (Continued)

Investment Policy and Strategy (continued)

The Plan is invested in mutual funds as of September 30, 2020 and December 31, 2019.

Fair Value Measurements

The fair value of the Plan's assets by asset class is as follows:

	September 30, 2020			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual funds	$3,112,587	$ —	$ —	$3,112,587
	$3,112,587	$ —	$ —	$3,112,587

	December 31, 2019			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual funds	$2,669,996	$ —	$ —	$2,669,996
	$2,669,996	$ —	$ —	$2,669,996

The mutual funds are valued at quoted market prices at the last sales price on the date of determination on the largest securities exchange in which such securities have been traded on such date.

9. Subsequent Events

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a global pandemic, which has resulted in significant disruption and uncertainty in the global economic markets. The extent of the operational and financial impact the COVID-19 pandemic may have on the Company has yet to be determined and is dependent on its duration and spread, any related operational restrictions and the overall economy. Currently, the Company has activated our Business Continuity Plan, which assures the ability for all aspects of our business to continue operating without interruption. The Company is unable to accurately predict how COVID-19 will affect the results of our operations because the virus's severity and the duration of the pandemic are uncertain. However, the Company does not expect a significant impact to our near-term results given the structure of our contracts.

On October 2, 2020, 100% of the equity interests held by the members in the Company was acquired by P10 Intermediate Holdings, LLC, a 100% owned subsidiary of P10 Holdings, Inc. ("P10"). The Company's corporate governance is now controlled by a newly formed board of managers consisting of a combination of representatives from both the Company and P10. For the nine months ended September 30, 2020 approximately $2,050,000 in transaction costs have been incurred in relation to the sale and are included in professional fees on the statement of operations.

In accordance with ASC 855, Subsequent Events, the Company evaluated all material events or transactions that occurred after September 30, 2020, the statements of assets, liabilities and members' equity date, through October 31, 2020, the date the financial statements were issued, and determined no additional events or transactions which would materially impact the financial statements.

Enhanced Capital Group, LLC
Consolidated Financial Statements
December 31, 2019 and 2018
(With Independent Auditors' Report Thereon)

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Report of Independent Auditors

The Members
Enhanced Capital Group, LLC

We have audited the accompanying consolidated financial statements of Enhanced Capital Group, LLC, which comprise the consolidated balance sheets, including the consolidated schedules of investments, as of December 31, 2019 and 2018, and the related consolidated statements of operations, members' (deficit) equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Enhanced Capital Group, LLC at December 31, 2019 and 2018, and the consolidated results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

December 23, 2020

Enhanced Capital Group, LLC

Consolidated Balance Sheets

December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	**$ 6,457,395**	$ 7,980,365
Restricted cash	**20,908,019**	56,058,511
Accounts receivable	**421,728**	199,901
Accrued interest receivable, net	**2,844,650**	2,040,993
Due from related party	**130,396**	152,015
Related party note receivable	**88,063**	86,725
ECP note receivable, net of discount and valuation allowance	**36,093,157**	48,530,846
State NMTC notes receivable	**6,762,500**	6,762,500
Investments, at estimated fair value (cost of $47,323,850 and $17,566,000 as of December 31, 2019 and 2018, respectively)	**42,941,862**	15,698,801
Investments in unconsolidated subsidiaries	**2,155,776**	1,753,330
Investment in allocable state tax credits	**2,943,102**	1,227,022
Other assets	**95,150**	116,971
Goodwill	**11,201,489**	11,201,489
Total assets	**$ 133,043,287**	$ 151,809,469
Liabilities and (deficit) equity		
Accounts payable and accrued expenses	**$ 621,686**	$ 380,934
Unearned premium tax credits	**7,485,000**	5,620,000
Accrued interest payable	**2,738,755**	5,400,770
State tax credit deposits	**491,074**	890,839
Unearned management fees	**2,340,136**	2,276,955
State program obligation	**3,157,268**	2,642,634
Due to related parties	**2,165,187**	1,925,981
State tax credit notes payable	**26,255,632**	35,521,514
State program notes payable	**33,092,811**	32,818,367
Revolving credit facility- state tax incentive programs	**2,943,102**	1,226,794
Investment firm notes payable, net of unamortized debt issuance costs	**39,112,986**	23,836,236
Derivative liability	**1,799,546**	4,032,105
Redemption notes payable, net of discount	**17,856,930**	25,817,496
Total liabilities	**$ 140,060,113**	$ 142,390,625
(Deficit) equity:		
Members' (deficit) equity	**(13,604,807)**	8,866,692
Noncontrolling interest	**6,587,981**	552,152
Total (deficit) equity	**(7,016,826)**	9,418,844
Total liabilities and (deficit) equity	**$ 133,043,287**	$ 151,809,469

See accompanying notes.

Enhanced Capital Group, LLC

Consolidated Statements of Operations

Years Ended December 31, 2019 and 2018

	2019	2018
Interest income, including fees:		
Cash and cash equivalents	**$ 224,712**	$ 63,959
Notes receivable	**7,117,630**	6,945,988
Asset management fees	**1,295,605**	2,809,102
Tax credit fees	**10,489,846**	8,956,198
Investments	**2,302,107**	442,359
Total interest income, including fees	**21,429,900**	19,217,606
Expenses:		
Professional fees	**1,873,330**	1,362,162
General and administrative	**10,598,882**	10,728,552
Interest, net of discount amortization	**18,050,920**	10,947,157
Depreciation and other amortization	**147,030**	171,127
Total expenses	**30,670,162**	23,208,998
Net investment loss	**(9,240,262)**	(3,991,392)
Income from unconsolidated subsidiaries	**922,079**	282,412
Change in state profits interest	**(514,634)**	1,992,255
Loss on derivative liability	**(237,940)**	(661,634)
Gain on sale of unconsolidated subsidiary	**—**	4,691,912
Change in valuation on ECP note receivable	**(9,096,805)**	—
Unrealized loss on investments:		
Beginning of period	**(1,867,199)**	—
End of period	**(4,381,988)**	(1,867,199)
Net change in unrealized loss on investments	**(2,514,789)**	(1,867,199)
Net realized and unrealized loss on investments	**(2,514,789)**	(1,867,199)
Net (loss) income before tax	**(20,682,351)**	446,354
State and local income tax (benefit) expense	**(50,852)**	50,853
Net (loss) income	**$(20,631,499)**	$ 395,501

See accompanying notes.

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Enhanced Capital Group, LLC

Consolidated Statements of Members' (Deficit) Equity

Years Ended December 31, 2019 and 2018

	Total Members' (Deficit) Equity	Noncontrolling Interest	Total (Deficit) Equity
Balances at December 31, 2017	$ 9,951,191	$ 487,695	$ 10,438,886
Repurchase of common units	(80,000)	—	(80,000)
Net income	395,501	—	395,501
Issuance of incentive common units	—	64,457	64,457
Distributions	(1,400,000)	—	(1,400,000)
Balances at December 31, 2018	8,866,692	552,152	9,418,844
Contributions		**6,003,739**	**6,003,739**
Distributions	**(1,840,000)**	**—**	**(1,840,000)**
Net loss	**(20,631,499)**	**—**	**(20,631,499)**
Issuance of incentive common units	**—**	**32,090**	**32,090**
Balances at December 31, 2019	**$ (13,604,807)**	**$ 6,587,981**	**$ (7,016,826)**

See accompanying notes.

Enhanced Capital Group, LLC

Consolidated Statements of Cash Flows

Years Ended December 31, 2019 and 2018

	2019	2018
Operating Activities		
Net (loss) income	**$(20,631,499)**	$ 395,501
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Accretion of notes payable	**7,737,003**	3,897,107
Accretion of notes receivable	**(4,616,601)**	(5,470,382)
Amortization	**998,905**	426,671
Payment of interest expense with tax credits	**433,122**	639,189
Noncash incentive common unit award expense	**32,090**	64,457
Loss on derivative liability	**237,940**	661,634
Income from unconsolidated subsidiaries	**(922,079)**	(282,412)
Gain on sale of unconsolidated subsidiary	**—**	(4,691,912)
Change in valuation on ECP note receivable	**9,096,805**	—
Unrealized loss on investments	**2,514,789**	1,867,199
Purchases of investments in qualified businesses	**(34,837,850)**	(12,630,000)
Proceeds from repayment of investments in qualified businesses	**5,080,000**	—
Change in state profits interest	**514,634**	(1,992,255)
Changes in assets and liabilities:		
Accrued interest receivable	**(803,657)**	(890,078)
Accounts receivable	**(221,827)**	11,703
Investment in allocable state tax credits	**(1,716,080)**	(1,227,022)
Other assets	**(124,596)**	(136,735)
Due from related parties	**21,619**	(53,471)
Accounts payable and accrued expenses	**240,752**	110,508
Accrued interest payable	**(2,664,455)**	3,329,098
State tax credit deposits	**(399,765)**	237,338
Due to related parties	**239,206**	(212,618)
Unearned management fees	**63,181**	(415,741)
Net cash used in operating activities	**(39,728,363)**	(16,362,221)
Investing Activities		
Investments in unconsolidated subsidiaries	**$ (5,101)**	$ (6,119)
Proceeds from investments in unconsolidated subsidiaries	**524,734**	581,459
Proceeds from sale of unconsolidated subsidiary	**—**	4,691,912
Proceeds from ECP note receivable	**7,956,147**	3,940,705
Net cash provided by investing activities	**8,475,780**	9,207,957

See accompanying notes.

Enhanced Capital Group, LLC

Consolidated Statements of Cash Flows (continued)

Years Ended December 31, 2019 and 2018

	2019	2018
Financing activities		
Payment of debt issuance costs	**(1,290,667)**	(1,678,311)
Payment on derivative liability	**(2,470,499)**	(55,310)
Payment on subordinated notes payable	**(13,862,234)**	—
Repurchase of common units	**—**	(80,000)
Proceeds from issuance of state tax credit notes payable	**—**	27,000,000
Payments on state tax credit notes payable	**(7,915,664)**	(375,188)
Proceeds from issuance of state program notes payable	**—**	27,499,000
Proceeds from borrowings under state tax credit line of credit	**12,916,113**	5,647,033
Payment on borrowings under state tax credit line of credit	**(11,199,805)**	(4,420,239)
Proceeds from investment firm note payable	**50,000,000**	—
Payments on investment firm note payable	**(35,761,861)**	(6,271,739)
Proceeds from capital contributions — noncontrolling interest	**6,003,738**	—
Distributions	**(1,840,000)**	(1,400,000)
Net cash (used) provided by financing activities	**(5,420,879)**	45,865,246
Net (decrease) increase in cash, cash equivalents and restricted cash	**(36,673,462)**	38,710,982
Cash, cash equivalents, and restricted cash at beginning of period	**64,038,876**	25,327,894
Cash, cash equivalents, and restricted cash at end of period	**$ 27,365,414**	$ 64,038,876
Cash and cash equivalents	**6,457,395**	7,980,365
Restricted cash	**20,908,019**	56,058,511
Total cash, cash equivalents, and restricted cash	**$ 27,365,414**	$ 64,038,876
Noncash operating and financing activities		
Settlement of state NMTC notes payable and accrued interest payable with premium tax credits	**$ 1,865,000**	$ 2,000,000
Supplemental cash flow disclosure		
Cash paid for interest	**$ 9,478,575**	$ 3,403,650

See accompanying notes.

Enhanced Capital Group, LLC

Consolidated Schedules of Investments

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Number of Shares	Cost	Fair Value	Percentage of Equity	Number of Shares	Cost	Fair Value
Manufacturing:								
Tella Firma, LLC Preferred Stock	N/A	166,667	$ 500,000	$ 500,000	5%	166,667	$ 500,000	$ 500,000
A.W. Carter, LLC Debt Securities, 12% at 2019 and 9% at 2018, Due date 3/1/2023	N/A		1,000,000	1,000,000	6%		600,000	600,000
AVF Composites, LLC Debt Securities, 10% at 2019 and 2018, Due date 6/30/2022	N/A		1,600,000	1,600,000	17%		1,600,000	1,600,000
Diamonds Direct, LLC Debt Securities, 6% at 2019, Due date 6/30/2022	N/A		1,500,000	1,500,000	0%		—	—
C&J Specialties, Inc. Debt Securities, 12% at 2019 and 8% at 2018, Due date 6/30/2022	N/A		1,030,000	1,030,000	9%		830,000	830,000
Palmer Equipment, LLC Debt Securities, 8% at 2019 and 2018, Due date 6/30/2022	N/A		2,600,000	—	28%		2,600,000	2,600,000
MCS Manufacturing, LLC Debt Securities, Prime + 1.75%, Due date 10/17/2023; 6.25% at 2019 and 6.75% at 2018	N/A		600,000	600,000	6%		600,000	600,000
Delta H Technologies, LLC Debt Securities, Variable rate of Prime + 2.25%, Due date 1/15/2024; 7.25% at 2019	N/A		650,000	650,000	0%		—	—
PureCycle, LLC Debt Securities, Prime + 3%, Due date 2/28/2024; 4.75 in 2019	N/A		1,000,000	1,000,000	0%		—	—
Cabinet Concepts, LLC Debt Securities, Prime + 1.75%, Due date 1/7/2023; 6.5% at 2019	N/A		1,825,000	1,825,000	0%		—	—

See accompanying notes.

Enhanced Capital Group, LLC

Consolidated Schedules of Investments (continued)

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Number of Shares	Cost	Fair Value	Percentage of Equity	Number of Shares	Cost	Fair Value
Manufacturing (Cont'd):								
Horton Cargo Haulers, LLC Debt Securities, Prime + 1%, Due date 4/17/2023; 5.75 at 2019	N/A		1,920,000	1,920,000	0%		—	—
Toledo Solar, Inc. Debt Securities, Prime + margin, Due date 5/30/2024; 7.75% at 2019	N/A		5,000,000	5,000,000	0%		—	—
Global Cooling, Inc. Debt Securities, Prime + margin, Due date 9/7/2023; 10.08863% at 2019	N/A		1,750,000	1,750,000	0%		—	—
Commercial Cutting & Graphics, LLC Debt Securities, Prime + 3%, Due date 6/13/2024; 7.75% at 2019	N/A		$ 525,000	$ 525,000	0%		$ —	$ —
AMG Industries Real Estate, LLC Debt Securities, Prime + 1%, Due date 7/2/2025; 5.75% at 2019	N/A		$ 2,934,500	$ 2,934,500	0%		$ —	$ —
AMG Industries, LLC Debt Securities, Prime + 1%, Due date 7/2/2025; 5.75% at 2019	N/A		$ 2,065,500	$ 2,065,500	0%		$ —	$ —
Turn-Key Industrial Services, LLC Debt Securities, Prime + 4%, Due date 9/11/2023; 8.75% in 2019	N/A		1,800,000	1,800,000	0%		—	—
Total Manufacturing Investments	N/A		28,300,000	25,700,000	71%		6,730,000	6,730,000

See accompanying notes.

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Enhanced Capital Group, LLC

Consolidated Schedules of Investments (continued)

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Number of Shares	Cost	Fair Value	Percentage of Equity	Number of Shares	Cost	Fair Value
Services:								
Delcan Distillers								
Series A Preferred Stock	N/A	936,000	936,000	754,806	8%	936,000	936,000	754,806
Student Service Center, LLC								
Debt Securities, Prime + 2%, Due date 12/31/2023; 6.75% at 2019 and 7.5% at 2018	N/A		600,000	600,000	6%		600,000	600,000
RN Industries Trucking								
Debt Securities, 6% at 2019, Due date 1/15/2024	N/A		1,500,000	1,500,000	0%		—	—
Total Services Investments	N/A		3,036,000	2,854,806	14%		1,536,000	1,354,806
Cattle Ranching and Farming:								
Luther Griffin Farm								
Debt Securities, 30 Day LIBOR + 3.5% (floor 5.5%), Due date 9/17/2023; 5.5% at 2019 and 5.99888% at 2018	N/A		3,800,000	3,800,000	40%		3,800,000	3,800,000
Keith Griffin Farms								
Debt Securities, Prime rate (floor 5%), Due date 3/8/2024; 5.0% at 2019	N/A		1,800,000	1,800,000	0%		—	—
Total Cattle Ranching & Farming Investments	N/A		5,600,000	5,600,000	40%		3,800,000	3,800,000
Farm Management Services:								
Blackdirt Farm Management, LLC								
Debt Securities, 6% at 2019 and 2018, Due date 12/12/2023	N/A		2,387,850	2,387,850	21%		2,000,000	2,000,000
Series A Preferred Stock	N/A	200,000	200,000	200,000	0%		—	—
Second Century Ag, LLC								
Debt Securities, 8% at 2019, Due date 12/12/2023	N/A		3,000,000	3,000,000	0%		—	—
Total Farm Management Services Investments	N/A		5,587,850	5,587,850	21%		2,000,000	2,000,000

See accompanying notes.

Enhanced Capital Group, LLC

Consolidated Schedules of Investments (continued)

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Number of Shares	Cost	Fair Value	Percentage of Equity	Number of Shares	Cost	Fair Value
Hospitality:								
Soap Creek Marina & Resort, LLC Debt Securities, Prime + 0.25%, Due date 3/29/2024; 5.0% at 2019	N/A		$ 1,000,000	$ 1,000,000	0%		$ —	$ —
Total Hospitality Investments	N/A		1,000,000	1,000,000	0%		—	—
Technology:								
Nimbix, Inc. Series B-2 Preferred Stock	N/A	77,987	750,000	945,969	10%	77,987	750,000	945,969
Wenzel Spine, Inc. Series B Preferred Stock	N/A	1,137,138	1,000,000	511,073	5%	1,137,138	1,000,000	511,073
MacroFab, Inc. Series A Preferred Stock	N/A	461,810	750,000	442,164	4%	461,810	750,000	351,780
Ortho Kinematics, Inc. Series D Preferred Stock	N/A	891,876	1,000,000	—	0%	891,876	1,000,000	5,173
Blyncsy, Inc. Convertible Debt Securities, 2% at 2019, Due date 9/21/2020	N/A		200,000	200,000	0%		—	—
Xomi, Inc. Series A Preferred Stock	N/A	240,384	100,000	100,000	0%		—	—
Total Technology Investments	N/A		3,800,000	2,199,206	19%		3,500,000	1,813,995
Total Investments	N/A		$47,323,850	$42,941,862	165%		$17,566,000	$15,698,801
Summary of Securities								
Debt Securities	N/A		$42,087,850	$39,487,850	133%		$12,630,000	$12,630,000
Equity Securities	N/A		5,236,000	3,454,012	32%		4,936,000	3,068,801
Total Investments	N/A		$47,323,850	$42,941,862	165%		$17,566,000	$15,698,801

See accompanying notes.

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements

December 31, 2019

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by Enhanced Capital Group, LLC (ECG or the Company) in the preparation of its consolidated financial statements in accordance with accounting principles generally accepted in the United States.

Basis of Presentation and Description of Business

ECG Acquisition, LLC was formed on November 25, 2013, for the purpose of acquiring businesses that provide finance and asset management services. The name was subsequently changed to ECG and on December 23, 2013, the Company entered into an Equity and Note Purchase Agreement by and among the Company and Enhanced Capital Partners, LLC (f/k/a Enhanced Capital Partners, Inc. and "ECP"), to acquire ECP's federal and state tax credit finance business and asset management businesses (the "Transaction"). ECG is an alternative asset manager and provider of tax credit transaction and consulting services. The alternative asset management business includes the management of debt-focused private equity funds through various entities which are wholly-owned by Enhanced Asset Management, LLC ("EAM"), which is a wholly-owned subsidiary of ECG. The Company also provides a wide range of transaction and consulting services for New Market Tax Credit ("NMTC"), Historic Tax Credit ("HTC"), Renewable Tax Credit ("RETC"), and various state tax credit ("STC") opportunities through various entities which are wholly-owned subsidiaries of Enhanced Tax Credit Finance, LLC ("ETCF"), which is a wholly-owned subsidiary of ECG.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All wholly-owned subsidiaries are consolidated. Intercompany accounts and transactions are eliminated in consolidation.

The Company and its subsidiaries have interests in variable interest entities and do not consolidate any of the entities since they do not have the majority of variability in the expected losses or the expected residual returns of such entities and are not the primary beneficiary, nor are they the entities that make economic decisions about the underlying economic activity. The Company employs the equity method of accounting for investments in business entities when it has the ability to exercise significant influence over the operating and financial policies of the entities. These include its minority interests in various investment funds described in Note 3. The cost method is used when the Company does not have the ability to exert significant influence. These include its variable interests in various NMTC and STC entities described in Note 2.

The table below summarizes ECG and its subsidiaries' investments in unconsolidated subsidiaries as of December 31, 2019 and 2018, respectively:

	December 31, 2019	December 31, 2018
ESBIC entities (Note 3)	**$ 31,456**	$ 128,010
Hark entities (Note 3)	**1,402,454**	887,241
TL GP (Note 3)	**488,123**	508,098
Various tax credit entities (Note 2)	**233,743**	229,981
Total	**$ 2,155,776**	$ 1,753,330

1. Summary of Significant Accounting Policies (continued)

Regulatory Matters

Enhanced Community Development, LLC (“ECD”), manages the NMTC activities of the Company. ECD has received an aggregate of $305 million in NMTC allocation authority from the Community Development Financial Institutions Fund of the U.S. Department of Treasury (CDFI Fund).

The NMTC program provides investors such as financial institutions, insurance companies, investment funds, corporations, and other entities with credits against federal income taxes they incur. NMTCs are passed through from ECD to an investor for each Qualified Equity Investment (QEI) made in a Community Development Entity (CDE) certified as such by the CDFI Fund. The investor receives the tax credits over a seven-year period for each QEI, equal to a percentage of the QEI amount that varies by state for investment in the NMTC program. The CDE uses the QEI proceeds to make Qualified Low-Income Community Investments (QLICIs) to Qualified Active Low-Income Community Businesses (QALICBs). QLICIs include loans to or equity investments to QALICBs or other CDEs. To receive NMTCs, the CDE must comply with various federal requirements. These requirements include, but are not limited to, making QLICIs within one year of receiving the QEI. If QEI funds are not kept continuously invested in QLICIs through a seven-year compliance period, the investors risk recapture of previously taken tax credits plus penalties and interest thereon.

J4T participates in the Texas Small Business Venture Capital Program (Jobs for Texas) pursuant to an Allocation Agreement between the United States Department of the Treasury and the Texas Department of Agriculture (TDA) under the State Small Business Credit Initiative Act (SSBCI Act). The SSBCI Act was enacted to provide investment capital to qualified small businesses that were underserved by conventional capital markets.

The Company has a 21.4% ownership in Enhanced Small Business Investment Company, GP, LLC (ESBIC, GP) which is the general partner of Enhanced Small Business Investment Company, LP (ESBIC), a Delaware limited partnership formed on July 18, 2011. The Company accounts for its 21.4% interest in ESBIC, GP using the equity method of accounting. ESBIC’s principal investment objective is to maximize portfolio return from business entities located in the United States by generating current income from debt investments and capital appreciation from equity and equity-related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company.

On March 28, 2012, ESBIC was licensed by the Small Business Administration (SBA) to operate as a Small Business Investment Company (SBIC) under Section 301(c) of the Small Business Investment Act of 1958. As an SBIC, ESBIC is subject to a variety of regulations concerning, among other things, the size and nature of the companies in which it may invest and the structure of those investments. Under SBA regulations, SBICs may make loans to eligible small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services.

Under current SBA regulations, eligible small businesses generally include businesses that (together with their affiliates) have a tangible net worth not exceeding $18.0 million and have average annual net income after federal income taxes not exceeding $6.0 million (average net income to be computed without benefit of any carryover loss) for the two most recent fiscal years. In addition, an SBIC must devote 25% of its investment activity to “smaller” concerns as defined by the SBA. A smaller concern generally includes businesses that have a tangible net worth not exceeding $6.0 million and have average annual net income after federal income taxes not exceeding $2.0 million (average net income to be computed without benefit of any net carryover loss) for the two most recent fiscal years. SBA regulations also provide alternative size standard criteria to determine eligibility for designation as an eligible small business or smaller concern, which criteria depend on the industry in which the business is engaged and are based on such factors as the number of employees and gross revenue.

1. Summary of Significant Accounting Policies (continued)

The SBA prohibits an SBIC from providing funds to small businesses for certain purposes, such as relending and investment outside the United States, to businesses engaged in certain prohibited industries, and to certain “passive” (nonoperating) companies. In addition, without prior SBA approval, an SBIC may not invest an amount equal to more than 30% of the SBIC’s regulatory capital in any one portfolio company.

On November 30, 2017 Enhanced Capital Utah Rural Fund (“UTRF”), a wholly-owned subsidiary of ETCF, was authorized by the Utah Governor’s Office of Economic Development (“GOED”) to become a Rural Investment Company under Utah Code 63N-4-301 under the Rural Jobs Act and was allotted a $14,000,000 of investment authority with $8,120,000 in Utah tax credits. UTRF must make investments in statutory-defined eligible Utah small businesses to earn the credits.

On April 26, 2018 Enhanced Capital Georgia Rural Fund, LLC (“GARF”), a wholly-owned subsidiary of ETCF, was authorized by the Georgia Department of Community Affairs (“DCA”) under Georgia Code 560-7-8-.63 Agribusiness and Rural Jobs Tax Credit to become a Rural Fund under the Georgia Agribusiness and Rural Jobs Act and was allotted $20,000,000 of investment authority with $12,000,000 in Georgia tax credits. GARF must make investments in statutory-defined eligible Georgia small businesses to earn the credits.

On June 18, 2018 Enhanced Capital Ohio Rural Fund, LLC (“OHRF”), a wholly-owned subsidiary of ETCF, was authorized by the Ohio Development Services Agency (“ODSA”) under Ohio Code 122.154 to become a rural business growth fund under the Ohio Rural Jobs and Investment Act and was allotted $25,000,000 of investment authority with $15,000,000 in Ohio tax credits. OHRF must make investments in statutory-defined eligible Ohio small businesses to earn the credits.

The Company believes its subsidiaries are in compliance with the various regulatory statutes as of December 31, 2019 and 2018, respectively.

Permanent Capital Funds

One of the Company’s business objectives is to participate in state-focused tax credit programs adopted by various states throughout the United States as described above. The Company has formed a Utah NMTC fund, UTRF, GARF, and OHRF as state-focused funds (“Funds”) whose principal investment objective is to maximize portfolio return by generating current income from debt investments and capital appreciation from equity and equity-related investments, including warrants, convertible securities, and other rights to acquire equity securities in a portfolio company. The Company’s portfolio investments are debt and equity investments in small and emerging private companies through these funds.

These funds issue qualified debt or equity instruments to tax credit investors in exchange for cash. The gross proceeds of these instruments are used to make targeted investments in qualified businesses and are recorded as Investments at estimated fair value on the accompanying consolidated balance sheets. Such investments are accounted for using the fair value method of accounting, as described in Accounting Standards Codification (ASC) 946, Financial Services — Investment Companies. Participation in each state program legally entitles the participant to receive (or earn) tax credits from the state upon satisfying quantified, defined investment percentage thresholds and time requirements. In order to maintain its state-issued certifications, each fund must make Investments in Qualified Businesses in accordance with these requirements. These state requirements are mirrored in the limitations agreed to by each fund in its written contractual agreements with its tax credit investors and limit the activities of the fund in accordance with state regulations.

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Asset management fee income, from the Company's asset management operations, is recognized on the accrual basis of accounting over the service period, provided collection is probable. Tax credit fee income, consisting primarily of compliance and transaction fees from the Company's tax credit transaction and consulting operations, is recognized on the accrual basis of accounting. Transaction fees are recognized when the transaction is consummated and the earnings process is complete.

Interest income earned by the Company is recognized on the accrual basis of accounting. Dividend income earned by the Company from equity investments is recognized when declared by portfolio companies.

Interest income on loans is generally accrued on the principal balance outstanding. The accrual of interest income on loans is discontinued when the receipt of principal and interest on a timely basis becomes doubtful. In such cases, interest is recognized at the time of receipt. A reserve for possible losses on interest receivable is maintained when appropriate.

Income from state tax credits on the Permanent Capital Funds will be recognized when the Company fulfills the statutory requirements including, among other requirements, investing and maintaining its investment authority throughout the compliance period (the "Investment Benchmarks"). The Company must achieve the Investment Benchmark by certain dates and also must maintain this amount through the end of the compliance period as defined in the various state statutes. Once the Company reaches the Investment Benchmarks, the state generally cannot recapture the tax credits and the Company will recognize revenue from the tax credits. The following table depicts the Investment Benchmarks for revenue recognition:

Program	Initial Investment Benchmark Date	End of Compliance Period	Outstanding Balance	Investment Benchmark (% of Investment Amount)
Utah NMTC	December 4, 2015	December 4, 2021	$16,666,666	85%
UTRF	December 27, 2020	December 27, 2024	14,000,000	100%
GARF	June 22, 2020	June 22, 2024	20,000,000	100%
OHRF	August 14, 2020	August 14, 2025	25,000,000	100%

The cost of each specific security is used to determine gains or losses on sales of securities. Such gains or losses are reported as a component of realized gains (losses). Purchases and sales of investments are recorded on a trade-date basis.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures* (ASC 820), establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value and requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy (i.e., Level 1, 2, and 3 inputs, as defined). The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Additionally, companies are required to provide enhanced disclosure regarding instruments in the Level 3 category (which use inputs to the valuation techniques that are unobservable and require significant management judgment), including a reconciliation of the beginning and ending balances separately for each major category of assets and liabilities.

1. Summary of Significant Accounting Policies (continued)

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Inputs — Quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date. Level 1 assets include listed mutual funds, equities, and certain debt securities.

Level 2 Inputs — Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted market prices that are observable, such as models or other valuation methodologies.

Level 3 Inputs — Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. Assets included in this category generally include direct private equity investments, general and limited partnership interests in private equity funds, and funds of funds.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and the consideration of factors specific to the financial instrument.

Investments

The Company records its investments at fair value, as determined by management. Such values are generally considered to be the amount that the Company might reasonably expect to receive for its investments if negotiations for sale were entered into on the valuation date. Valuation as of any particular date, however, is not necessarily indicative of an amount that the Company may ultimately realize as a result of a future sale or other disposition of the investment. The estimated fair value is determined by taking into consideration the cost of the investments; internal or third-party valuation models; the price at which unaffiliated investors have purchased the same or similar securities; developments concerning the company to which such investments relate subsequent to the acquisition of such investments; the financial condition and cash flow projections of the underlying company; price/earnings ratios; cash flow multiples, equity/sales ratios, or other appropriate financial measures of publicly traded companies within the same industry; and other such relevant factors. Changes to the fair values of investments are recognized in income.

Equity investments, other than common stock, have various liquidity features with the underlying financial instrument. These features typically include cumulative and noncumulative dividends, detachable warrants, and redeemable and convertible options. In most instances, the Company has voting representation on the investee's Board of Directors.

Debt investments can include senior and mezzanine loans, which are loans that are usually subordinate to senior debt, may have some equity features, and generally reflect a level of risk moderately higher than traditional bank financing or senior debt with entities that have a higher risk profile.

Income, consisting of interest, dividends, fees, other investment income, and realization of gains or losses on equity interests, can fluctuate dramatically upon repayment of an investment or sale of an equity interest and in any given year can be highly concentrated among several investees.

The Company's investments carry a number of risks including, but not limited to: (1) investing in companies which have a limited operating history and financial resources; (2) investing in senior subordinated debt which

1. Summary of Significant Accounting Policies (continued)

ranks equal to or lower than debt held by other investors; and (3) holding investments that are not publicly traded. The Company evaluates the credit risk of its investees at the time of the investment and on a consistent basis going forward. The Company generally requires collateral for its debt investments. The maximum amount of loss due to credit risk of the Company is the fair value of its investments, which has been recognized in the accompanying consolidated financial statements. There may also be risk associated with the concentration of investments in certain geographic regions or in certain industries.

Share-based Compensation

The Company accounts for all share-based payments in the income statements based on their estimated fair value in accordance with Financial Accounting Standards Board (FASB) ASC Topic 718, Compensation — Stock Compensation for awards to employees. See Note 13.

Derivative Financial Instruments

The Company does not use derivatives to hedge exposures to cash flow, market, or foreign currency risks. The Company reviews the terms of debt instruments issued to determine whether there are embedded derivative instruments that are required to be bifurcated and accounted for separately as a derivative financial instrument. When the risks and rewards of an embedded derivative instrument are not "clearly and closely" related to the risks and rewards of the host instrument, the embedded derivative instrument is generally required to be bifurcated and accounted for separately as a derivative financial instrument.

Derivative financial instruments are required to be initially measured at their fair value and is then re-valued at each reporting date, with changes in fair value being reported as charges or credits to income. Fair value is based on a discounted cash flow analysis to determine the present value of the future obligations.

Income Taxes

No provision is made in the consolidated financial statements for federal income taxes because ECG's results of operations are allocated directly to its members. ECG is subject to state and local income taxes in certain state and local jurisdictions.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Company to report information regarding its exposure to various tax positions taken by the Company. The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax positions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Any interest or penalties assessed to the Company are recorded in operating expenses. No interest or penalties from any taxing authorities were recorded in the accompanying consolidated financial statements. Federal, state, and local taxing authorities generally have the right to examine and audit the previous three years of tax returns filed.

Cash and Cash Equivalents

The Company considers unrestricted cash in banks and investments with original maturities of 90 days or less to be cash and cash equivalents.

1. Summary of Significant Accounting Policies (continued)

Restricted Cash

As of December 31, 2019 and 2018, the Company maintained cash on deposit for various purposes as described in the table below:

Purpose	December 31, 2019	December 31, 2018
Investments in qualified rural business	$ 16,643,259	$ 46,416,383
Cash held in escrow for third parties	489,010	890,839
Interest reserve for State tax credit notes payable	3,775,750	8,022,654
Interest reserve for State program notes payable	—	728,635
Total Restricted cash	**$ 20,908,019**	**$ 56,058,511**

Accounts Receivable

Accounts receivable are carried at their outstanding principal amounts, less an anticipated amount for discounts and an allowance for doubtful accounts if management believes it is necessary to cover potential credit losses based on historical experience.

Debt Issuance Costs

The Company amortizes debt issuance costs over the life of the associated notes using the effective interest method. This amount is classified as interest expense in the accompanying consolidated statement of operations.

Goodwill

The Company tests Goodwill for impairment at the entity level on an annual basis, and more frequently if circumstances indicate impairment may have occurred, by performing a qualitative assessment to determine if it is more likely than not that the fair value of the Company's operating entities is less than their respective carrying values. The Company identified the consolidated operating entity as the reporting level for testing the impairment of goodwill. If it is determined that it is more likely than not that an operating entity's fair value is less than its carrying value or when the quantitative approach is used, a two-step quantitative assessment is performed to (a) calculate the fair value of the operating entity and compare it to its carrying value, and (b) if the carrying value exceeds its fair value, to measure an impairment loss.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expense during the reporting period. The most significant estimate for the Company is with respect to valuation of investments. Actual results could differ from those estimates.

Recently Adopted Accounting Standards

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), which requires a company to recognize revenue when the company

1. Summary of Significant Accounting Policies (continued)

transfers control of promised goods and services to the customer. Revenue is recognized in an amount that reflects the consideration a company expects to receive in exchange for those goods and services. The Company adopted Topic 606 using the modified retrospective approach on January 1, 2019, which did not result in a change in the Company's measurement or recognition of revenues.

2. Tax Credit Finance

The Company manages its tax credit finance businesses through ETCF's wholly-owned subsidiaries described in this note. Some of these subsidiaries own nominal interests, typically under 1.0%, in various variable interest entities and record these investments under the cost method of accounting. See Principles of Consolidation in Note 1 for a description of how the method of accounting was determined.

ECD owns a nominal interest ranging from 0.01% to 0.1% in several subsidiary CDEs (sub-CDEs). As of December 31, 2019 and 2018, respectively, ECD held investments in sub-CDEs totaling $75,393 and $71,631, respectively. These amounts were included in investments in unconsolidated subsidiaries on the accompanying consolidated balance sheets. The maximum amount of loss due to the Company's involvement with variable interest entities is the carrying value of its investments.

ECD is the managing member of the sub-CDEs. ECD earns fee income from two primary sources: transaction fees and asset management fees. Transaction fees and asset management fees were $2,191,066 and $1,846,198, respectively, for the year ended December 31, 2019. Transaction fees and asset management fees were $1,713,989 and $2,063,619, respectively, for the year ended December 31, 2018.

Enhanced Capital Consulting, LLC ("ECC") manages the tax credit consulting activities of the Company. As of December 31, 2019 and 2018, respectively, ECC held investments in variable interests in NMTC and STC entities of $158,350. These amounts were included in investments in unconsolidated subsidiaries on the accompanying consolidated balance sheets. The maximum amount of loss due to the Company's involvement with variable interest entities was the carrying value of its investment.

ECC earns fee income primarily from consulting services related to state tax credit transactions. The STC Fund invests in rehabilitation projects that earn state tax credits and then transfers its interest or sells the tax credits to tax credit investors. ECC earns a management fee for sourcing the investments and finding tax credit investors. For the year ended December 31, 2019 and 2018, ECC management and consulting fees were $2,906,882 and $2,329,171, respectively.

Enhanced Capital HTC Manager, LLC ("HTC Manager") sources and manages equity investments for investors in projects eligible to receive federal historic tax credits. HTC Manager earns and receives a base management fee for management services as the investment companies reach certain compliance milestones. For the years ended December 31, 2019 and 2018, base management fees were $1,271,356 and $875,750, respectively. HTC Manager is also eligible to receive an incentive management fee based on cash flows from the Projects. For the years ended December 31, 2019 and 2018, the incentive management fees were $113,597 and $111,312, respectively. Revenue from this fee is recognized ratably over the five-year compliance period as services are delivered.

Enhanced Capital RETC Manager, LLC ("RETC Manager"), sources and manages equity investments for third-party investors in projects eligible to receive federal renewable energy tax credits. RETC Manager receives an incentive management fee payment based on cash flows from the Projects. For the years ended December 31, 2019 and 2018, management fees recognized were $1,601,579 and $1,244,671, respectively.

2. Tax Credit Finance (continued)

Enhanced Tax Credit Lending, LLC (“TC Lending”) primary objective is to originate tax credit bridge loans on behalf of third-party private lenders. TC Lending receives an origination fee and incentive fees for each loan and bears no risk associated with the loans. For the years ended December 31, 2019 and 2018, origination and incentive fees were $353,835 and $438,169, respectively.

Enhanced Tax Credit Manager, LLC (“TC Manager”) manages various tax credit investments on behalf of tax credit investors. TC Manager receives management fees based on its agreements with each investor. For the years ended December 31, 2019 and 2018, management fees were $205,333 and $179,517, respectively.

3. Asset Management

The Company manages its alternative asset management funds through various unconsolidated subsidiaries and records these investments under the equity method of accounting. See Principles of Consolidation in Note 1 for a description of how the method of accounting was determined.

The Company has a 21.4% ownership interest in ESBIC GP. The Company has recorded its share of loss in the amount of $106,257 and $351,187 for the years ended December 31, 2019 and 2018, respectively. For the years ended December 31, 2019 and 2018, ECG made no capital contributions and received distributions of $0 and $39,983 from ESBIC GP, respectively. ECG’s investment in ESBIC GP was $0 and $106,257 as of December 31, 2019 and 2018, respectively, and is included in Investment in unconsolidated subsidiaries in the accompanying consolidated balance sheets.

Enhanced Capital SBIC Management, LLC (“ESBIC Management”) is engaged by ESBIC GP to provide fund management services. The Company has a 50% ownership interest in the ESBIC Management. The Company recorded its share of income in the amount of $9,703 and $0 for the years ended December 31, 2019 and 2018, respectively. ECG’s investment in ESBIC Management was $31,456 and $21,753 as of December 31, 2019 and 2018, respectively, and is included in Investment in unconsolidated subsidiaries in the accompanying consolidated balance sheets. Also, the Company has an Administrative and Support Service Agreement (the Agreement) with ESBIC Management. Under the agreement, the Company provides administrative and back-office support services to the ESBIC Management. The Company recognized $795,605 and $1,644,102 of management fee income under this arrangement during the years ended December 31, 2019 and 2018, respectively.

As of December 31, 2019 and 2018, the Company held a 32.0% and 38.0% ownership interest in Hark Capital I GP, LLC (“Hark I GP”), respectively. For each of years ended December 31, 2019 and 2018, the Company has recorded its share of earnings in the amount of $402,219 and $397,121, respectively. For the years ended December 31, 2019 and 2018, ECG made no capital contributions and received distributions of $223,662 and $136,890, respectively. As of December 31, 2019 and 2018, ECG’s investment in Hark I GP was $1,065,798 and $887,241, respectively, and is included in Investment in unconsolidated subsidiaries in the accompanying consolidated balance sheets.

The Company has a 20.0% ownership interest in Hark Capital II GP, LLC (“Hark II GP”). The Company has recorded its share of earnings in the amount of $348,614 and $26,900 for each of the years ended December 31, 2019 and 2018, respectively. For the years ended December 31, 2019 and 2018, ECG made no capital contributions and received distributions of $11,958 and $26,900, respectively. As of December 31, 2019 and 2018, ECG’s investment in Hark II GP was $348,614 and $0, respectively.

3. Asset Management (continued)

Hark Capital I Management, LLC (“Hark I Management”) is engaged by Hark I GP to provide fund management services. On May 9, 2018, the Company sold its interest in Hark I Management through an Asset Purchase Agreement (APA). Prior to the sale, the Company has an Administrative and Support Service Agreement (the Agreement) with Hark I Management. Under the agreement, the Company provides administrative and back-office support services to Hark I Management. The Company recognized $0 and $665,000 of management fee income under this arrangement during the years ended December 31, 2019 and 2018, respectively.

Enhanced Asset Management, LLC (“EAM”), owns incentive common units (ICUs) in Tree Line Direct Lending, GP (“TL GP”). The Company has recorded its share of earnings in the amount of $267,800 and $209,578 for the years ended December 31, 2019 and 2018, respectively. For the years ended December 31, 2019 and 2018, ECG made no capital contributions and received distributions of $287,775 and $365,411, respectively, from TL GP. EAM’s investment in TL GP was $488,123 and $508,098 as of December 31, 2019 and 2018, respectively, and is included in Investment in unconsolidated subsidiaries in the accompanying consolidated balance sheets.

Enhanced Puerto Rico, LLC (“EPR”), primary objective is to co-manage a public welfare fund in Puerto Rico. EPR receives a management fee of 1.00% of the capital committed by the investor of the public welfare fund. For each of the years ended December 31, 2019 and 2018, management fees were $500,000.

4. ECP Note Receivable

On December 23, 2013, in connection with the Transaction, ECP issued a note payable to ECG with a face amount of $77,114,529 (the “Note”). The Note was recorded at fair value of $40,560,971 since the Note carries a below market interest rate. The difference between the estimated fair value and stated value resulted in a discount being recorded in the amount of $36,553,558. The discount is amortized over the remaining life of the Note using the effective-interest amortization method. The Note accrues interest at the rate of 1.65% per annum through December 23, 2019, and Prime plus 2.0% from December 23, 2019 through December 23, 2021. Principal is due at maturity but may be prepaid without penalty.

The Note matures on December 23, 2021. Interest is due and payable on each December 23, commencing on December 23, 2014. The principal balance of the Note as of December 31, 2019 and 2018 was $50,598,855 and $58,555,003, respectively. As of December 31, 2019 and 2018, the unamortized discount of $5,408,893 and $10,024,157, respectively, is included as an offset to ECP note receivable, net of unamortized discount in the accompanying consolidated balance sheets. For the years ended December 31, 2019 and 2018, $4,615,263 and $5,469,043, respectively, of the discount was amortized and recorded to interest income in the accompanying consolidated statements of operations. In 2019, the Company ceased the accrual of interest income on the Note and recorded a valuation allowance in the amount of $9,096,805 against the balance of the receivable due to ECP not having sufficient distributable assets to pay off the note and accrued interest in full.

5. State NMTC Notes Receivable

As part of the Utah NMTC Fund discussed in Note 1, Enhanced Capital Utah NMTC Investment
Fund, LLC (“UTIF”) issued subordinated notes to the Company who recorded these notes as State NMTC notes receivable on the accompanying consolidated balance sheets with balances of $6,762,500 as of December 31, 2019 and 2018, respectively. The notes receivable originally earned simple interest at a rate of 11.0%. On August 16, 2017, the terms of the note receivable were amended to increase the interest rate to 13.3%, compounding quarterly, and the maturity date was extended until October 27, 2029 to account for additional Federal NMTC deployed through UTIF.

5. State NMTC Notes Receivable (continued)

UTIF used these proceeds along with federal NMTC equity and a senior loan from the federal NMTC investor to make QLICI loans to QALICBs. The QLICI loans will generate Federal and Utah NMTC. The Utah NMTC are delivered to the UT Investors to satisfy the interest and principal payments on the UT NMTC notes payable described in Note 6. The principal and interest payments from the QLICI loans will repay the senior and subordinated notes. Management periodically reviews the need for a valuation allowance for the UTNI notes receivable based on the collectability of the underlying QLICI loans and in accordance with its accounting policy described in Note 1. Management considers a QLICI loan impaired when, based on current information or factors, it is probable that the Company will not collect the principal and interest payments contractually due. If a QLICI loan is impaired, management will evaluate its effect on the UTNI notes receivable and record a valuation allowance. As of December 31, 2019 and 2018, the Company recorded a valuation allowance of $0 and $474,897, respectively, as an offset to interest receivable and interest income related to the State NMTC notes receivable.

6. State Tax Credit Notes Payable

Some of the Company’s subsidiaries have notes payable to various tax credit investors that were issued in connection with the various state tax credit programs discussed in Note 1. These notes are repaid either with tax credits or cash from the sale of tax credits and, in some cases, restricted cash held in an interest reserve account. These notes are included in State tax credit notes payable on the accompanying balance sheets.

As of December 31, 2019, the terms and outstanding balance are as follows:

Program	Outstanding Balance	Unamortized Debt Issuance Cost	Net Balance	Interest Rate	Maturity
Utah NMTC	$ 1,946,485	$ —	$ 1,946,485	15%	March 1, 2021
GARF	10,863,595	—	10,863,595	8%	December 20, 2023
OHRF	13,445,552	—	13,445,552	8%	March 1, 2025
Total	**$26,255,632**	**$ —**	**$26,255,632**		

As of December 31, 2018, the terms and outstanding balance are as follows:

Program	Outstanding Balance	Unamortized Debt Issuance Cost	Net Balance	Interest Rate	Maturity
Utah NMTC	$ 3,380,805	$ —	$ 3,380,805	15%	March 1, 2021
UTRF	5,600,000	84,102	5,515,898	8%	December 22, 2024
GARF	11,624,811	—	11,624,811	8%	December 20, 2023
OHRF	15,000,000	—	15,000,000	8%	March 1, 2025
Total	**$35,605,616**	**$ 84,102**	**$35,521,514**		

6. State Tax Credit Notes Payable (continued)

Principal maturities on the outstanding on State tax credit notes payable are as follows:

	Total
2020	$ 3,702,409
2021	5,295,045
2022	4,636,188
2023	5,860,632
2024	3,247,707
Thereafter	3,513,651
Total	**$ 26,255,632**

7. State Program Notes Payable

In connection with the various state tax credit programs discussed above, the Company's subsidiaries also issued notes to national financial institutions. These notes are repaid with cash earned on investments in qualified businesses and, in some cases, restricted cash held in an interest reserve account. These notes are included in State program notes payable on the accompanying balance sheets.

As of December 31, 2019, the terms and outstanding balance are as follows:

Program	Outstanding Balance	Unamortized Debt Issuance Cost	Net Balance	Interest Rate	Maturity
UTRF	$ 7,000,000	$ 89,348	$ 6,910,652	8.0%	December 22, 2024
GARF	11,499,000	280,546	11,218,454	8.5%	December 22, 2024
OHRF	16,000,000	1,036,295	14,963,705	8.5%	February 14, 2025
Total	**$ 34,499,000**	**$ 1,406,189**	**$ 33,092,811**		

As of December 31, 2018, the terms and outstanding balance are as follows:

Program	Outstanding Balance	Unamortized Debt Issuance Cost	Net Balance	Interest Rate	Maturity
UTRF	$ 7,000,000	$ 105,260	$ 6,894,740	8.0%	December 22, 2024
GARF	11,499,000	336,874	11,162,126	8.5%	December 22, 2024
OHRF	16,000,000	1,238,499	14,761,501	8.5%	February 14, 2025
Total	**$ 34,499,000**	**$ 1,680,633**	**$ 32,818,367**		

Principal maturities on the outstanding on State tax credit notes payable are as follows:

	Total
2020	$ —
2021	—
2022	—
2023	—
2024	18,499,000
Thereafter	16,000,000
Total	**$ 34,499,000**

8. Unearned Premium Tax Credits

For the years ended December 31, 2019 and 2018, the Company recognized $7,485,000 and $5,620,000, respectively, in unearned premium tax credits that were used to reduce principal and interest on the notes by delivering tax credits to the holders of the notes as described in Note 6. The tax credits are classified as unearned until all programmatic requirements are met as described in Note 1.

9. Revolving Credit Facilities

The Company has two revolving credit facilities with regional financial institutions in the form of revolving loans that are restricted solely for the purchase of allocable state tax credits from various state tax credit incentive programs. As of December 31, 2019 and 2018, the Company's investment in allocable state tax credits was $2,943,102 and $1,227,022, respectively.

On May 12, 2017, the Enhanced State Tax Credit Fund II, LLC (STC Fund II), a wholly owned subsidiary of ECC, entered into an $8,000,000 bank credit facility with a regional financial institution. The facility bears interest at a rate equal to the greater of 0.25% above the Prime Rate or 3% per annum. The facility was renewed and matures on September 27, 2020. As of December 31, 2019 and 2018, respectively, there was no outstanding balance under the credit facility. As of December 31, 2019 and 2018, the STC Fund II had net unamortized deferred financing costs of $11,520 and $26,880, respectively, classified as Other assets on the accompanying consolidated balance sheets.

On June 16, 2017, the Enhanced State Tax Credit Fund III, LLC (STC Fund III), a wholly owned subsidiary of ECC, entered into a $6,000,000 bank credit facility with a regional financial institution. The facility bears interest at a rate equal to 0.25% above the Prime Rate. On June 12, 2019 the facility was amended to extend the maturity to December 15, 2020 and to increase the maximum amount available under the facility up to $10,000,000. As of December 31, 2019 and 2018, the credit facility had an outstanding balance of $2,943,102 and $1,226,794, respectively. As of December 31, 2019 and 2018, the STC Fund III had net unamortized deferred financing costs of $15,972 and $0, respectively, classified as Other assets on the accompanying consolidated balance sheets.

10. Investment Firm Notes

In connection with the Transaction completed on December 23, 2013, ECG entered into an Equity and Note Purchase Agreement with a private investment firm. The face amount of the Note is $40,000,000 and bears interest at a rate of 8.00% payable annually in arrears. No principal payments are required until maturity on December 23, 2021. Additionally, the Note provides the private investment firm with a 48% ownership interest in the Company, which was not affected by the retirement and repayment of the Note as discussed below.

This debt instrument represents a hybrid financial instrument that requires the proceeds to be allocated amongst the debt and equity components based on the relative fair value of each. A discount rate of 9.72% was used to compute the respective fair values. The value assigned to the equity component, $3,840,000, which was the estimated fair value, was based on a fair value analysis of the Company. The difference between the Note cash proceeds and this estimated fair value of the debt component, $36,160,000, was recorded as a debt discount of $3,840,000 and will be amortized into interest expense over the life of the Note, utilizing the effective interest method.

10. Investment Firm Notes (continued)

On June 28, 2019, the Company retired the notes and repaid the $26,011,861 principal outstanding and $2,152,608 unpaid accrued interest as of that date. The related unamortized debt issuance costs and unamortized discount were written off as a charge to interest expense in the amount of $311,724 and $1,697,926, respectively.

On June 28, 2019, the Company entered into a Loan and Security Agreement with a private investment firm lender. Borrowings under this agreement provide for a $5,000,000 revolving credit facility and a $50,000,000 term loan with a maturity date of June 28, 2024. The term loan was recorded at face value, offset by $1,265,667 of debt issuance costs, which will be amortized into interest expense over the life of the Note, utilizing the effective interest method. The term loan bears interest at an annual rate equal to the lessor of (i) LIBOR Rate plus the Applicable Margin, or (ii) the maximum rate of interest allowed by applicable laws. No principal payments are required until April 1, 2020 in accordance with the principal repayment schedule. The Company had $40,250,000 outstanding under the Note as of December 31, 2019. As of December 31, 2019, the unamortized discount of $1,137,014 is included as an offset to investment firm notes payable in the accompanying consolidated balance sheets. The outstanding balance under the revolver was $0 as of December 31, 2019.

For the period ended December 31, 2019, $128,653 of amortization of debt issuance cost was recorded to interest expense in the accompanying consolidated statements of operations.

The Company utilized the net proceeds from the term loan issuance to repay indebtedness outstanding as of June 28, 2019 under the Company's $40 million Investment Firm Note, the Series 3 Notes, and a portion of the Series 4 Notes. See Note 11.

11. Redemption Notes

In connection with the Transaction completed on December 23, 2013, ECP transferred certain subordinated notes payable (the "Series 3 Notes," "Series 4 Notes," or collectively the "Redemption Notes") with an aggregate face value of $46,114,530 to ECG. In accordance with the provisions of ASC 805, the Notes were recorded at fair value of $18,224,695 as consideration in the business combination. The difference between the estimated fair value and stated value resulted in a discount being recorded in the aggregate amount of $27,889,835. The discount will be amortized over the remaining life of the Redemption Notes using the effective-interest amortization method. Series 3 Notes accrue simple interest at the rate of 1.64% per annum, compounding semiannually. Principal and any accrued but unpaid interest on each Series 3 Note is due on June 30, 2020. A discount rate of 16.0% was used to compute the fair value of the notes. Series 4 Notes accrue interest at the rate of 1.80% per annum, compounding quarterly. Principal and any accrued but unpaid interest on each Series 4 Note is due on December 23, 2021. A discount rate of 20.0% was used to compute the fair value of the notes.

Interest is due and payable on the Redemption Notes annually on December 31 in an amount equal to 50% of all interest that accrued during the calendar year, provided that all accrued and unpaid interest is due and payable in full on the final maturity for each series of Redemption Notes.

The Redemption Notes issued are subordinate and junior in right of payment to the Investment Firm Notes of the Company.

On June 28, 2019, the Company retired and repaid the Series 3 Notes in full, and repaid a portion of the Series 4 Notes outstanding. Repayment of the Series 3 Notes included payment of $4,995,682 principal outstanding and $321,066 unpaid accrued interest as of that date. Partial repayment of the Series 4 Notes included $8,866,553

11. Redemption Notes (continued)

payment of principal outstanding and $1,954,888 payment of accrued interest. The related unamortized discounts for the Series 3 and Series 4 Notes were written off as a charge to interest expense in the amount of $298,712 and $4,025,759, respectively. The Series 4 Notes maturity date was also extended to December 28, 2024.

As of December 31, 2019 and 2018, the unamortized discount of $8,395,365 and $14,297,034 was included as an offset to Redemption notes payable, net of discount in the accompanying consolidated balance sheets. Principal outstanding on the Redemption Notes was as follows:

	December 31, 2019	December 31, 2018	Maturity Date
Series 3	$ —	$ 4,995,682	
Series 4	26,252,295	35,118,848	December 28, 2024
Total	**$ 26,252,295**	**$ 40,114,530**	

12. Contingent Interest

Prior to the Transaction completed on December 23, 2013, ECP had an outstanding note payable with a contingent interest feature, required to be bifurcated and accounted for separately as a derivative, whereby ECP would pay contingent interest to the holder concurrently with payments made on the Redemption Notes. The contingent interest liability was transferred to ECG as part of the Transaction. The rate of contingent interest is 14.9626% on the Redemption notes. The estimated fair value assigned to the contingent interest financial instrument is based on a discounted cash flow analysis to determine the present value of the future obligation.

As of December 31, 2019 and 2018, $1,799,546 and $4,032,105, respectively, was recorded in the accompanying consolidated balance sheets as the fair value of the derivative liability. For the years ended December 31, 2019 and 2018, the Company paid interest according to this agreement of $2,470,499 and $55,310, respectively. The derivative financial instrument is revalued at each reporting date at its fair value, with changes in fair value reported as charges or credits to other income or other expense. For the years ended December 31, 2019 and 2018, $237,940 and $661,634, respectively, were recorded to loss on derivative liability in the accompanying consolidated statements of operations.

13. Members' Equity

To provide long term incentives and attract and retain key members of management, ETCF established the 2015 Restricted Equity Incentive Plan ("Plan") which granted 1,125 incentive common units (ICUs) beginning January 1, 2015 to Management Members as defined in the Amended and Restated LLC Agreement dated January 1, 2015. The awarded units vest 5% (56.25 units) each quarter from the grant date with continued employment. In 2016, the Plan granted an additional 500 ICUs on January 1, 2016. The awarded units vest 5% (25 units) each quarter from the grant date with continued employment. As of December 31, 2019 and 2018, 1,525 and 1,200 of the units had vested, respectively.

The Company estimated the fair value of the ICUs at grant date using a discounted cash flow analysis of future amounts distributable to ICU holders assuming planned growth in fee income and expected cost structure. ETCF must reach a cash flow hurdle as defined in the Plan for the ICU holders to receive distributions and be allocated income. Accordingly, as the cash flow hurdle has not been met as of December 31, 2019 and 2018, respectively, no income is allocable to the non-controlling interest. For the years ended December 31, 2019 and 2018, $32,090

13. Members' Equity (continued)

and $64,457, respectively, was recorded as a non-cash expense related to the ICU issuances and included in general and administrative expense in the accompanying consolidated statements of operations.

14. Fair Value Disclosures

ASC 825, *Financial Instruments*, requires an entity to provide disclosures about the fair value of financial instruments. These financial instruments include cash and cash equivalents, receivables, investments in qualified businesses, payables and accrued expenses, unearned premium tax credits, derivatives, and notes payable.

The Company has segregated all financial assets and liabilities that are measured at fair value on a recurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to estimate the fair value at the measurement date in the tables below. See Fair Value Measurements in Note 1 for a description of how fair value measurements are determined.

All realized and unrealized gains and losses on investments are included in earnings and are reported in net realized loss on investments and in net change in unrealized loss on investments, respectively, in the statement of operations.

The Company's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstances that caused the transfer.

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level 3 of the fair value hierarchy as of December 31, 2019 and 2018.

	Fair Value at December 31 2019	Valuation Technique	Unobservable Inputs	Ranges	Weighted Average
Debt securities	$ 39,487,850	Discounted cash flows	Discount rate	2%–12%	7%
			ROI multiple	1.0x	1.0x
Equity securities	500,000	Enterprise value waterfall	Revenue multiple	1.7x	1.7x
	2,954,012	Transaction price	N/A	N/A	N/A

	Fair Value at December 31 2018	Valuation Technique	Unobservable Inputs	Ranges	Weighted Average
Debt securities	$ 12,630,000	Discounted cash flows	Discount rate		
			ROI multiple	6%–10% 1.0x	7% 1.0x
Equity securities	500,000	Enterprise value waterfall	Revenue multiple	1.7x	1.7x
	2,568,801	Transaction price	N/A	N/A	N/A

The significant inputs used in the measurement of debt securities include the discount rate. Increases (decreases) in the discount rate in isolation can result in a lower (higher) fair value measurement. The significant unobservable inputs used in the fair value measurement of equity securities are exit multiples, revenue multiples, and EBITDA multiples. Increases (decreases) in any of the exist multiples, revenue multiples, and EBITDA multiples in isolation can results in a higher (lower) fair value measurement.

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued)

14. Fair Value Disclosures (continued)

Changes in Level 3 assets measured at fair value on a recurring basis were as follows:

	Investments
Balance at December 31, 2017	$ 4,936,000
Purchases of investments	12,630,000
Unrealized loss on investments	(1,867,199)
Balance at December 31, 2018	$ 15,698,801
Purchases of investments	**34,837,850**
Proceeds from repayment of investments	**(5,080,000)**
Unrealized loss on investments	**(2,514,789)**
Balance at December 31, 2019	**$ 42,941,862**

Net unrealized losses on investments of $2,514,789 and $1,867,199 during the years ended December 31, 2019 and 2018, respectively, are related to portfolio company investments that were still held by the Company as of December 31, 2019 and 2018, respectively.

Changes in Level 3 liabilities measured at fair value on a recurring basis were as follows:

	Derivative Liability
Balance at December 31, 2017	3,425,781
Payment on derivative liability	(55,310)
Loss on derivative liability	661,634
Balance at December 31, 2018	4,032,105
Payment on derivative liability	**(2,470,499)**
Loss on derivative liability	**237,940**
Balance at December 31, 2019	**$ 1,799,546**

The carrying amount and estimated fair values, as well as the level within the fair value hierarchy, of the Company's financial instruments are included in the tables below. See Note 1, Summary of Significant Accounting Policies, for a description of how fair value measurements are determined.

Assets		December 31, 2019	December 31, 2018
	Level 1	$ —	$ —
Investments in qualified businesses(1)	Level 2	—	—
	Level 3	**42,941,862**	15,698,801
	Total	**$ 42,941,862**	$ 15,698,801

Liabilities		December 31, 2019	December 31, 2018
	Level 1	**$ —**	$ —
Derivative liability(2)	Level 2	—	—
	Level 3	**1,799,546**	4,032,105
	Total	**$ 1,799,546**	$ 4,032,105

(1) Includes debt and equity securities held by state-focused funds in underlying portfolio companies.

14. Fair Value Disclosures (continued)

(2) Derivative not designated as a hedging instrument.

15. Related party transactions

The Company entered into an Administrative Services Agreement with Enhanced Capital Partners, LLC to provide personnel and resources in order for the Company to operate its business units. The Company recognized $6,863,726 and $6,462,952 of general and administrative expenses under this arrangement for the years ended December 31, 2019 and 2018, respectively.

The Company entered into an Administrative Services Agreement with Tree Line Capital Partners, LLC to provide personnel and resources in order for the Company to operate its business units. The Company recognized $5,442 and $1,105,187 of general and administrative expenses under this arrangement for the years ended December 31, 2019 and 2018, respectively.

16. Goodwill

At December 31, 2019 and 2018, the Company performed its annual qualitative assessment for impairment of Goodwill by assessing qualitative indicators of impairment to determine if it is more likely than not that the fair value of the Company's operating entities is less than their respective carrying values. Based on the test performed, the Company did not identify any impairment loss as of December 31, 2019 or 2018. As of December 31, 2019 and 2018, the Company recorded $11,201,489 in Goodwill in the accompanying consolidated balance sheets.

17. SSBCI Program Obligation

In November 2011, J4T was approved by the TDA to be a participant in the Jobs for Texas program. J4T was awarded a $10,000,000 investment fund allocation which will be used to invest in qualifying small businesses headquartered within the state of Texas. The program requires a parallel investment be made with private capital for each dollar of allocation used to fund a qualifying business. On December 12, 2014, the performance agreement with the TDA was amended to reduce the investment fund allocation to $5,000,000. As of December 31, 2019 and 2018, the TDA had made cumulative capital contributions of $11,947,826 for investment in qualified businesses, the Company had outstanding capital called of $5,512,036, and had no remaining committed funding. As of December 31, 2019 and 2018, $3,157,268 and $2,642,634, respectively, were recorded as a SSBCI program obligation in the accompanying consolidated balance sheets.

18. Commitments and Contingencies

In the ordinary course of its business, the Company may enter into contracts or agreements that contain indemnifications. Future events could occur that lead to the execution of these provisions against the Company. Based on its history and experience, management believes that the likelihood of such an event is remote.

19. Revisions to Previously Issued Consolidated Financial Statements

These revised consolidated financial statements are prepared in order to meet the requirements prescribed in Regulation S-X, which specifies the form and content of the consolidated financial statements and related notes. These consolidated financial statements are intended to replace in their entirety, the original audited consolidated

19. Revisions to Previously Issued Consolidated Financial Statements (continued)

financial statements for the years ended December 31, 2019 and 2018 that were available to be issued on May 1, 2020. We have made changes to those previously issued financial statements for the years ended December 31, 2019 and 2018 as detailed below.

The Company originally accounted for its goodwill under the Private Company Council (“PCC”) alternative, which allowed for the Company to assess qualitatively if any indicators of impairment exist on an annual basis and amortize the amount ratably over a 10-year period. The Company recorded approximately $11.2 million of goodwill in connection with a 2013 transaction and had previously amortized the amount under the PCC alternative. The Company has performed a qualitative assessment over its goodwill and concluded that no impairments exist at any date. As a result, these consolidated financial statements have been updated to reflect the reversal of $1,120,149 of amortization expense for the years ended December 31. 2019 and 2018, the cumulative impact to members equity of $4,480,596 as of January 1, 2018, and the recording of $11.2 million of goodwill on the consolidated balance sheets. In addition to the change in accounting for goodwill, we have included additional information in our Schedules of Investments, including the applicable interest rates and maturity dates. We have also included required financial highlights in accordance with ASC 946 (see Note 21).

20. Subsequent Events

The Company has evaluated subsequent events through December 23, 2020, the date these consolidated financial statements were available to be issued. During March 2020, the spread of COVID-19 throughout the country resulted in a national and global pandemic, including the temporary shutdown of many small businesses throughout the country. The Company continues to assess the impact COVID-19 is having on its investment portfolio. Based on inquiries with fund managers and management of portfolio companies, the Company has not identified any adjustments to the estimated fair value of the portfolio that would have a material impact on the investment portfolio in the aggregate, however, the overall impact will depend on the duration of the effects of COVID-19, and is not yet known at this time. The Company has not performed formal valuation update procedures since the balance sheet date. Actual results may differ from current estimates.

In November 2020, an unrelated entity entered into a definitive agreement to acquire, directly or indirectly, 100% of the outstanding equity interests of ECG from existing shareholders in exchange for consideration comprised of cash, repayment of certain ECG debts, and equity in the acquiring entity. The transaction was completed in December 2020 causing the ICUs discussed in Note 13 to fully vest and the cash flow hurdle to be met resulting in allocable distributions from the transaction proceeds to the non-controlling interest. In conjunction with the transaction, ECG entered into a reorganization agreement with ECP whereby a new limited liability company, Enhanced Permanent Capital, LLC (“EPC”), was created and ECG and ECP contributed their permanent capital subsidiaries, including Enhanced Jobs for Texas, LLC, to EPC in exchange for membership interests in EPC in proportion to the fair value of the net assets contributed. No effect was given to this transaction in the accompanying consolidated financial statements as of and for the years ended December 31, 2019 and 2018.

21. Financial Highlights

The Company is presenting the following disclosures for nonregistered investment companies as required by ASC 946. Such results may not be indicative of future performance of the Company. The ratios presented are calculated for member's (deficit) equity as a whole.

	Year Ended December 31, 2019	2018
Total Return[(a)]	(2,063%)	40%
Ratios to average member's (deficit) equity:[(b)]		
Net investment loss	(c)	(73)
Operating expenses	(c)	426

(a) The total return is computed based on the change in value during the period of a theoretical investment made at the beginning of the period. The change in value of a theoretical investment is measured by comparing the Company's aggregate ending value with the aggregate beginning value, adjusted for cash flows related to capital contributions or withdrawals during the period. There were no incentive allocations for the Company for the Years ended December 31, 2019 and 2018.

(b) Ratios are computed on the weighted-average member's (deficit) equity of the Company for the Years ended December 31, 2019 and 2018. Net investment loss, as defined, excludes realized and unrealized losses.

(c) Ratios are not meaningful due to the Member's deficit as of December 31, 2019.

Supplementary Information

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Report of Independent Auditors on Supplementary Information

The Members
Enhanced Capital Group, LLC

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheets and consolidating statements of operations of Enhanced Capital Group, LLC and consolidating balance sheets and consolidating statements of operations of Enhanced Tax Credit Finance, LLC are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst & Young LLP

December 23, 2020

Enhanced Capital Group, LLC and subsidiaries
Consolidating Balance Sheet
December 31, 2019

	Enhanced Capital Group, LLC	Enhanced Tax Credit Finance, LLC Consolidated	Enhanced Asset Management, LLC Consolidated	Eliminations	Consolidated Total
Assets					
Cash and cash equivalents	$ 237,853	$ 6,188,473	$ 31,069	$ —	$ 6,457,395
Restricted cash	—	20,908,019	—	—	20,908,019
Accounts receivable	—	295,700	126,028	—	421,728
Accrued interest receivable	99,322	2,745,328	—	—	2,844,650
Due from related party	650,000	130,396	—	(650,000)	130,396
Related party note receivable	88,063	—	—	—	88,063
ECP note receivable, net of discount and valuation allowance	36,093,157	—	—	—	36,093,157
State NMTC notes receivable	—	6,762,500	—	—	6,762,500
Investments, at estimated fair value	—	39,787,850	3,154,012	—	42,941,862
Investment in unconsolidated subsidiaries	—	233,743	1,922,033	—	2,155,776
Investment in consolidated subsidiaries	4,169,625	—	—	(4,169,625)	—
Transferable state tax credits	—	2,943,102	—	—	2,943,102
Other assets	67,657	27,493	—	—	95,150
Debt issuance costs	—	—			—
Goodwill	11,201,489	—	—	—	11,201,489
Total assets	$ 52,607,166	$ 80,022,604	$ 5,233,142	$ (4,819,625)	$ 133,043,287
Liabilities and deficit					
Liabilities					
Accounts payable and accrued expenses	$ 210,325	$ 394,261	$ 17,100	$ —	$ 621,686
Unearned premium tax credits	—	7,485,000	—	—	7,485,000
Accrued interest payable	496,224	2,242,531	—	—	2,738,755
State tax credit deposits	—	491,074	—	—	491,074
Unearned management fees	—	2,340,136	—	—	2,340,136
State program obligation	—	—	3,157,268	—	3,157,268
Due to related parties	2,165,187	650,000	—	(650,000)	2,165,187
State tax credit notes payable	—	26,255,632	—	—	26,255,632
State program notes payable	—	33,092,811	—	—	33,092,811
Revolving credit facility- state tax incentive programs	—	2,943,102	—	—	2,943,102
Investment firm notes payable, net of unamortized debt issuance costs	39,112,986	—	—	—	39,112,986
Derivative liability	1,799,546	—	—	—	1,799,546
Redemption notes payable, net of discount	17,856,930	—	—	—	17,856,930
Total liabilities	61,641,198	75,894,547	3,174,368	(650,000)	140,060,113
Deficit					
Members' deficit	(9,034,032)	(2,459,924)	2,058,774	(4,169,625)	(13,604,807)
Non-controlling interests	—	6,587,981	—	—	6,587,981
Total deficit	(9,034,032)	4,128,057	2,058,774	(4,169,625)	(7,016,826)
Total liabilities and deficit	$ 52,607,166	$ 80,022,604	$ 5,233,142	$ (4,819,625)	$ 133,043,287

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Enhanced Capital Group, LLC and subsidiaries
Consolidating Statement of Operations
December 31, 2019

	Enhanced Capital Group, LLC	Enhanced Tax Credit Finance, LLC Consolidated	Enhanced Asset Management, LLC Consolidated	Eliminations	Consolidated Total
Revenue					
Interest income, including fees:					
Cash and cash equivalents	$ —	$ 224,712	$ —	$ —	$ 224,712
Notes receivable	5,610,615	1,507,015	—	—	7,117,630
Asset management fees	(344,110)	—	1,295,605	344,110	1,295,605
Tax credit fees	—	10,489,846	—	—	10,489,846
Investments	—	2,302,107	—	—	2,302,107
Total interest income, including fees	5,266,505	14,523,680	1,295,605	344,110	21,429,900
Dividend income from subsidiaries	11,429,414	—	—	(11,429,414)	—
Total Revenue	16,695,919	14,523,680	1,295,605	(11,085,304)	21,429,900
Expenses					
Management fees	—	—	(346,084)	346,084	—
Professional fees	498,562	1,357,994	16,774	—	1,873,330
General and administrative	8,773,824	1,823,212	3,820	(1,974)	10,598,882
Interest, net of discount amortization	11,628,686	6,422,234	—	—	18,050,920
Depreciation and other amortization	147,030	—	—	—	147,030
Total expenses	21,048,102	9,603,440	(325,490)	344,110	30,670,162
Net investment (loss) income	(4,352,183)	4,920,240	1,621,095	(11,429,414)	(9,240,262)
Income from unconsolidated subsidiaries	—	—	922,079	—	922,079
Change in state profits interest	—	—	(514,634)	—	(514,634)
Loss on derivative liability	(237,940)	—	—	—	(237,940)
Change in valuation on ECP note receivable	(9,096,805)	—	—	—	(9,096,805)
Net realized loss on investments	—	—	—	—	—
Unrealized loss on investments:	—	(2,600,000)	85,211	—	(2,514,789)
Beginning of year	—	—	(1,867,199)	—	(1,867,199)
End of year	—	(2,600,000)	(1,781,988)	—	(4,381,988)
Net change in unrealized loss on investments	—	(2,600,000)	85,211	—	(2,514,789)
Net realized and unrealized loss on investments	—	(2,600,000)	85,211	—	(2,514,789)
State and local income tax expense	(50,852)	—	—	—	(50,852)
Net income (loss)	$ (13,636,076)	$ 2,320,240	$ 2,113,751	$ (11,429,414)	$ (20,631,499)

Enhanced Capital Group, LLC and subsidiaries
Consolidating Balance Sheet
December 31, 2018

	Enhanced Capital Group, LLC	Enhanced Tax Credit Finance, LLC Consolidated	Enhanced Asset Management, LLC Consolidated	Eliminations	Consolidated Total
Assets					
Cash and cash equivalents	$ 287,843	$ 7,350,995	$ 341,527	$ —	$ 7,980,365
Restricted cash	—	56,058,511	—	—	56,058,511
Accounts receivable	—	73,873	126,028	—	199,901
Accrued interest receivable	499,162	1,541,831	—	—	2,040,993
Due from related party	364,324	134,938	—	(347,247)	152,015
Related party note receivable	86,725	—	—	—	86,725
ECP note receivable, net of discount	48,530,846	—	—	—	48,530,846
State NMTC notes receivable	—	6,762,500	—	—	6,762,500
Investments, at estimated fair value	—	12,630,000	3,068,801	—	15,698,801
Investment in unconsolidated subsidiaries	—	229,981	1,523,349	—	1,753,330
Investment in consolidated subsidiaries	6,594,273	—	—	(6,594,273)	—
Transferable state tax credits	—	1,227,022	—	—	1,227,022
Other assets	90,091	26,880	—	—	116,971
Goodwill	11,201,489	—	—	—	11,201,489
Total assets	$ 67,654,753	$ 86,036,531	$ 5,059,705	$ (6,941,520)	$ 151,809,469
Liabilities and equity					
Liabilities					
Accounts payable and accrued expenses	$ 164,602	$ 199,232	$ 17,100	$ —	$ 380,934
Unearned premium tax credits	—	5,620,000	—	—	5,620,000
Accrued interest payable	3,352,140	2,048,630	—	—	5,400,770
State tax credit deposits	—	890,839	—	—	890,839
Unearned management fees	—	2,276,955	—	—	2,276,955
State program obligation	—	—	2,642,634	—	2,642,634
Due to related parties	1,585,482	341,799	345,947	(347,247)	1,925,981
State tax credit notes payable	—	35,521,514	—	—	35,521,514
State program notes payable	—	32,818,367	—	—	32,818,367
Credit facility, net of debt issuance costs	—	1,226,794	—	—	1,226,794
Investment firm notes payable, net of discount	23,836,236	—	—	—	23,836,236
Derivative liability	4,032,105	—	—	—	4,032,105
Redemption notes payable, net of discount	25,817,496	—	—	—	25,817,496
Total liabilities	58,788,061	80,944,130	3,005,681	(347,247)	142,390,625
Equity					
Members' equity	8,866,692	4,540,249	2,054,024	(6,594,273)	8,866,692
Non-controlling interests	—	552,152	—	—	552,152
Total equity	8,866,692	5,092,401	2,054,024	(6,594,273)	9,418,844
Total liabilities and equity	$ 67,654,753	$ 86,036,531	$ 5,059,705	$ (6,941,520)	$ 151,809,469

Enhanced Capital Group, LLC and subsidiaries
Consolidating Statement of Operations
December 31, 2018

	Enhanced Capital Group, LLC	Enhanced Tax Credit Finance, LLC Consolidated	Enhanced Asset Management, LLC Consolidated	Eliminations	Consolidated Total
Revenue					
Interest income, including fees:					
Cash and cash equivalents	$ —	$ 63,959	$ —	$ —	$ 63,959
Notes receivable	6,467,380	478,608	—	—	6,945,988
Asset management fees	—	—	2,809,102	—	2,809,102
Tax credit fees	—	8,956,198	—	—	8,956,198
Investments	—	442,359	—	—	442,359
Total interest income, including fees	6,467,380	9,941,124	2,809,102	—	19,217,606
Dividend income from subsidiaries	15,005,198	—	—	(15,005,198)	—
Total Revenue	21,472,578	9,941,124	2,809,102	(15,005,198)	19,217,606
Expenses					
Professional Fees	183,526	1,155,630	23,006		1,362,162
General and administrative	9,073,023	1,652,372	3,157	—	10,728,552
Interest, net of discount amortization	7,034,279	3,912,878	—	—	10,947,157
Depreciation and other amortization	171,127	—	—		171,127
Total expenses	16,461,955	6,720,880	26,163	—	23,208,998
Net investment income (loss)	5,010,623	3,220,244	2,782,939	(15,005,198)	(3,991,392)
Income from unconsolidated subsidiaries	—	—	282,412	—	282,412
Change in state profits interest	—	—	1,992,255	—	1,992,255
Loss on derivative liability	(661,634)	—	—	—	(661,634)
Gain on sale of subsidiary	—	—	4,691,912	—	4,691,912
Unrealized gain/(loss) on investments	—	—	(1,867,199)	—	(1,867,199)
Net realized and unrealized loss on investments	—	—	(1,867,199)	—	(1,867,199)
Income tax expense	50,853	—	—	—	50,853
Net income (loss)	$ 4,298,136	$ 3,220,244	$ 7,882,319	$(15,005,198)	$ 395,501

Enhanced Tax Credit Finance, LLC and subsidiaries
Consolidating Balance Sheet
December 31, 2019

	Enhanced Tax Credit Finance, LLC	Enhanced Capital Consulting, LLC Consolidated	Enhanced Community Development, LLC	Enhanced Capital HTC Manager, LLC	Enhanced Capital RETC Manager, LLC	Enhanced Capital Tax Credit Manager, LLC	Enhanced Capital Utah Note Issuer, LLC	Enhanced Capital Utah Rural Fund, LLC	Enhanced Tax Credit Lending, LLC	Enhanced Capital Georgia Rural Holdings, LLC Consolidated	Enhanced Capital OH Rural Holdings, LLC Consolidated	Enhanced Capital Rural Manager, LLC	Total	Eliminations	Consolidated Total
Assets															
Cash and cash equivalents	$ 58,220	$ 737,854	$ 2,823,122	$ 650,247	$ 1,057,899	$ 53,029	$ —	$ 27,208	$ 192,419	$ 149,827	$ 377,936	$ 60,712	$ 6,188,473	$ —	$ 6,188,473
Restricted cash	—	$ —	—	—	—	—	—	4,470,000	489,009	4,993,670	10,955,340	—	20,908,019	—	20,908,019
Accounts receivable	—	$ —	286,496	—	9,204	—	—	—	—	—	—	—	295,700	—	295,700
Accrued interest receivable	—	$ —	—	—	—	—	2,475,080	49,686	—	113,498	107,064	—	2,745,328	—	2,745,328
Due from related party	—	$ 90,259	430	40,531	—	—	—	—	16,766	—	—	369,102	517,088	(386,692)	130,396
State NMTC notes receivable	—	$ —	—	—	—	—	6,762,500	—	—	—	—	—	6,762,500	—	6,762,500
Investments, at estimated fair value	—	$ —	—	—	—	—	—	6,930,000	—	15,932,850	16,925,000	—	39,787,850		39,787,850
Investment in unconsolidated subsidiaries	—	$ 158,350	75,393	—	—	—	—	—	—	—	—	—	233,743	—	233,743
Investment in consolidated subsidiaries	9,844,953	$ —	—	—	—	—	—	—	—	—	—	—	9,844,953	(9,844,953)	—
Transferable state tax credits	—	$ 2,943,102	—	—	—	—	—	—	—	—	—	—	2,943,102	—	2,943,102
Other assets	—	$ 27,493	—	—	—	—	—	—	—	—	—	—	27,493	—	27,493
Total assets	$ 9,903,173	$ 3,957,058	$ 3,185,441	$ 690,778	$ 1,067,103	$ 53,029	$ 9,237,580	$ 11,476,894	$ 698,194	$ 21,189,845	$ 28,365,340	$ 429,814	$ 90,254,249	$ (10,231,645)	$ 80,022,604
Liabilities and members' equity															
Liabilities															
Accounts payable and accrued expenses	$ —	$ 23,137	$ 128,499	$ 150,375	$ 2,293	$ —	$ —	$ 28,165	$ —	$ 22,996	$ 22,996	$ 15,800	394,261	$ —	$ 394,261
Unearned premium tax credits	—	—	—	—	—	—	7,485,000	$ —	—	—	—	—	7,485,000	—	$ 7,485,000
Accrued interest payable	—	—	—	—	—	—	47,802	$ 1,207,306	—	263,445	723,978	—	2,242,531	—	$ 2,242,531
State tax credit deposits	—	—	—	—	—	—	—	$ —	491,074	—	—	—	491,074	—	$ 491,074
Unearned management fees	—	—	—	2,340,136	—	—	—	$ —	—	—	—	—	2,340,136	—	$ 2,340,136
Due to related parties	—	—	—	16,700	—	—	—	$ —	—	146,996	222,996	650,000	1,036,692	(386,692)	$ 650,000
State tax credit notes payable	—	—	—	—	—	—	1,946,485	$ —	—	10,863,595	13,445,552	—	26,255,632	—	$ 26,255,632
State program notes payable	—	—	—	—	—	—	—	$ 6,910,652	—	11,218,454	14,963,705	—	33,092,811	—	$ 33,092,811
Revolving credit facility-state tax incentive programs	—	2,943,102	—	—	—	—	—	$ —	—	—	—	—	2,943,102	—	$ 2,943,102
Total liabilities	—	2,966,239	128,499	2,507,211	2,293	—	9,479,287	$ 8,146,123	491,074	$ 22,515,486	29,379,227	665,800	76,281,239	(386,692)	75,894,547
Members' equity (deficit)															
Paid-in capital	40,000	624,003	3,505,622	—	—	10,000	—	$ 1,641,667	—	1,533,661	2,500,000	30,000	9,884,953	(9,844,953)	40,000
Retained earnings	9,252,815	113,191	193,554	(1,922,881)	1,220,541	172,078	(878,322)	$ (895,774)	509,786	(1,722,922)	(2,023,915)	482,099	4,500,250	—	4,500,250
Dividends paid	(9,320,414)	(2,050,000)	(3,520,414)	(1,000,000)	(1,600,000)	(300,000)	(475,000)	$ —	(575,000)	—	—	—	(18,840,828)	9,520,414	(9,320,414)
Current year income (loss)	9,346,530	2,303,625	2,878,180	1,106,448	1,444,269	170,951	1,111,615	$ (3,418,861)	272,334	(1,136,380)	(1,489,972)	(748,085)	11,840,654	(9,520,414)	2,320,240
Total	9,318,931	990,819	3,056,942	(1,816,433)	1,064,810	53,029	(241,707)	$ (2,672,968)	207,120	(1,325,641)	(1,013,887)	(235,986)	7,385,029	(9,844,953)	(2,459,924)
Non-controlling interest	584,242	—	—	—	—	—	—	$ 6,003,739	—	—	—	—	6,587,981		6,587,981
Total members' equity	9,903,173	990,819	3,056,942	(1,816,433)	1,064,810	53,029	(241,707)	3,330,771	207,120	(1,325,641)	(1,013,887)	(235,986)	13,973,010	(9,844,953)	4,128,057
Total liabilities and members' equity	$ 9,903,173	$ 3,957,058	$ 3,185,441	$ 690,778	$ 1,067,103	$ 53,029	$ 9,237,580	$ 11,476,894	$ 698,194	$ 21,189,845	$ 28,365,340	$ 429,814	$ 90,254,249	$ (10,231,645)	$ 80,022,604

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Enhanced Tax Credit Finance, LLC and subsidiaries
Consolidating Statement of Operations
December 31, 2019

	Enhanced Tax Credit Finance, LLC	Enhanced Capital Consulting, LLC Consolidated	Enhanced Community Development, LLC	Enhanced Capital HTC Manager, LLC	Enhanced Capital RETC Manager, LLC	Enhanced Capital Tax Credit Manager, LLC	Enhanced Capital Utah Note Issuer, LLC	Enhanced Tax Credit Lending, LLC	Enhanced Capital Utah Rural Fund, LLC	Enhanced Capital Georgia Rural Holdings, LLC Consolidated	Enhanced Capital OH Rural Holdings, LLC Consolidated	Enhanced Capital Rural Manager, LLC	Eliminations	Consolidated Total
Revenue														
Interest income, including fees:														
Cash and cash equivalents	$ —	$ —	$ 98	$ —	$ —	$ —	$ —	$ —	$ —	$ 76,532	$ 148,082	$ —	$ —	$ 224,712
Notes receivable	—	—	—	—	—	—	1,507,015	—	—	—	—	—	—	1,507,015
Tax credit fees	—	2,906,882	4,037,264	1,384,953	1,601,579	205,333	—	353,835	—	—	—	—	—	10,489,846
Investments	—	—	—	—	—	—	—	—	427,723	784,805	1,089,579	—	—	2,302,107
Total interest income, including fees	—	2,906,882	4,037,362	1,384,953	1,601,579	205,333	1,507,015	353,835	427,723	861,337	1,237,661	—	—	14,523,680
Dividend income from subsidiaries	9,520,414	—	—	—	—	—	—	—	—	—	—	—	(9,520,414)	—
Total Revenue	9,520,414	2,906,882	4,037,362	1,384,953	1,601,579	205,333	1,507,015	353,835	427,723	861,337	1,237,661	—	(9,520,414)	14,523,680
Expenses														
Professional fees	64,446	110,508	854,033	73,796	49,019	1,258	—	11,344	25,602	51,675	41,562	74,751	—	1,357,994
General and administrative	109,438	302,343	305,149	204,709	108,291	33,124	—	70,157	16,667	—	—	673,334	—	1,823,212
Interest, net of discount amortization	—	190,406	—	—	—	—	395,400	—	1,204,315	1,946,042	2,686,071	—	—	6,422,234
Total expenses	173,884	603,257	1,159,182	278,505	157,310	34,382	395,400	81,501	1,246,584	1,997,717	2,727,633	748,085	—	9,603,440
Unrealized loss on investments	—	—	—	—	—	—	—	—	(2,600,000)	—	—	—		(2,600,000)
Income tax expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income (loss)	$ 9,346,530	$ 2,303,625	$ 2,878,180	$ 1,106,448	$ 1,444,269	$ 170,951	$ 1,111,615	$ 272,334	$ (3,418,861)	$ (1,136,380)	$ (1,489,972)	$ (748,085)	$ (9,520,414)	$ 2,320,240

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Enhanced Tax Credit Finance, LLC and subsidiaries
Consolidating Balance Sheet
December 31, 2018

	Enhanced Tax Credit Finance, LLC	Enhanced Capital Consulting, LLC Consolidated	Enhanced Community Development, LLC	Enhanced Capital HTC Manager, LLC	Enhanced Capital RETC Manager, LLC	Enhanced Capital Tax Credit Manager, LLC	Enhanced Capital Utah Note Issuer, LLC	Enhanced Capital Utah Rural Investor, LLC Consolidated	Enhanced Tax Credit Lending, LLC	Enhanced Capital Georgia Rural Holdings, LLC Consolidated	Enhanced Capital Ohio Rural Holdings, LLC Consolidated	Enhanced Capital Rural Manager, LLC	Eliminations	Consolidated Total
Assets														
Cash and cash equivalents	$ 15	$ 861,148	$ 3,634,892	$ 376,001	$ 1,219,811	$ 174,008	$ —	$ 9,653	$ 445,308	$ 70,229	$ 28,397	$ 531,533	$ —	$ 7,350,995
Restricted cash	—	—	—	—	—	—	—	8,370,000	890,839	16,984,028	29,813,644	—	—	56,058,511
Accounts receivable	—	—	65,073	—	729	8,071	—	—	—	—	—	—	—	73,873
Accrued interest receivable	—	—	—	—	—	—	1,443,065	59,390	—	38,959	417	—	—	1,541,831
Due from related party	—	107,977	3,047	37,304	—	—	—	—	64,778	—	—	110	(78,278)	134,938
State NMTC notes receivable	—	—	—	—	—	—	6,762,500	—	—	—	—	—	—	6,762,500
Investments, at estimated fair value	—	—	—	—	—	—	—	5,630,000	—	5,800,000	1,200,000	—		12,630,000
Investment in unconsolidated subsidiaries	—	158,350	71,631	—	—	—	—	—	—	—	—	—	—	229,981
Investment in consolidated subsidiaries	5,092,386	—	—	—	—	—	—	—	—	—	—	—	(5,092,386)	—
Transferable state tax credits	—	1,227,022	—	—	—	—	—	—	—	—	—	—	—	1,227,022
Other assets	—	26,880	—	—	—	—	—	—	—	—	—	—	—	26,880
Total assets	$ 5,092,401	$ 2,381,377	$ 3,774,643	$ 413,305	$ 1,220,540	$ 182,079	$ 8,205,565	$ 14,069,043	$ 1,400,925	$ 22,893,216	$ 31,042,458	$ 531,643	$ (5,170,664)	$ 86,036,531
Liabilities and equity														
Liabilities														
Accounts payable and accrued expenses	$ —	$ —	$ 72,000	$ 33,531	$ —	$ —	$ —	$ 28,165	$ —	$ 22,996	$ 22,996	$ 19,544	$ —	$ 199,232
Unearned premium tax credits	—	—	—	—	—	—	5,620,000	—	—	—	—	—	—	5,620,000
Accrued interest payable	—	27,779	—	—	—	—	83,083	884,347	—	271,545	781,876	—	—	2,048,630
State tax credit deposits	—	—	—	—	—	—	—	—	890,839	—	—	—	—	890,839
Unearned management fees	—	—	—	2,276,955	—	—	—	—	—	—	—	—	—	2,276,955
Due to related parties	—	389,611	3,466	25,700	—	—	—	—	300	1,000	—	—	(78,278)	341,799
State tax credit notes payable	—	—	—	—	—	—	3,380,805	5,515,898	—	11,624,811	15,000,000	—	—	35,521,514
State program notes payable	—	—	—	—	—	—	—	6,894,740	—	11,162,126	14,761,501	—	—	32,818,367
Credit facility, net of debt issuance costs	—	1,226,794	—	—	—	—	—	—	—	—	—	—	—	1,226,794
Total liabilities	—	1,644,184	75,466	2,336,186	—	—	9,083,888	13,323,150	891,139	23,082,478	30,566,373	19,544	(78,278)	80,944,130
Equity (deficit)														
Members' equity	4,540,249	737,193	3,699,177	(1,922,881)	1,220,540	182,079	(878,323)	745,893	509,786	(189,262)	476,085	512,099	(5,092,386)	4,540,249
Non-controlling interest	552,152	—	—	—	—	—	—	—	—	—	—	—	—	552,152
Total equity	5,092,401	737,193	3,699,177	(1,922,881)	1,220,540	182,079	(878,323)	745,893	509,786	(189,262)	476,085	512,099	(5,092,386)	5,092,401
Total liabilities and equity	$ 5,092,401	$ 2,381,377	$ 3,774,643	$ 413,305	$ 1,220,540	$ 182,079	$ 8,205,565	$ 14,069,043	$ 1,400,925	$ 22,893,216	$ 31,042,458	$ 531,643	$ (5,170,664)	$ 86,036,531

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Enhanced Tax Credit Finance, LLC and subsidiaries
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	Enhanced Tax Credit Finance, LLC	Enhanced Capital Consulting, LLC Consolidated	Enhanced Community Development, LLC	Enhanced Capital HTC Manager, LLC	Enhanced Capital RETC Manager, LLC	Enhanced Capital Tax Credit Manager, LLC	Enhanced Tax Credit Lending, LLC	Enhanced Capital Utah Note Issuer, LLC	Enhanced Capital Utah Rural Investor, LLC Consolidated	Enhanced Capital Georgia Rural Holdings, LLC Consolidated	Enhanced Capital Ohio Rural Holdings, LLC Consolidated	Enhanced Capital Rural Manager, LLC	Eliminations	Consolidated Total
Revenue														
Interest income, including fees:														
Cash and cash equivalents	$ —	$ —	$ 11,370	$ —	$ —	$ —	$ —	$ —	$ —	$ 29,735	$ 22,854	$ —	$ —	$ 63,959
Notes receivable	—	—	—	—	—	—	—	478,608	—	—	—	—	—	478,608
Tax credit fees	—	2,329,171	3,777,608	987,062	1,244,671	179,517	438,169	—	—	—	—	1,800,000	(1,800,000)	8,956,198
Investments	—	—	—	—	—	—	—	—	265,469	131,516	45,374	—	—	442,359
Total interest income, including fees	—	2,329,171	3,788,978	987,062	1,244,671	179,517	438,169	478,608	265,469	161,251	68,228	1,800,000	(1,800,000)	9,941,124
Dividend income from subsidiaries	11,325,343	—	—	—	—	—	—	—	—	—	—	—	(11,325,343)	—
Total Revenue	11,325,343	2,329,171	3,788,978	987,062	1,244,671	179,517	438,169	478,608	265,469	161,251	68,228	1,800,000	(13,125,343)	9,941,124
Expenses														
Professional Fees	—	75,765	907,209	20,774	1,718	3,210	11,741	—	16,994	840,660	1,040,650	36,909	(1,800,000)	1,155,630
General and administrative	64,457	662,807	396,740	180,271	79,571	4,228	—	—	16,967	—	—	247,331	—	1,652,372
Interest, net of discount amortization	—	130,284	—	—	—	—	—	605,748	1,081,838	1,043,515	1,051,493	—	—	3,912,878
Total expenses	64,457	868,856	1,303,949	201,045	81,289	7,438	11,741	605,748	1,115,799	1,884,175	2,092,143	284,240	(1,800,000)	6,720,880
Net income (loss)	$ 11,260,886	$ 1,460,315	$ 2,485,029	$ 786,017	$ 1,163,382	$ 172,079	$ 426,428	$ (127,140)	$ (850,330)	$ (1,722,924)	$ (2,023,915)	$ 1,515,760	$ (11,325,343)	$ 3,220,244

Enhanced Capital Group, LLC
Unaudited Consolidated Financial Statements
September 30, 2020 and 2019

EnhancedCapital

Enhanced Capital Group, LLC

Consolidated Balance Sheets

(UNAUDITED)

	(unaudited) September 30, 2020	(audited) December 31, 2019
Assets		
Cash and cash equivalents	**$ 5,900,715**	$ 6,457,395
Restricted cash	**2,262,608**	20,908,019
Accounts receivable	**1,818,406**	421,728
Accrued interest receivable, net	**3,491,835**	2,844,650
Due from related party	**76,497**	130,396
Related party note receivable	**89,068**	88,063
ECP note receivable, net of discount and valuation allowance	**30,212,141**	36,093,157
State NMTC notes receivable	**13,187,738**	6,762,500
Investments, at estimated fair value (cost of $62,026,000 and $47,323,850 as of September 30, 2020 and December 31, 2019 respectively)	**57,644,012**	42,941,862
Investments in unconsolidated subsidiaries	**2,021,929**	2,155,776
Investment in allocable state tax credits	**1,692,768**	2,943,102
Other assets	**848,221**	95,150
Goodwill	**11,201,489**	11,201,489
Total assets	**$ 130,447,427**	$ 133,043,287
Liabilities and deficit		
Accounts payable and accrued expenses	**$ 493,706**	$ 621,686
Unearned premium tax credits	**8,823,333**	7,485,000
Accrued interest payable	**2,978,667**	2,738,755
State tax credit deposits	**330,107**	491,074
Unearned management fees	**2,041,786**	2,340,136
State program obligation	**3,136,912**	3,157,268
Due to related parties	**2,679,454**	2,165,187
State tax credit notes payable	**26,659,698**	26,255,632
State program notes payable	**33,300,230**	33,092,811
Revolving credit facility- state tax incentive programs	**1,692,768**	2,943,102
Investment firm notes payable, net of unamortized debt issuance costs	**40,052,836**	39,112,986
Derivative liability	**2,036,592**	1,799,546
Redemption notes payable, net of discount	**18,868,881**	17,856,930
Total liabilities	**$ 143,094,970**	$ 140,060,113
Deficit		
Members' deficit	**(19,240,943)**	(13,604,807)
Noncontrolling interest	**6,593,400**	6,587,981
Total deficit	**(12,647,543)**	(7,016,826)
Total liabilities and members' deficit	**$ 130,447,427**	$ 133,043,287

See accompanying notes.

EnhancedCapital

Enhanced Capital Group, LLC

Consolidated Statements of Operations

(UNAUDITED)

	(unaudited) Nine months ended September 30, 2020	2019
Interest income, including fees:		
Cash and cash equivalents	**$ 25,216**	$ 198,201
Notes receivable	**860,238**	5,833,022
Asset management fees	**1,000,000**	920,605
Tax credit fees	**9,908,168**	5,255,234
Investments	**2,552,069**	1,618,147
Total interest income, including fees	**14,345,691**	13,825,209
Expenses:		
Professional fees	**2,030,675**	1,627,253
General and administrative	**7,113,483**	7,147,713
Interest, net of discount amortization	**7,667,732**	15,114,808
Depreciation and other amortization	**91,265**	109,689
Total expenses	**16,903,155**	23,999,463
Net investment loss	**(2,557,464)**	(10,174,254)
Income from unconsolidated subsidiaries	**368,356**	468,532
Change in state profits interest	**20,356**	91,298
Loss on derivative liability	**(237,046)**	(157,113)
Change in valuation on ECP note receivable	**(3,230,338)**	—
Unrealized loss on investments:		
Beginning of period	**(4,381,988)**	(1,867,199)
End of period	**(4,381,988)**	(3,167,199)
Net change in unrealized loss on investments	**—**	(1,300,000)
Net realized and unrealized loss on investments	**—**	(1,300,000)
Net loss	**$ (5,636,136)**	$ (11,071,537)

See accompanying notes.

Enhanced Capital Group, LLC

Consolidated Statements of Members' (Deficit) Equity

(UNAUDITED)

	Total Members' Deficit	Noncontrolling Interest	Total Deficit
Balances at December 31, 2018	$ 8,866,692	$ 552,152	$ 9,418,844
Contributions	—	6,003,739	6,003,739
Distributions	(1,840,000)	—	(1,840,000)
Net loss	(20,631,499)	—	(20,631,499)
Issuance of incentive common units	—	32,090	32,090
Balances at December 31, 2019	(13,604,807)	6,587,981	(7,016,826)
Contributions		**350**	**350**
Distributions	**—**	**—**	**—**
Net loss	**(5,636,136)**	**—**	**(5,636,136)**
Issuance of incentive common units	**—**	**5,069**	**5,069**
Balances at September 30, 2020	**$ (19,240,943)**	**$ 6,593,400**	**$ (12,647,543)**

See accompanying notes.

EnhancedCapital

Enhanced Capital Group, LLC

Consolidated Statements of Cash Flows

(UNAUDITED)

	(unaudited) Nine months ended September 30, 2020	2019
Operating Activities		
Net loss	**$ (5,636,136)**	$ (11,071,537)
Adjustment to reconcile net loss to net cash used in operating activities:		
Accretion of notes payable	**1,011,951**	7,416,073
Accretion of notes receivable	**(1,005)**	(4,616,264)
Amortization	**516,131**	707,244
Payment of interest expense with tax credits	**185,826**	345,952
Noncash incentive common unit award expense	**5,069**	24,068
Loss on derivative liability	**237,046**	157,113
Income from unconsolidated subsidiaries	**(368,356)**	(468,532)
Unrealized loss on notes receivable	**3,230,338**	—
Unrealized loss on investments	**—**	1,300,000
Purchases of investments in qualified businesses	**(16,017,150)**	(26,065,500)
Proceeds from repayment of investments in qualified businesses	**1,315,000**	1,494,597
Change in state profits interest	**(20,356)**	(91,298)
Credit enhancement fee payment	**(712,353)**	—
Changes in assets and liabilities:		
Accrued interest receivable	**(647,185)**	89,551
Accounts receivable	**(1,396,678)**	(722,974)
Investment in allocable state tax credits	**1,250,334**	(4,023,676)
Other assets	**(159,475)**	(84,302)
Due from related parties	**53,899**	35,396
Accounts payable and accrued expenses	**(127,980)**	176,480
Accrued interest payable	**239,912**	(2,503,359)
State tax credit deposits	**(160,967)**	(256,518)
Due to related parties	**514,267**	(1,018,135)
Unearned management fees	**(298,350)**	272,531
Net cash used in operating activities	**(16,986,218)**	(38,903,090)
Investing Activities		
Investments in unconsolidated subsidiaries	**(1,891)**	(892)
Proceeds from investments in unconsolidated subsidiaries	**504,094**	238,836
Proceeds from ECP note receivable	**2,650,678**	7,086,389
Issuance of note receivable	**(6,425,343)**	—
Net cash (used in) provided by investing activities	**(3,272,462)**	7,324,333

See accompanying notes.

EnhancedCapital

Enhanced Capital Group, LLC

Consolidated Statements of Cash Flows (continued)

(UNAUDITED)

	(unaudited) Nine months ended September 30, 2020	2019
Financing activities		
Payment of debt issuance costs	**(145,541)**	(1,290,667)
Payment on derivative liability	**—**	(2,470,499)
Payment on subordinated notes payable	**—**	(13,862,234)
Payment on state tax credit notes payable	**(2,084,300)**	(1,928,821)
Proceeds from state tax credit notes payable	**3,786,414**	—
Proceeds from state tax credit line of credit	**—**	9,964,141
Payment on state tax credit line of credit	**(1,250,334)**	(5,940,237)
Proceeds from Investment firm note payable	**3,500,000**	50,000,000
Payments on investment firm note payable	**(2,750,000)**	(34,261,861)
Proceeds from capital contributions - noncontrolling interest	**350**	—
Dividend distributions	**—**	(1,840,000)
Net cash provided by (used in) financing activities	**1,056,589**	(1,630,178)
Net decrease in cash, cash equivalents, and restricted cash	**(19,202,091)**	(33,208,935)
Cash, cash equivalents, and restricted cash at beginning of period	**27,365,414**	64,038,876
Cash, cash equivalents, and restricted cash at end of period	**$ 8,163,323**	$ 30,829,941
Cash and cash equivalents	**5,900,715**	5,274,300
Restricted cash	**2,262,608**	25,555,641
Total cash, cash equivalents, and restricted cash	**$ 8,163,323**	$ 30,829,941
Noncash operating and financing activities		
Settlement of state NMTC notes payable and accrued interest payable with premium tax credits	**$ 1,338,333**	$ 1,370,000
Supplemental cash flow disclosure		
Cash paid for interest	**$ 3,825,607**	$ 7,443,883

See accompanying notes.

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EnhancedCapital

Enhanced Capital Group, LLC

Consolidated Schedules of Investments (UNAUDITED)

	(unaudited) September 30, 2020				(audited) December 31, 2019			
	Percentage of Equity	Number of Shares	Cost	Fair Value	Percentage of Equity	Number of Shares	Cost	Fair Value
Manufacturing:								
Tella Firma, LLC								
Preferred Stock	N/A	166,667	$ 500,000	$ 500,000	N/A	166,667	$ 500,000	$ 500,000
A.W. Carter, LLC								
Debt Securities	N/A		1,000,000	1,000,000	N/A		1,000,000	1,000,000
AVF Composites, LLC								
Debt Securities	N/A		1,600,000	1,600,000	N/A		1,600,000	1,600,000
Diamonds Direct, LLC								
Debt Securities	N/A		1,500,000	1,500,000	N/A		1,500,000	1,500,000
Palmer Equipment, LLC								
Debt Securities	N/A		2,920,000	320,000	N/A		2,600,000	—
MCS Manufacturing, LLC								
Debt Securities	N/A		600,000	600,000	N/A		600,000	600,000
Delta H Technologies, LLC								
Debt Securities	N/A		650,000	650,000	N/A		650,000	650,000
PureCycle, LLC								
Debt Securities	N/A		1,000,000	1,000,000	N/A		1,000,000	1,000,000
Cabinet Concepts, LLC								
Debt Securities	N/A		1,825,000	1,825,000	N/A		1,825,000	1,825,000
Horton Cargo Haulers, LLC								
Debt Securities	N/A		1,830,000	1,830,000	N/A		1,920,000	1,920,000
Toledo Solar, Inc.								
Debt Securities	N/A		5,000,000	5,000,000	N/A		5,000,000	5,000,000
Global Cooling, Inc.								
Debt Securities	N/A		1,750,000	1,750,000	N/A		1,750,000	1,750,000
Commercial Cutting & Graphics, LLC								
Debt Securities	N/A		525,000	525,000	N/A		525,000	525,000
AMG Industries Real Estate, LLC								
Debt Securities	N/A		2,934,500	2,934,500	N/A		2,934,500	2,934,500
AMG Industries, LLC								
Debt Securities	N/A		2,065,500	2,065,500	N/A		2,065,500	2,065,500
Turn-Key Industrial Services, LLC								
Debt Securities	N/A		1,800,000	1,800,000	N/A		1,800,000	1,800,000
Future Comp. LLC								
Debt Securities	N/A		1,500,000	1,500,000	N/A		—	—
Tool Tech, LLC								
Debt Securities	N/A		3,800,000	3,800,000	N/A		—	—
Life Cottages, LLC								
Debt Securities	N/A		1,500,000	1,500,000	N/A		—	—
Total Manufacturing Investments	N/A		34,300,000	31,700,000	N/A		28,300,000	25,700,000
Services:								
Delcan Distillers								
Series A Preferred Stock	N/A	936,000	936,000	754,806	N/A	936,000	936,000	754,806
Student Service Center, LLC								
Debt Securities	N/A		375,000	375,000	N/A		600,000	600,000
Student Resource Center, LLC								
Debt Securities	N/A		4,500,000	4,500,000	N/A		—	—
RN Industries Trucking								
Debt Securities	N/A		1,500,000	1,500,000	N/A		1,500,000	1,500,000
Total Services Investments	N/A		7,311,000	7,129,806	N/A		3,036,000	2,854,806
Cattle Ranching and Farming:								
Luther Griffin Farm								
Debt Securities	N/A		3,872,150	3,872,150	N/A		3,800,000	3,800,000
Keith Griffin Farms								
Debt Securities	N/A		1,800,000	1,800,000	N/A		1,800,000	1,800,000
White Oak Pastures, LLC								
Debt Securities	N/A		600,000	600,000	N/A		—	—
Total Cattle Ranching & Farming Investments	N/A		6,272,150	6,272,150	N/A		5,600,000	5,600,000

See accompanying notes.

EnhancedCapital

Enhanced Capital Group, LLC

Consolidated Schedules of Investments (continued) (UNAUDITED)

	(unaudited) September 30, 2020				(audited) December 31, 2019			
	Percentage of Equity	Number of Shares	Cost	Fair Value	Percentage of Equity	Number of Shares	Cost	Fair Value
Farm Management Services:								
Blackdirt Farm Management, LLC								
Debt Securities	N/A		$ 2,887,850	$ 2,887,850	N/A		$ 2,387,850	$ 2,387,850
Series A Preferred Stock	N/A	200,000	200,000	200,000	N/A	200,000	200,000	200,000
Cornacopia Farms Avera, LLC								
Debt Securities	N/A		345,000	345,000	N/A		—	—
Second Century Ag, LLC								
Debt Securities	N/A		3,000,000	3,000,000	N/A		3,000,000	3,000,000
Total Farm Management Services Investments	N/A		6,432,850	6,432,850	N/A		5,587,850	5,587,850
Food and Beverage Services:								
Lake Country Brewing, LLC								
Debt Securities	N/A		250,000	250,000	N/A		—	—
Habersham Vintners, Inc.								
Debt Securities	N/A		800,000	800,000	N/A		—	—
C&J Specialties, Inc.								
Debt Securities	N/A		1,030,000	1,030,000	N/A		1,030,000	1,030,000
FC Foods, LLC								
Debt Securities	N/A		780,000	780,000	N/A		—	—
Total Food and Beverage Services Investments	N/A		2,860,000	2,860,000	N/A		1,030,000	1,030,000
Hospitality:								
Soap Creek Marina & Resort, LLC								
Debt Securities	N/A		1,000,000	1,000,000	N/A		1,000,000	1,000,000
Total Hospitality Investments	N/A		1,000,000	1,000,000	N/A		1,000,000	1,000,000
Technology:								
Nimbix, Inc.								
Series B-2 Preferred Stock	N/A	77,987	750,000	945,969	N/A	77,987	750,000	945,969
Wenzel Spine, Inc.								
Series B Preferred Stock	N/A	1,137,138	1,000,000	511,073	N/A	1,137,138	1,000,000	511,073
MacroFab, Inc.								
Series A Preferred Stock	N/A	461,810	750,000	442,164	N/A	461,810	750,000	442,164
Ortho Kinematics, Inc.								
Series D Preferred Stock	N/A	891,876	1,000,000	—	N/A	891,876	1,000,000	—
Blyncsy, Inc.								
Convertible Debt Securities	N/A		250,000	250,000	N/A		200,000	200,000
Xomi, Inc.								
Series A Preferred Stock	N/A	240,384	100,000	100,000	N/A	240,384	100,000	100,000
Total Technology Investments	N/A		3,850,000	2,249,206	N/A		3,800,000	2,199,206
Total Investments	N/A		$ 62,026,000	$ 57,644,012	N/A		$ 47,323,850	$ 42,941,862
Summary of Securities								
Debt Securities	N/A		$ 56,790,000	$ 54,190,000	N/A		$ 42,087,850	$ 39,487,850
Equity Securities	N/A		5,236,000	3,454,012	N/A		5,236,000	3,454,012
Total Investments	N/A		$ 62,026,000	$ 57,644,012	N/A		$ 47,323,850	$ 42,941,862

See accompanying notes.

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (UNAUDITED)

September 30, 2020

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by Enhanced Capital Group, LLC (ECG or the Company) in the preparation of its consolidated financial statements in accordance with accounting principles generally accepted in the United States.

Basis of Presentation and Description of Business

ECG Acquisition, LLC was formed on November 25, 2013, for the purpose of acquiring businesses that provide finance and asset management services. The name was subsequently changed to ECG and on December 23, 2013, the Company entered into an Equity and Note Purchase Agreement by and among the Company and Enhanced Capital Partners, LLC (f/k/a Enhanced Capital Partners, Inc. and "ECP"), to acquire ECP's federal and state tax credit finance business and asset management businesses (the "Transaction"). ECG is an alternative asset manager and provider of tax credit transaction and consulting services. The alternative asset management business includes the management of debt-focused private equity funds through various entities which are wholly-owned by Enhanced Asset Management, LLC ("EAM"), which is a wholly-owned subsidiary of ECG. The Company also provides a wide range of transaction and consulting services for New Market Tax Credit ("NMTC"), Historic Tax Credit ("HTC"), Renewable Tax Credit ("RETC"), and various state tax credit ("STC") opportunities through various entities which are wholly- owned subsidiaries of Enhanced Tax Credit Finance, LLC ("ETCF"), which is a wholly-owned subsidiary of ECG.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All wholly-owned subsidiaries are consolidated. Intercompany accounts and transactions are eliminated in consolidation.

The Company and its subsidiaries have interests in variable interest entities and do not consolidate any of the entities since they do not have the majority of variability in the expected losses or the expected residual returns of such entities and are not the primary beneficiary, nor are they the entities that make economic decisions about the underlying economic activity. The Company employs the equity method of accounting for investments in business entities when it has the ability to exercise significant influence over the operating and financial policies of the entities. These include its minority interests in various investment funds described in Note 3. The cost method is used when the Company does not have the ability to exert significant influence. These include its variable interests in various NMTC and STC entities described in Note 2.

The table below summarizes ECG and its subsidiaries' investments in unconsolidated subsidiaries as of September 30, 2020 and December 31, 2019, respectively:

	September 30, 2020	December 31, 2019
ESBIC entities (Note 3)	**$ 31,456**	$ 31,456
Hark entities (Note 3)	**1,350,960**	1,402,454
TL entities (Note 3)	**412,579**	488,123
Various tax credit entities (Note 2)	**226,934**	233,743
Total	**$ 2,021,929**	$ 2,155,776

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

Regulatory Matters

Enhanced Community Development, LLC (“ECD”), manages the NMTC activities of the Company. ECD has received an aggregate of $305 million in NMTC allocation authority from the Community Development Financial Institutions Fund of the U.S. Department of Treasury (CDFI Fund).

The NMTC program provides investors such as financial institutions, insurance companies, investment funds, corporations, and other entities with credits against federal income taxes they incur. NMTCs are passed through from ECD to an investor for each Qualified Equity Investment (QEI) made in a Community Development Entity (CDE) certified as such by the CDFI Fund. The investor receives the tax credits over a seven-year period for each QEI, equal to a percentage of the QEI amount that varies by state for investment in the NMTC program. The CDE uses the QEI proceeds to make Qualified Low-Income Community Investments (QLICIs) to Qualified Active Low-Income Community Businesses (QALICBs). QLICIs include loans to or equity investments to QALICBs or other CDEs. To receive NMTCs, the CDE must comply with various federal requirements. These requirements include, but are not limited to, making QLICIs within one year of receiving the QEI. If QEI funds are not kept continuously invested in QLICIs through a seven-year compliance period, the investors risk recapture of previously taken tax credits plus penalties and interest thereon.

J4T participates in the Texas Small Business Venture Capital Program (Jobs for Texas) pursuant to an Allocation Agreement between the United States Department of the Treasury and the Texas Department of Agriculture (TDA) under the State Small Business Credit Initiative Act (SSBCI Act). The SSBCI Act was enacted to provide investment capital to qualified small businesses that were underserved by conventional capital markets.

The Company has a 21.4% ownership in Enhanced Small Business Investment Company, GP, LLC (ESBIC, GP) which is the general partner of Enhanced Small Business Investment Company, LP (ESBIC), a Delaware limited partnership formed on July 18, 2011. The Company accounts for its 21.4% interest in ESBIC, GP using the equity method of accounting. ESBIC’s principal investment objective is to maximize portfolio return from business entities located in the United States by generating current income from debt investments and capital appreciation from equity and equity-related investments, including warrants, convertible securities and other rights to acquire equity securities in a portfolio company.

On March 28, 2012, ESBIC was licensed by the Small Business Administration (SBA) to operate as a Small Business Investment Company (SBIC) under Section 301(c) of the Small Business Investment Act of 1958. As an SBIC, ESBIC is subject to a variety of regulations concerning, among other things, the size and nature of the companies in which it may invest and the structure of those investments. Under SBA regulations, SBICs may make loans to eligible small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services.

Under current SBA regulations, eligible small businesses generally include businesses that (together with their affiliates) have a tangible net worth not exceeding $18.0 million and have average annual net income after federal income taxes not exceeding $6.0 million (average net income to be computed without benefit of any carryover loss) for the two most recent fiscal years. In addition, an SBIC must devote 25% of its investment activity to “smaller” concerns as defined by the SBA. A smaller concern generally includes businesses that have a tangible net worth not exceeding $6.0 million and have average annual net income after federal income taxes

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

not exceeding $2.0 million (average net income to be computed without benefit of any net carryover loss) for the two most recent fiscal years. SBA regulations also provide alternative size standard criteria to determine eligibility for designation as an eligible small business or smaller concern, which criteria depend on the industry in which the business is engaged and are based on such factors as the number of employees and gross revenue.

The SBA prohibits an SBIC from providing funds to small businesses for certain purposes, such as relending and investment outside the United States, to businesses engaged in certain prohibited industries, and to certain “passive” (nonoperating) companies. In addition, without prior SBA approval, an SBIC may not invest an amount equal to more than 30% of the SBIC’s regulatory capital in any one portfolio company.

On November 30, 2017 Enhanced Capital Utah Rural Fund (“UTRF”), a wholly-owned subsidiary of ETCF, was authorized by the Utah Governor’s Office of Economic Development (“GOED”) to become a Rural Investment Company under Utah Code 63N-4-301 under the Rural Jobs Act and was allotted a $14,000,000 of investment authority with $8,120,000 in Utah tax credits. UTRF must make investments in statutory-defined eligible Utah small businesses to earn the credits.

On April 26, 2018 Enhanced Capital Georgia Rural Fund, LLC (“GARF”), a wholly-owned subsidiary of ETCF, was authorized by the Georgia Department of Community Affairs (“DCA”) under Georgia Code 560-7-8-.63 Agribusiness and Rural Jobs Tax Credit to become a Rural Fund under the Georgia Agribusiness and Rural Jobs Act and was allotted $20,000,000 of investment authority with $12,000,000 in Georgia tax credits. GARF must make investments in statutory-defined eligible Georgia small businesses to earn the credits.

On June 18, 2018 Enhanced Capital Ohio Rural Fund, LLC (“OHRF”), a wholly-owned subsidiary of ETCF, was authorized by the Ohio Development Services Agency (“ODSA”) under Ohio Code 122.154 to become a rural business growth fund under the Ohio Rural Jobs and Investment Act and was allotted $25,000,000 of investment authority with $15,000,000 in Ohio tax credits. OHRF must make investments in statutory-defined eligible Ohio small businesses to earn the credits.

The Company believes its subsidiaries are in compliance with the various regulatory statutes as of September 30, 2020 and December 31, 2019, respectively.

Permanent Capital Funds

One of the Company’s business objectives is to participate in state-focused tax credit programs adopted by various states throughout the United States as described above. The Company has formed a Utah NMTC fund, a Nevada NMTC Fund, UTRF, GARF, and OHRF as state-focused funds (“Funds”) whose principal investment objective is to maximize portfolio return by generating current income from debt investments and capital appreciation from equity and equity-related investments, including warrants, convertible securities, and other rights to acquire equity securities in a portfolio company. The Company’s portfolio investments are debt and equity investments in small and emerging private companies through these funds.

These funds issue qualified debt or equity instruments to tax credit investors in exchange for cash. The gross proceeds of these instruments are used to make targeted investments in qualified businesses and are recorded as

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Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

Investments at estimated fair value on the accompanying consolidated balance sheets. Such investments are accounted for using the fair value method of accounting, as described in Accounting Standards Codification (ASC) 946, Financial Services — Investment Companies. Participation in each state program legally entitles the participant to receive (or earn) tax credits from the state upon satisfying quantified, defined investment percentage thresholds and time requirements. In order to maintain its state-issued certifications, each fund must make Investments in Qualified Businesses in accordance with these requirements. These state requirements are mirrored in the limitations agreed to by each fund in its written contractual agreements with its tax credit investors and limit the activities of the fund in accordance with state regulations.

Revenue Recognition

Asset management fee income, from the Company’s asset management operations, is recognized on the accrual basis of accounting over the service period, provided collection is probable. Tax credit fee income, consisting primarily of compliance and transaction fees from the Company’s tax credit transaction and consulting operations, is recognized on the accrual basis of accounting. Transaction fees are recognized when the transaction is consummated and the earnings process is complete.

Interest income earned by the Company is recognized on the accrual basis of accounting. Dividend income earned by the Company from equity investments is recognized when declared by portfolio companies.

Interest income on loans is generally accrued on the principal balance outstanding. The accrual of interest income on loans is discontinued when the receipt of principal and interest on a timely basis becomes doubtful. In such cases, interest is recognized at the time of receipt. A reserve for possible losses on interest receivable is maintained when appropriate.

Income from state tax credits on the Permanent Capital Funds will be recognized when the Company fulfills the statutory requirements including, among other requirements, investing and maintaining its investment authority throughout the compliance period (the “Investment Benchmarks”). The Company must achieve the Investment Benchmark Date and also must maintain this amount through the end of the compliance period as defined in the various state statutes. Once the Company reaches the Investment Benchmarks, the state generally cannot recapture the tax credits and the Company will recognize revenue from the tax credits. The following table depicts the investment benchmarks for revenue recognition:

Program	Initial Investment Benchmark Date	End of Compliance Period	Outstanding Balance	Investment Benchmark (% of Investment Amount)
Utah NMTC	December 4, 2015	December 4,2021	$16,666,666	85%
UTRF	December 27, 2020	December 27,2024	14,000,000	100%
GARF	June 22, 2020	June 22,2024	20,000,000	100%
OHRF	August 14, 2020	August 14,2025	25,000,000	100%
NV NMTC	December 27, 2020	December 27,2026	8,823,529	100%

The cost of each specific security is used to determine gains or losses on sales of securities. Such gains or losses are reported as a component of realized gains (losses). Purchases and sales of investments are recorded on a trade-date basis.

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures* (ASC 820), establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value and requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy (i.e., Level 1, 2, and 3 inputs, as defined). The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Additionally, companies are required to provide enhanced disclosure regarding instruments in the Level 3 category (which use inputs to the valuation techniques that are unobservable and require significant management judgment), including a reconciliation of the beginning and ending balances separately for each major category of assets and liabilities.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Inputs — Quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date. Level 1 assets include listed mutual funds, equities, and certain debt securities.

Level 2 Inputs — Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted market prices that are observable, such as models or other valuation methodologies.

Level 3 Inputs — Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. Assets included in this category generally include direct private equity investments, general and limited partnership interests in private equity funds, and funds of funds.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and the consideration of factors specific to the financial instrument.

Investments

The Company records its investments at fair value, as determined by management. Such values are generally considered to be the amount that the Company might reasonably expect to receive for its investments if negotiations for sale were entered into on the valuation date. Valuation as of any particular date, however, is not necessarily indicative of an amount that the Company may ultimately realize as a result of a future sale or other disposition of the investment. The estimated fair value is determined by taking into consideration the cost of the investments; internal or third-party valuation models; the price at which unaffiliated investors have purchased the same or similar securities; developments concerning the company to which such investments relate subsequent to the acquisition of such investments; the financial condition and cash flow projections of the underlying company; price/earnings ratios; cash flow multiples, equity/sales ratios, or other appropriate financial measures of publicly traded companies within the same industry; and other such relevant factors. Changes to the fair values of investments are recognized in income.

Equity investments, other than common stock, have various liquidity features with the underlying financial instrument. These features typically include cumulative and noncumulative dividends, detachable warrants, and redeemable and convertible options. In most instances, the Company has voting representation on the investee's Board of Directors.

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

Debt investments can include senior and mezzanine loans, which are loans that are usually subordinate to senior debt, may have some equity features, and generally reflect a level of risk moderately higher than traditional bank financing or senior debt with entities that have a higher risk profile.

Income, consisting of interest, dividends, fees, other investment income, and realization of gains or losses on equity interests, can fluctuate dramatically upon repayment of an investment or sale of an equity interest and in any given year can be highly concentrated among several investees.

The Company's investments carry a number of risks including, but not limited to: (1) investing in companies which have a limited operating history and financial resources; (2) investing in senior subordinated debt which ranks equal to or lower than debt held by other investors; and (3) holding investments that are not publicly traded. The Company evaluates the credit risk of its investees at the time of the investment and on a consistent basis going forward. The Company generally requires collateral for its investments. The maximum amount of loss due to credit risk of the Company is the fair value of its investments, which has been recognized in the accompanying consolidated financial statements. There may also be risk associated with the concentration of investments in certain geographic regions or in certain industries.

Share-based Compensation

ECG accounts for all share-based payments in the consolidated statements of operations based on their estimated fair value in accordance with Financial Accounting Standards Board (FASB) ASC Topic 718, Compensation — Stock Compensation for awards to employees (Note 13).

Derivative Financial Instruments

The Company does not use derivatives to hedge exposures to cash flow, market, or foreign currency risks. The Company reviews the terms of debt instruments issued to determine whether there are embedded derivative instruments that are required to be bifurcated and accounted for separately as a derivative financial instrument. When the risks and rewards of an embedded derivative instrument are not "clearly and closely" related to the risks and rewards of the host instrument, the embedded derivative instrument is generally required to be bifurcated and accounted for separately as a derivative financial instrument.

Derivative financial instruments are required to be initially measured at their fair value and is then re-valued at each reporting date, with changes in fair value being reported as charges or credits to income. Fair value is based on a discounted cash flow analysis to determine the present value of the future obligations.

Income Taxes

No provision is made in the consolidated financial statements for federal income taxes because ECG's results of operations are allocated directly to its members. ECG is subject to state and local income taxes in certain state and local jurisdictions.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Company to report information regarding its exposure to various tax positions taken by

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

the Company. The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax positions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Any interest or penalties assessed to the Company are recorded in operating expenses. No interest or penalties from any taxing authorities were recorded in the accompanying consolidated financial statements. Federal, state, and local taxing authorities generally have the right to examine and audit the previous three years of tax returns filed.

Cash and Cash Equivalents

The Company considers unrestricted cash in banks and investments with original maturities of 90 days or less to be cash and cash equivalents.

Restricted Cash

As of September 30, 2020 and December 31, 2019, the Company maintained cash on deposit for various purposes as described in the table below:

Purpose	September 30, 2020	December 31, 2019
Investments in qualified rural business	$ 1,910,000	$ 16,643,259
Cash held in escrow for third parties	352,608	489,010
Interest reserve for State tax credit notes payable	—	3,775,750
Total Restricted cash	**$ 2,262,608**	**$ 20,908,019**

Accounts Receivable

Accounts receivable are carried at their outstanding principal amounts, less an anticipated amount for discounts and an allowance for doubtful accounts if management believes it is necessary to cover potential credit losses based on historical experience.

Debt Issuance Costs

The Company amortizes debt issuance costs over the life of the associated notes using the effective interest method. This amount is classified as interest expense in the accompanying consolidated statement of operations.

Goodwill

The Company tests Goodwill for impairment at the entity level on an annual basis, and more frequently if circumstances indicate impairment may have occurred, by performing a qualitative assessment to determine if it is more likely than not that the fair value of the Company's operating entities is less than their respective carrying values. The operating entity is the reporting level for testing the impairment of goodwill. If it is determined that it is more likely than not that an operating entity's fair value is less than its carrying value or when the quantitative approach is used, a two-step quantitative assessment is performed to (a) calculate the fair value of the operating entity and compare it to its carrying value, and (b) if the carrying value exceeds its fair value, to measure an impairment loss.

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expense during the reporting period. The most significant estimate for the Company is with respect to valuation of investments. Actual results could differ from those estimates.

Recently Adopted Accounting Standards

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), which requires a company to recognize revenue when the company transfers control of promised goods and services to the customer. Revenue is recognized in an amount that reflects the consideration a company expects to receive in exchange for those goods and services. The Company adopted Topic 606 using the modified retrospective approach on January 1, 2019, which did not result in a change in the Company’s measurement or recognition of revenues.

2. Tax Credit Finance

The Company manages its tax credit finance businesses through ETCF’s wholly-owned subsidiaries described in this note. Some of these subsidiaries own nominal interests, typically under 1.0%, in various variable interest entities and record these investments under the cost method of accounting. See Principles of Consolidation in Note 1 for a description of how the method of accounting was determined.

ECD owns a nominal interest ranging from 0.01% to 0.1% in several subsidiary CDEs (sub-CDEs). As of September 30, 2020 and December 31, 2019, respectively, ECD held investments in sub-CDEs totaling $68,344 and $75,393, respectively. These amounts were included in investments in unconsolidated subsidiaries on the accompanying consolidated balance sheets. The maximum amount of loss due to the Company’s involvement with variable interest entities is the carrying value of its investments.

ECD is the managing member of the sub-CDEs. ECD earns fee income from two primary sources: transaction fees and asset management fees. Transaction fees and asset management fees were $3,318,683 and $952,317, respectively, for the period ended September 30, 2020. Transaction fees and asset management fees were $583,066 and $876,871, respectively, for the period ended September 30, 2019.

Enhanced Capital Consulting, LLC (“ECC”) manages the tax credit consulting activities of the Company. As of September 30, 2020 and December 31, 2019, respectively, ECC held investments in variable interests in NMTC and STC entities of $158,350. These amounts were included in investments in unconsolidated subsidiaries on the accompanying consolidated balance sheets. The maximum amount of loss due to the Company’s involvement with variable interest entities was the carrying value of its investment.

ECC earns fee income primarily from consulting services related to state tax credit transactions. The STC Fund invests in rehabilitation projects that earn state tax credits and then transfers its interest or sells the tax credits to

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Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

2. Tax Credit Finance (continued)

tax credit investors. ECC earns a management fee for sourcing the investments and finding tax credit investors. For the periods ended September 30, 2020 and 2019, ECC management and consulting fees were $2,783,863 and $1,298,144, respectively.

Enhanced Capital HTC Manager, LLC (“HTC Manager”) sources and manages equity investments for investors in projects eligible to receive federal historic tax credits. HTC Manager earns and receives a base management fee for management services as the investment companies reach certain compliance milestones. For the periods ended September 30, 2020 and 2019, base management fees were $1,171,949 and $877,828, respectively. HTC Manager is also eligible to receive an incentive management fee based on cash flows from the Projects. For the periods ended September 30, 2020 and 2019, the incentive management fees were $119,200 and $73,707, respectively. Revenue from this fee is recognized ratably over the five-year compliance period as services are delivered.

Enhanced Capital RETC Manager, LLC (“RETC Manager”), sources and manages equity investments for third-party investors in projects eligible to receive federal renewable energy tax credits. RETC Manager receives an incentive management fee payment based on cash flows from the Projects. For the periods ended September 30, 2020 and 2019, management fees recognized were $1,056,400 and $1,059,984, respectively.

Enhanced Tax Credit Lending, LLC (“TC Lending”) originates tax credit bridge loans on behalf of third-party private lenders. TC Lending receives an origination fee and incentive fees for each loan and bears no risk associated with the loans. For the periods ended September 30, 2020 and 2019, origination and incentive fees were $319,504 and $329,763, respectively.

Enhanced Tax Credit Manager, LLC (“TC Manager”) manages various tax credit investments on behalf of tax credit investors. TC Manager receives management fees based on its agreements with each investor. For the periods ended September 30, 2020 and 2019, management fees were $186,252 and $155,871, respectively.

3. Asset Management

The Company manages its alternative asset management funds through various unconsolidated subsidiaries and records these investments under the equity method of accounting. See Principles of Consolidation in Note 1 for a description of how the method of accounting was determined.

The Company has a 21.4% ownership interest in ESBIC GP. The Company has recorded its share of loss in the amount of $0 and $73,885 for the periods ended September 30, 2020 and 2019, respectively. For the periods ended September 30, 2020 and 2019, ECG made no capital contributions and received no distributions from ESBIC GP. ECG’s investment in ESBIC GP was $0 as of September 30, 2020 and December 31, 2019, and is included in Investment in unconsolidated subsidiaries in the accompanying consolidated balance sheets.

Enhanced Capital SBIC Management, LLC (“ESBIC Management”) is engaged by ESBIC GP to provide fund management services. The Company has a 50% ownership interest in ESBIC Management. ECG’s investment in ESBIC Management was $31,456 as of September 30, 2020 and December 31, 2019, and is included in Investment in unconsolidated subsidiaries in the accompanying consolidated balance sheets. Also, the Company

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

3. Asset Management (continued)

has an Administrative and Support Service Agreement (the Agreement) with ESBIC Management. Under the agreement, the Company provides administrative and back-office support services to the ESBIC Management. The Company recognized $625,000 and $545,605 of management fee income under this arrangement during the periods ended September 30, 2020 and 2019, respectively.

The Company has a 38.0% ownership interest in the GP carried interest of Hark Capital I (“Hark I GP”). For the periods ended September 30, 2020 and 2019, the Company has recorded its share of earnings in the amount of $106,545 and $177,440, respectively. For the periods ended September 30, 2020 and 2019, ECG made no capital contributions and received $220,699 and $0 of distributions, respectively. As of September 30, 2020 and December 31, 2019, ECG’s investment in Hark I GP was $951,645 and $1,065,798, respectively, and is included in Investment in unconsolidated subsidiaries in the accompanying consolidated balance sheets.

The Company has a 20.0% ownership interest in the GP carried interest of Hark Capital II (“Hark II GP”). The Company has recorded its share of earnings in the amount of $232,716 and $152,261 for the periods ended September 30, 2020 and 2019, respectively. For the periods ended September 30, 2020 and 2019, ECG made no capital contributions and received $170,056 and $0 of distributions, respectively. As of September 30, 2020 and December 31, 2019, ECG’s investment in Hark II GP was $399,315 and $336,656, respectively.

EAM, owns incentive common units (ICUs) in Tree Line Direct Lending GP, LLC (“TL GP”) representing a fully diluted ownership interest of 9.7%. The Company has recorded its share of (loss) earnings in the amount of $(25,405) and $212,716 for the periods ended September 30, 2020 and 2019, respectively. For the periods ended September 30, 2020 and 2019, ECG made no capital contributions and received distributions of $86,732 and $272,652, respectively, from TL GP. EAM’s investment in TL GP was $357,985 and $470,123 as of September 30, 2020 and December 31, 2019, respectively, and is included in Investment in unconsolidated subsidiaries in the accompanying consolidated balance sheets.

EAM, owns incentive common units (ICUs) in Tree Line Direct Lending II GP, LLC (“TL II GP”) representing a fully diluted ownership interest of 6%. The Company has recorded its share of earnings in the amount of $19,644 and $0 for the periods ended September 30, 2020 and 2019, respectively. For the periods ended September 30, 2020 and 2019, ECG made no capital contributions and received distributions of $17,906 and $0, respectively, from TL II GP. EAM’s investment in TL II GP was $19,738 and $18,000 as of September 30, 2020 and December 31, 2019, respectively, and is included in Investment in unconsolidated subsidiaries in the accompanying consolidated balance sheets.

EAM, owns incentive common units (ICUs) in Tree Line Capital Partners, LLC (“TLCP”) representing a fully diluted ownership interest of 10%. The Company has recorded its share of earnings in the amount of $34,856 and $0 for the periods ended September 30, 2020 and 2019, respectively. For the periods ended September 30, 2020 and 2019, ECG made no capital contributions and received no distributions from TLCP. EAM’s investment in TLCP was $34,856 and $0 as of September 30, 2020 and December 31, 2019, respectively, and is included in Investment in unconsolidated subsidiaries in the accompanying consolidated balance sheets.

Enhanced Puerto Rico, LLC (“EPR”), co-manages a public welfare fund in Puerto Rico. EPR receives a management fee of 1.00% of the capital committed by the investor of the public welfare fund. For each of the periods ended September 30, 2020 and 2019, management fees were $375,000.

4. ECP Note Receivable

On December 23, 2013, in connection with the Transaction, ECP issued a note payable to ECG with a face amount of $77,114,529 (the "Note"). The Note was recorded at fair value of $40,560,971 since the Note carries a below market interest rate. The difference between the estimated fair value and stated value resulted in a discount being recorded in the amount of $36,553,558. The discount is amortized over the remaining life of the Note using the effective-interest amortization method. The Note accrues interest at the rate of 1.65% per annum through December 23, 2019, and Prime plus 2.0% from December 23, 2019 through December 23, 2021. Principal is due at maturity (December 23, 2021) but may be prepaid without penalty.

Interest is due and payable on each December 23, commencing on December 23, 2014. The principal balance of the Note as of September 30, 2020 and December 31, 2019 was $49,129,746 and $50,598,855, respectively. As of September 30, 2020 and December 31, 2019, the unamortized discount of $5,408,893, is included as an offset to ECP note receivable, net of unamortized discount in the accompanying consolidated balance sheets. For the periods ended September 30, 2020 and 2019, ECP made payments of $1,181,569 and $7,086,389, respectively, which have been recorded to reduce the carrying value of the Note. In 2019, the Company ceased the accrual of interest income on the Note and recorded a valuation allowance against the balance of the receivable due to ECP not having sufficient distributable assets to pay off the note and accrued interest in full. For the periods ended September 30, 2020 and 2019, $3,230,338 and $0, respectively, of unrealized losses on the note were recorded in Change in valuation on ECP note receivable in the accompanying consolidated statements of operations. For the periods ended September 30, 2020 and 2019, $0 and $4,615,263, respectively, of the discount was amortized and recorded to interest income in the accompanying consolidated statements of operations. As of September 30, 2020 and December 31, 2019, the valuation allowance of $12,327,143 and $9,096,805, respectively, is included as an offset to ECP note receivable in the accompanying consolidated balance sheets.

5. State NMTC Notes Receivable

As part of the Utah NMTC Fund discussed in Note 1, Enhanced Capital Utah NMTC Investment Fund, LLC ("UTIF") issued subordinated notes to the Company who recorded these notes as State NMTC notes receivable on the accompanying consolidated balance sheets with balances of $6,762,500 as of September 30, 2020 and December 31, 2019. The notes receivable originally earned simple interest at a rate of 11.0%. On August 16, 2017, the terms of the note receivable were amended to increase the interest rate to 13.3%, compounding quarterly, and the maturity date was extended until October 27, 2029 to account for additional Federal NMTCs deployed through UTIF. UTIF used these proceeds along with federal NMTC equity and a senior loan from the federal NMTC investor to make QLICI loans to QALICBs. The QLICI loans will generate Federal and Utah NMTCs. The Utah NMTCs are delivered to the UT Investors to satisfy the interest and principal payments on the UT NMTC notes payable described in Note 6. The principal and interest payments from the QLICI loans will repay the senior and subordinated notes. Management periodically reviews the need for a valuation allowance for the UTNI notes receivable based on the collectability of the underlying QLICI loans and in accordance with its accounting policy described in Note 1. Management considers a QLICI loan impaired when, based on current information or factors, it is probable that the Company will not collect the principal and interest payments contractually due. If a QLICI loan is impaired, management will evaluate its effect on the UTNI notes receivable and record a valuation allowance. As of September 30, 2020 and December 31, 2019, there was no valuation allowance against the State NMTC notes receivable.

5. State NMTC Notes Receivable (continued)

As part of the Nevada NMTC Fund discussed in Note 1, a financial institution owned SPV issued notes to the Company who recorded these notes as State NMTC notes receivable on the accompanying consolidated balance sheets with balances of $6,425,238 as of September 30, 2020. The notes receivable earn interest at a rate of 13.4% and mature on December 26, 2026. These proceeds along with federal NMTC equity are used to make QLICI loans to QALICBs. The QLICI loans will generate Nevada NMTCs. The Nevada NMTCs are delivered to the NV Investors to satisfy the interest and principal payments on the NV NMTC notes payable described in Note 6. The principal and interest payments from the QLICI loans will repay the notes. Management periodically reviews the need for a valuation allowance for the NV notes receivable based on the collectability of the underlying QLICI loans and in accordance with its accounting policy described in Note 1. Management considers a QLICI loan impaired when, based on current information or factors, it is probable that the Company will not collect the principal and interest payments contractually due. If a QLICI loan is impaired, management will evaluate its effect on the NV notes receivable and record a valuation allowance. As of September 30, 2020 there was no valuation allowance against the NV NMTC notes receivable.

6. State Tax Credit Notes Payable

Some of the Company's subsidiaries have notes payable to various tax credit investors that were issued in connection with the various state tax credit programs discussed in Note 1. These notes are repaid either with tax credits or cash from the sale of tax credits and, in some cases, restricted cash held in an interest reserve account. These notes are included in State tax credit notes payable on the accompanying balance sheets.

As of September 30, 2020, the terms and outstanding balances are as follows:

Program	Outstanding Balance	Unamortized Debt Issuance Cost	Net Balance	Interest Rate	Maturity
Utah NMTC	$ 793,979	$ —	$ 793,979	15%	March 1, 2021
GARF	10,461,236	—	10,461,236	8%	December 20, 2023
OHRF	11,763,610	—	11,763,610	8%	March 1, 2025
NV	3,786,309	145,436	3,640,873	11%	December 27, 2026
Total	**$26,805,134**	**$ 145,436**	**$26,659,698**		

As of December 31, 2019, the terms and outstanding balances are as follows:

Program	Outstanding Balance	Interest Rate	Maturity
Utah NMTC	$ 1,946,485	15%	March 1, 2021
GARF	10,863,595	8%	December 20, 2023
OHRF	13,445,552	12%	December 27, 2026
Total	**$ 26,255,632**		

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

6. State Tax Credit Notes Payable (continued)

Principal maturities on the outstanding State tax credit notes payable are as follows:

	Total
2020	$ 465,603
2021	5,847,033
2022	5,354,127
2023	6,664,578
2024	4,055,260
Thereafter	4,418,533
Total	**$ 26,805,134**

7. State Program Notes Payable

In connection with the various state tax credit programs discussed above, the Company's subsidiaries also issued notes to national financial institutions. These notes are repaid with cash earned on investments in qualified businesses and, in some cases, restricted cash held in an interest reserve account. These notes are included in State program notes payable on the accompanying balance sheets.

As of September 30, 2020, the terms and outstanding balances are as follows:

Program	Outstanding Balance	Unamortized Debt Issuance Cost	Net Balance	Interest Rate	Maturity
UTRF	$ 7,000,000	$ 75,828	$ 6,924,172	8.0%	December 22, 2024
GARF	11,499,000	238,300	11,260,700	8.5%	December 22, 2024
OHRF	16,000,000	884,642	15,115,358	8.5%	February 14, 2025
Total	**$ 34,499,000**	**$ 1,198,770**	**$ 33,300,230**		

As of December 31, 2019, the terms and outstanding balances are as follows:

Program	Outstanding Balance	Unamortized Debt Issuance Cost	Net Balance	Interest Rate	Maturity
UTRF	$ 7,000,000	$ 89,348	$ 6,910,652	8.0%	December 22, 2024
GARF	11,499,000	280,546	11,218,454	8.5%	December 22, 2024
OHRF	16,000,000	1,036,295	14,963,705	8.5%	February 14, 2025
Total	**$ 34,499,000**	**$ 1,406,189**	**$ 33,092,811**		

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

7. State Program Notes Payable (continued)

Principal maturities on the outstanding State tax credit notes payable are as follows:

	Total
2020	$ —
2021	—
2022	—
2023	—
2024	18,499,000
Thereafter	16,000,000
Total	**$ 34,499,000**

8. Unearned Premium Tax Credits

As of September 30, 2020 and December 31, 2019, the Company recognized $8,823,333 and $7,485,000, respectively, in unearned premium tax credits that were used to reduce principal and interest on the notes by delivering tax credits to the holders of the notes as described in Note 6. The tax credits are classified as unearned until all programmatic requirements are met as described in Note 1.

9. Revolving Credit Facilities

The Company has two revolving credit facilities that are restricted solely for the purchase of allocable state tax credits from various state tax credit incentive programs. As of September 30, 2020 and December 31, 2019, the Company's investment in allocable state tax credits was $1,692,768 and $2,943,102, respectively.

On May 12, 2017, Enhanced State Tax Credit Fund II, LLC (STC Fund II), a wholly owned subsidiary of ECC, entered into an $8,000,000 credit facility with a regional financial institution. The facility bears interest at the greater of 0.25% above the Prime Rate or 3%. The facility matured on September 27, 2020. As of December 31, 2019, there was no outstanding balance under the credit facility. As of December 31, 2019, STC Fund II had net unamortized deferred financing costs of $11,520 classified as Other assets on the accompanying consolidated balance sheets.

On June 16, 2017, Enhanced State Tax Credit Fund III, LLC (STC Fund III), a wholly owned subsidiary of ECC, entered into a credit facility with a regional financial institution. The facility bears interest at 0.25% above the Prime Rate. In 2019 the facility was amended to extend the maturity to December 15, 2020 and increase the facility amount to $10,000,000. As of September 30, 2020 and December 31, 2019, the credit facility had an outstanding balance of $1,692,768 and $2,943,102, respectively. As of September 30, 2020 and December 31, 2019, STC Fund III had net unamortized deferred financing costs of $0 and $15,972, respectively, classified as Other assets on the accompanying consolidated balance sheets.

10. Investment Firm Notes

In connection with the Transaction completed on December 23, 2013, ECG entered into an Equity and Note Purchase Agreement with a private investment firm. The face amount of the Note was $40,000,000 and provides

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

10. Investment Firm Notes (continued)

the private investment firm with a 48% ownership interest in the Company. This debt instrument represents a hybrid financial instrument that requires the proceeds to be allocated amongst the debt and equity components based on the relative fair value of each. A discount rate of 9.72% was used to compute the respective fair values. The estimated fair value assigned to the equity component, $3,840,000, was based on a fair value analysis of the Company. The difference between the Note cash proceeds and the estimated fair value of the debt component, $36,160,000, was recorded as a debt discount of $3,840,000 and was amortized into interest expense over the life of the Note, utilizing the effective interest method. The Note bore interest at 8.00%, payable annually in arrears, with principal due at maturity, December 23, 2021. In 2019, the Company retired the Note and the related unamortized debt issuance costs and discount of $311,724 and $1,697,926, respectively, were charged to interest expense.

On June 28, 2019, the Company entered into a $5,000,000 revolving credit facility and a $50,000,000 term loan under a Loan and Security Agreement with a private investment firm lender. The Company utilized the net proceeds from the term loan issuance to repay indebtedness outstanding under the Company's $40 million Investment Firm Note, the Series 3 Notes, and a portion of the Series 4 Notes (See Note 11). The term loan was recorded at face value, offset by $1,265,667 of debt issuance costs, which will be amortized into interest expense over the life of the Note, utilizing the effective interest method. The facility matures on June 28, 2024. The term loan bears interest at an annual rate of LIBOR plus an Applicable Margin. No principal payments are required until April 1, 2020 in accordance with the principal repayment schedule. The Company had $37,500,000 and $40,250,000, respectively, outstanding under the Note as of September 30, 2020 and December 31, 2019. As of September 30, 2020 and December 31, 2019, the unamortized debt issuance costs of $947,164 and $1,137,014, respectively, are included as an offset to Investment firm notes payable in the accompanying consolidated balance sheets. The outstanding balance under the revolver was $3,500,000 as of September 30, 2020 and December 31, 2019. For the periods ended September 30, 2020 and 2019, $189,850 and $65,370, respectively, of debt issuance costs were amortized to interest expense in the accompanying consolidated statements of operations.

Principal maturities on the outstanding Investment firm notes payable are as follows:

	Total
2020	$ —
2021	—
2022	—
2023	—
2024	41,000,000
Total	**$ 41,000,000**

11. Redemption Notes

In connection with the Transaction completed on December 23, 2013, ECP transferred certain subordinated notes payable (the "Series 3 Notes," Series 4 Notes," or collectively the "Redemption Notes") with an aggregate face value of $46,114,530 to ECG. In accordance with the provisions of ASC 805, the Notes were recorded at fair value of $18,224,695 as consideration in the business combination. A discount rate of 16.0% was used to

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Notes to Consolidated Financial Statements (continued) (UNAUDITED)

11. Redemption Notes (continued)

compute the fair value of the Series 3 Notes. A discount rate of 20.0% was used to compute the fair value of the Series 4 Notes. The difference between the estimated fair value and stated value resulted in a discount being recorded in the aggregate amount of $27,889,835. The discount will be amortized over the remaining life of the Redemption Notes using the effective-interest amortization method. Series 3 Notes accrue simple interest at the rate of 1.64% per annum, compounding semiannually. Series 4 Notes accrue interest at the rate of 1.80% per annum, compounding quarterly. Interest is due and payable on the Redemption Notes annually on December 31 in an amount equal to 50% of all interest that accrued during the calendar year, provided that all accrued and unpaid interest is due and payable in full on the final maturity for each series of Redemption Notes. In 2019, the Company retired and repaid the Series 3 Notes in full. The related unamortized discount for the Series 3 Notes was charged to interest expense in the amount of $298,712. On June 28, 2019, the Company repaid $8,866,553 of the Series 4 Notes outstanding. The related unamortized discount for the Series 4 Notes was charged to interest expense in the amount of $4,025,759. Principal and any accrued but unpaid interest on each Series 4 Note is due on December 28, 2024. The Redemption Notes issued are subordinate and junior in right of payment to the Investment Firm Notes of the Company.

As of September 30, 2020 and December 31, 2019, the unamortized discount of $7,383,414 and $8,395,365 was included as an offset to Redemption notes payable, net of discount in the accompanying consolidated balance sheets. Principal outstanding on the Redemption Notes was as follows:

	September 30, 2020	December 31, 2019	Maturity Date
Series 4	$ 26,252,295	$ 26,252,295	December 28, 2024

12. Contingent Interest

Prior to the Transaction completed on December 23, 2013, ECP had an outstanding note payable with a contingent interest feature, required to be bifurcated and accounted for separately as a derivative, whereby ECP would pay contingent interest to the holder concurrently with payments made on the Redemption Notes. The contingent interest liability was transferred to ECG as part of the Transaction. The rate of contingent interest is 14.9626% on the Redemption notes. The estimated fair value assigned to the contingent interest financial instrument is based on a discounted cash flow analysis to determine the present value of the future obligation.

As of September 30, 2020 and December 31, 2019, $2,036,592 and $1,799,546, respectively, was recorded in the accompanying consolidated balance sheets as the fair value of the derivative liability. For the periods ended September 30, 2020 and 2019, the Company paid interest according to this agreement of $0 and $2,470,499, respectively. The derivative financial instrument is revalued at each reporting date at its fair value, with changes in fair value reported as charges or credits to other income or other expense. For the periods ended September 30, 2020 and 2019, $237,046 and $157,113, respectively, were recorded to loss on derivative liability in the accompanying consolidated statements of operations.

13. Members' Equity

To provide long term incentives and attract and retain key members of management, ETCF established the 2015 Restricted Equity Incentive Plan ("Plan") which granted 1,125 incentive common units (ICUs) beginning

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Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

13. Members' Equity (continued)

January 1, 2015 to Management Members as defined in the Amended and Restated LLC Agreement dated January 1, 2015. The awarded units vest 5% (56.25 units) each quarter from the grant date with continued employment. In 2016, the Plan granted an additional 500 ICUs on January 1, 2016. The awarded units vest 5% (25 units) each quarter from the grant date with continued employment. As of September 30, 2020 and December 31, 2019, 1,768.75 and 1,525 of the units had vested, respectively.

The Company estimated the fair value of the ICUs at grant date using a discounted cash flow analysis of future amounts distributable to ICU holders assuming planned growth in fee income and expected cost structure. ETCF must reach a cash flow hurdle as defined in the Plan for the ICU holders to receive distributions and be allocated income. Accordingly, as the cash flow hurdle has not been met as of September 30, 2020 and December 31, 2019, respectively, no income is allocable to the non-controlling interest. For the periods ended September 30, 2020 and 2019, $5,069 and $24,068, respectively, was recorded as a non-cash expense related to the ICU issuances and included in general and administrative expense in the accompanying consolidated statements of operations.

14. Fair Value Disclosures

ASC 825, *Financial Instruments*, requires an entity to provide disclosures about the fair value of financial instruments. These financial instruments include cash and cash equivalents, receivables, investments in qualified businesses, payables and accrued expenses, unearned premium tax credits, derivatives, and notes payable.

The Company has segregated all financial assets and liabilities that are measured at fair value on a recurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to estimate the fair value at the measurement date in the tables below. See Fair Value Measurements in Note 1 for a description of how fair value measurements are determined.

All realized and unrealized gains and losses on investments are included in earnings and are reported in net realized loss on investments and in net change in unrealized loss on investments, respectively, in the statement of operations.

The Company's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstances that caused the transfer.

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Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

14. Fair Value Disclosures (continued)

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level 3 of the fair value hierarchy as of September 30, 2020 and December 31, 2019.

	Fair Value at September 30 2020	Valuation Technique	Unobservable Inputs	Ranges	Weighted Average
Debt securities	$ **54,190,000**	Discounted cash flows	Discount rate	2%–12%	7%
			ROI multiple	1.0x	1.0x
Equity securities	**500,000**	Enterprise value waterfall	Revenue multiple	1.7x	1.7x
	2,954,012	Transaction price	N/A	N/A	N/A

	Fair Value at December 31 2019	Valuation Technique	Unobservable Inputs	Ranges	Weighted Average
Debt securities	$ **39,487,850**	Discounted cash flows	Discount rate	2%–12%	7%
			ROI multiple	1.0x	1.0x
Equity securities	**500,000**	Enterprise value waterfall	Revenue multiple	1.7x	1.7x
	2,954,012	Transaction price	N/A	N/A	N/A

The significant inputs used in the measurement of debt securities include the discount rate. Increases (decreases) in the discount rate in isolation can result in a lower (higher) fair value measurement. The significant unobservable inputs used in the fair value measurement of equity securities are exit multiples, revenue multiples, and EBITDA multiples. Increases (decreases) in any of the exist multiples, revenue multiples, and EBITDA multiples in isolation can results in a higher (lower) fair value measurement.

Changes in Level 3 assets measured at fair value on a recurring basis were as follows:

	Investments
Balance at December 31, 2018	$ 15,698,801
Purchases of investments	34,837,850
Proceeds from repayment of investments	(5,080,000)
Unrealized loss on investments	(2,514,789)
Balance at December 31, 2019	$ 42,941,862
Purchases of investments	**16,017,150**
Proceeds from repayment of investments	**(1,315,000)**
Unrealized loss on investments	—
Balance at September 30, 2020	**$ 57,644,012**

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Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

14. Fair Value Disclosures (continued)

Changes in Level 3 liabilities measured at fair value on a recurring basis were as follows:

	Derivative Liability
Balance at December 31, 2018	$ 4,032,105
Payment on derivative liability	(2,470,499)
Loss on derivative liability	237,940
Balance at December 31, 2019	$ 1,799,546
Payment on derivative liability	—
Loss on derivative liability	**237,046**
Balance at September 30, 2020	**$ 2,036,592**

The carrying amount and estimated fair values, as well as the level within the fair value hierarchy, of the Company's financial instruments are included in the tables that follow.

Assets		September 30, 2020	December 31, 2019
	Level 1	$ —	$ —
Investments in qualified businesses(1)	Level 2	—	—
	Level 3	**57,644,012**	42,941,862
	Total	**$ 57,644,012**	$ 42,941,862

Liabilities		September 30, 2020	December 31, 2019
	Level 1	$ —	$ —
Derivative liability(2)	Level 2	—	—
	Level 3	**2,036,592**	1,799,546
	Total	**$ 2,036,592**	$ 1,799,546

(1) Includes debt and equity securities held by state-focused funds in underlying portfolio companies.
(2) Derivative not designated as a hedging instrument.

15. Related party transactions

The Company entered into an Administrative Services Agreement with Enhanced Capital Partners, LLC to provide personnel and resources in order for the Company to operate its business units. The Company recognized $5,114,267 and $4,646,777 of general and administrative expenses under this arrangement for the periods ended September 30, 2020 and 2019, respectively.

The Company entered into an Administrative Services Agreement with Tree Line Capital Partners, LLC to provide personnel and resources in order for the Company to operate its business units. The Company recognized $0 and $5,442 of general and administrative expenses under this arrangement for the periods ended September 30, 2020 and 2019, respectively.

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

16. Goodwill

At September 30, 2020 and December 31, 2019, the Company performed its qualitative assessment for impairment of Goodwill by assessing qualitative indicators of impairment to determine if it is more likely than not that the fair value of the Company's operating entities is less than their respective carrying values. Based on the test performed, the Company did not identify any impairment loss as of September 30, 2020 or December 31, 2019. As of September 30, 2020 and December 31, 2019, the Company recorded $11,201,489 in Goodwill in the accompanying consolidated balance sheets.

17. SSBCI Program Obligation

In November 2011, J4T was approved by the TDA to be a participant in the Jobs for Texas program. J4T was awarded a $10,000,000 investment fund allocation which will be used to invest in qualifying small businesses headquartered within the state of Texas. The program requires a parallel investment be made with private capital for each dollar of allocation used to fund a qualifying business. On December 12, 2014, the performance agreement with the TDA was amended to reduce the investment fund allocation to $5,000,000. As of September 30, 2020 and December 31, 2019, the TDA had made cumulative capital contributions of $11,947,826 for investment in qualified businesses, the Company had outstanding capital called of $5,512,036, and had no remaining committed funding. As of September 30, 2020 and December 31, 2019, $3,136,912 and $3,157,268, respectively, were recorded as a SSBCI program obligation in the accompanying consolidated balance sheets.

18. Commitments and Contingencies

In the ordinary course of its business, the Company may enter into contracts or agreements that contain indemnifications. Future events could occur that lead to the execution of these provisions against the Company. Based on its history and experience, management believes that the likelihood of such an event is remote.

19. Subsequent Events

The Company has evaluated subsequent events through October 31, 2020, the date these consolidated financial statements were available to be issued. During March 2020, the spread of COVID-19 throughout the country resulted in a national and global pandemic, including the temporary shutdown of many small businesses throughout the country. The Company is currently assessing the impact COVID-19 may have on its existing investment portfolio, however, the overall impact is not yet known at this time.

Enhanced Capital Group, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

20. Financial Highlights

The Company is presenting the following disclosures for nonregistered investment companies as required by ASC 946. Such results may not be indicative of future performance of the Company. The ratios presented are calculated for member's (deficit) equity as a whole.

	Period Ended September 30, 2020	Year Ended December 31, 2019
Total Return(a)	(564%)	(2,063%)
Ratios to average member's deficit:(b)		
Net investment loss	(c)	(c)
Operating expenses	(c)	(c)

(a) The total return is computed based on the change in value during the period of a theoretical investment made at the beginning of the period. The change in value of a theoretical investment is measured by comparing the Company's aggregate ending value with the aggregate beginning value, adjusted for cash flows related to capital contributions or withdrawals during the period. There were no incentive allocations for the Company for the Period ended September 30, 2020 and Year ended December 31, 2019.

(b) Ratios are computed on the weighted-average member's deficit of the Company for the Period ended September 30, 2020 and Year ended December 31, 2019. Net investment loss, as defined, excludes realized and unrealized losses.

(c) Ratios are not meaningful due to the Member's deficit as of September 30, 2020 and December 31, 2019.

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Enhanced Capital Group, LLC and subsidiaries
Consolidating Balance Sheet
September 30, 2020

	Enhanced Capital Group, LLC	Enhanced Tax Credit Finance, LLC Consolidated	Enhanced Asset Management, LLC Consolidated	Eliminations	Consolidated Total
Assets					
Cash and cash equivalents	$ 67,909	$ 5,803,933	$ 28,873	$ —	$ 5,900,715
Restricted cash	—	2,262,608	—	—	2,262,608
Accounts receivable	—	1,568,063	250,343	—	1,818,406
Accrued interest receivable	—	3,491,835	—	—	3,491,835
Due from related party	94	76,403	—	—	76,497
Related party note receivable	89,068	—	—	—	89,068
ECP note receivable, net of discount	30,212,141	—	—	—	30,212,141
State NMTC notes receivable	—	13,187,738	—	—	13,187,738
Investments, at estimated fair value	—	54,490,000	3,154,012	—	57,644,012
Investment in unconsolidated subsidiaries	—	226,934	1,794,995	—	2,021,929
Investment in consolidated subsidiaries	8,569,625	—	—	(8,569,625)	—
Transferable state tax credits	—	1,692,768	—	—	1,692,768
Other assets	135,868	712,353	—	—	848,221
Debt issuance costs	—	—			—
Goodwill	11,201,489	—	—	—	11,201,489
Total assets	$ 50,276,194	$ 83,512,635	$ 5,228,223	$ (8,569,625)	$ 130,447,427
Liabilities and members' equity					
Liabilities					
Accounts payable and accrued expenses	$ 110,580	$ 366,026	$ 17,100	$ —	$ 493,706
Unearned premium tax credits	—	8,823,333	—	—	8,823,333
Accrued interest payable	808,950	2,169,717	—	—	2,978,667
State tax credit deposits	—	330,107	—	—	330,107
Unearned management fees	—	2,041,786	—	—	2,041,786
State program obligation	—	—	3,136,912	—	3,136,912
Due to related parties	2,679,454	—	—	—	2,679,454
State tax credit notes payable	—	26,659,698	—	—	26,659,698
State program notes payable	—	33,300,230	—	—	33,300,230
Credit facility	—	1,692,768	—	—	1,692,768
Investment firm notes payable, net of unamortized issuance costs	40,052,836	—	—	—	40,052,836
Derivative liability	2,036,592	—	—	—	2,036,592
Redemption notes payable, net of unamortized discount	18,868,881	—	—	—	18,868,881
Total liabilities	64,557,293	75,383,665	3,154,012	—	143,094,970
Members' equity					
Paid in Capital	7,822,926	4,440,000	—	(8,569,625)	3,693,301
Retained Earnings	(16,856,957)	(2,499,925)	2,058,774	—	(17,298,108)
Dividends Paid	—	(6,955,000)	(1,345,394)	8,300,394	—
CY Income/(Loss)	(5,247,068)	6,550,495	1,360,831	(8,300,394)	(5,636,136)
Controlling interests	(14,281,099)	1,535,570	2,074,211	(8,569,625)	(19,240,943)
Non-controlling interests	—	6,593,400	—	—	6,593,400
Total members' equity	(14,281,099)	8,128,970	2,074,211	(8,569,625)	(12,647,543)
Total liabilities and members' equity	$ 50,276,194	$ 83,512,635	$ 5,228,223	$ (8,569,625)	$ 130,447,427

Enhanced Capital Group, LLC and subsidiaries
Consolidating Statement of Operations
September 30, 2020

	Enhanced Capital Group, LLC	Enhanced Tax Credit Finance, LLC Consolidated	Enhanced Asset Management, LLC Consolidated	Eliminations	Consolidated Total
Revenue					
Interest income, including fees:					
Cash and cash equivalents	$ —	$ 25,216	$ —	$ —	$ 25,216
Notes receivable	1,005	859,233	—	—	860,238
Asset management fees	—	—	1,000,000	—	1,000,000
Tax credit fees	—	9,908,168	—	—	9,908,168
Investments	—	2,552,069	—	—	2,552,069
Total interest income, including fees	1,005	13,344,686	1,000,000	—	14,345,691
Dividend income from subsidiaries	8,300,394	—	—	(8,300,394)	—
Total Revenue	8,301,399	13,344,686	1,000,000	(8,300,394)	14,345,691
Expenses					
Professional Fees	551,367	1,455,094	24,214	—	2,030,675
General and administrative	5,903,156	1,206,660	3,667	—	7,113,483
Interest expense — Sub Notes	1,371,105	—	—		1,371,105
Interest expense — Solar note	1,974,340	—	—		1,974,340
Interest expense — NMTC	—	742,293	—		742,293
Interest expense — State TC	—	3,155,128	—		3,155,128
Debt Issuance Costs	189,850	235,016	—		424,866
Interest, net of discount amortization	3,535,295	4,132,437	—	—	7,667,732
Depreciation and other amortization	91,265	—	—	—	91,265
Total expenses	10,081,083	6,794,191	27,881	—	16,903,155
Net investment (loss) income	(1,779,684)	6,550,495	972,119	(8,300,394)	(2,557,464)
Income from unconsolidated subsidiaries	—	—	368,356	—	368,356
Change in state profits interest	—	—	20,356	—	20,356
Loss on derivative liability	(237,046)	—	—	—	(237,046)
Unrealized loss on note receivable	(3,230,338)	—	—	—	(3,230,338)
Net realized loss on investments	—	—		—	—
Unrealized loss on investments	—	—	—	—	—
Beginning of year	—	(2,600,000)	(1,781,988)	—	(4,381,988)
End of year	—	(2,600,000)	(1,781,988)	—	(4,381,988)
Net Change in unrealized Loss on Investments	—	—	—	—	—
Net realized and unrealized loss on investments	—	—	—	—	—
Net income (loss)	$ (5,247,068)	$ 6,550,495	$ 1,360,831	$ (8,300,394)	$ (5,636,136)

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Enhanced Tax Credit Finance, LLC and subsidiaries
Consolidating Balance Sheet
September 30, 2020

	Enhanced Tax Credit Finance, LLC	Enhanced Capital Consulting, LLC Consolidated	Enhanced Community Development, LLC	Enhanced Capital HTC Manager, LLC	Enhanced Capital RETC Manager, LLC	Enhanced Capital Tax Credit Manager, LLC	Enhanced Capital Utah Note Issuer, LLC	Enhanced Capital Utah Rural Fund, LLC	Enhanced Capital Nevada NMTC Investor II, LLC	Enhanced Tax Credit Lending, LLC	Enhanced Capital Georgia Rural Holdings, LLC Consolidated	Enhanced Capital OH Rural Holdings, LLC Consolidated	Enhanced Capital Rural Manager, LLC	Total	Eliminations	Consolidated Total
Assets																
Cash and cash equivalents	$ 23,122	$ 2,140,909	$ 2,547,746	$ 408,821	$ 37,608	$ 45,636	$ —	$ 12,528	$ 4,922	$ 73,064	$ 208,729	$ 295,039	$ 5,809	$ 5,803,933	$ —	$ 5,803,933
Restricted cash	—	22,501	—	—	—	—	—	1,820,000	—	330,107	90,000	—	—	2,262,608	—	2,262,608
Accounts receivable	—	—	1,016,943	—	551,120	—	—	—	—	—	—	—	—	1,568,063	—	1,568,063
Accrued interest receivable	—	—	—	—	—	—	3,054,718	101,794	4,595	—	178,432	152,296	—	3,491,835	—	3,491,835
Due from related party	—	40,259	430	34,727	1,986	—	—	—	—	16,700	—	10,000	161,499	265,601	(189,198)	76,403
State NMTC notes receivable	—	—	—	—	—	—	6,762,500	—	6,425,238	—	—	—	—	13,187,738	—	13,187,738
Investments, at estimated fair value	—	—	—	—	—	—	—	9,580,000	—	—	19,910,000	25,000,000	—	54,490,000		54,490,000
Investment in unconsolidated subsidiaries	—	158,350	68,344	—	—	—	—	—	240	—	—	—	—	226,934	—	226,934
Investment in consolidated subsidiaries	14,244,953	—	—	—	—	—	—	—	—	—	—	—	—	14,244,953	(14,244,953)	—
Transferable state tax credits	—	1,692,768	—	—	—	—	—	—	—	—	—	—	—	1,692,768	—	1,692,768
Other assets	—	—	—	—	—	—	—	—	712,353	—	—	—	—	712,353	—	712,353
Total assets	$ 14,268,075	$ 4,054,787	$ 3,633,463	$ 443,548	$ 590,714	$ 45,636	$ 9,817,218	$ 11,514,322	$ 7,147,348	$ 419,871	$ 20,387,161	$ 25,457,335	$ 167,308	$ 97,946,786	$ (14,434,151)	$ 83,512,635
Liabilities and members' equity																
Liabilities																
Accounts payable and accrued expenses	$ —	$ 22,500	$ 75,455	$ 201,059	$ 2,294	$ —	$ —	$ 28,165	$ —	$ —	$ 11,498	$ 22,755	$ 2,300	$ 366,026	$ —	$ 366,026
Unearned premium tax credits	—	—	—	—	—	—	8,823,333	—	—	—	—	—	—	8,823,333	—	8,823,333
Accrued interest payable	—	29,751	—	—	—	—	19,508	1,206,025	1,355	—	473,401	439,677	—	2,169,717	—	2,169,717
State tax credit deposits	—	—	—	—	—	—	—	—	—	330,107	—	—	—	330,107	—	330,107
Unearned management fees	—	—	—	2,041,786	—	—	—	—	—	—	—	—	—	2,041,786	—	2,041,786
Due to related parties	—	—	—	16,700	—	—	—	25,000	—	—	137,498	—	10,000	189,198	(189,198)	—
State tax credit notes payable	—	—	—	—	—	—	793,979	—	3,640,873	—	10,461,236	11,763,610	—	26,659,698	—	26,659,698
State program notes payable	—	—	—	—	—	—	—	6,924,172	—	—	11,260,700	15,115,358	—	33,300,230	—	33,300,230
Credit facility	—	1,692,768	—	—	—	—	—	—	—	—	—	—	—	1,692,768	—	1,692,768
Total liabilities	—	1,745,019	75,455	2,259,545	2,294	—	9,636,820	8,183,362	3,642,228	330,107	$ 22,344,333	27,341,400	12,300	75,572,863	(189,198)	75,383,665
Members' equity (deficit)																
Paid-in capital	4,440,000	624,003	3,505,622	—	—	10,000	—	1,641,667	3,500,000	—	1,533,661	2,500,000	930,000	18,684,953	(14,244,953)	4,440,000
Retained earnings	9,278,931	366,816	(448,680)	(1,816,432)	1,064,810	43,029	(241,707)	(4,314,635)	—	207,120	(2,859,303)	(3,513,887)	(265,987)	(2,499,925)	—	(2,499,925)
Contributions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends paid	(6,955,000)	(1,150,000)	(2,700,000)	(730,000)	(1,500,000)	(150,000)	(275,000)	—	—	(400,000)	—	—	(100,000)	(13,960,000)	7,005,000	(6,955,000)
Current year income (loss)	6,914,832	2,468,949	3,201,066	730,435	1,023,610	142,607	697,105	190	4,770	282,644	(631,530)	(870,178)	(409,005)	13,555,495	(7,005,000)	6,550,495
Total	13,678,763	2,309,768	3,558,008	(1,815,997)	588,420	45,636	180,398	(2,672,778)	3,504,770	89,764	(1,957,172)	(1,884,065)	155,008	15,780,523	(14,244,953)	1,535,570
Non-controlling interest	589,312	—	—	—	—	—	—	6,003,738	350	—	—	—	—	6,593,400		6,593,400
Total members' equity	14,268,075	2,309,768	3,558,008	(1,815,997)	588,420	45,636	180,398	3,330,960	3,505,120	89,764	(1,957,172)	(1,884,065)	155,008	22,373,923	(14,244,953)	8,128,970
Total liabilities and members' equity	$ 14,268,075	$ 4,054,787	$ 3,633,463	$ 443,548	$ 590,714	$ 45,636	$ 9,817,218	$ 11,514,322	$ 7,147,348	$ 419,871	$ 20,387,161	$ 25,457,335	$ 167,308	$ 97,946,786	$ (14,434,151)	$ 83,512,635

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Enhanced Tax Credit Finance, LLC and subsidiaries
Consolidating Statement of Operations
September 30, 2020

	Enhanced Tax Credit Finance, LLC	Enhanced Capital Consulting, LLC Consolidated	Enhanced Community Development, LLC	Enhanced Capital HTC Manager, LLC	Enhanced Capital RETC Manager, LLC	Enhanced Capital Tax Credit Manager, LLC	Enhanced Capital Utah Note Issuer, LLC	Enhanced Tax Credit Lending, LLC	Enhanced Capital Utah Rural Fund, LLC	Enhanced Capital Nevada NMTC Investor II, LLC	Enhanced Capital Georgia Rural Holdings, LLC Consolidated	Enhanced Capital OH Rural Holdings, LLC Consolidated	Enhanced Capital Rural Manager, LLC	Eliminations	Consolidated Total
Revenue															
Interest income, including fees:															
Cash and cash equivalents	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,998	$ 18,218	$ —	$ —	$ 25,216
Notes receivable	—	—	—	—	—	—	854,638	—	—	4,595	—	—	—	—	859,233
Tax credit fees	—	2,783,863	4,271,000	1,291,149	1,056,400	186,252	—	319,504	—	—	—	—	—	—	9,908,168
Investments	—	—	—	—	—	—	—	—	556,814	1,635	848,490	1,145,130	—	—	2,552,069
Total interest income, including fees	—	2,783,863	4,271,000	1,291,149	1,056,400	186,252	854,638	319,504	556,814	6,230	855,488	1,163,348	—	—	13,344,686
Dividend income from subsidiaries	7,005,000	—	—	—	—	—	—	—	—	—	—	—	—	(7,005,000)	—
Total Revenue	7,005,000	2,F783,863	4,271,000	1,291,149	1,056,400	186,252	854,638	319,504	556,814	6,230	855,488	1,163,348	—	(7,005,000)	13,344,686
Expenses															
Professional Fees	17,956	68,597	928,957	140,511	16,269	5,470	—	27,674	46,367	—	68,736	104,136	30,421	—	1,455,094
General and administrative	72,212	130,802	140,977	420,203	16,521	38,175	—	9,186	—	—	—	—	378,584	—	1,206,660
Interest, net of discount amortization	—	115,515	—	—	—	—	157,533	—	510,257	1,460	1,418,282	1,929,390	—	—	4,132,437
Total expenses	90,168	314,914	1,069,934	560,714	32,790	43,645	157,533	36,860	556,624	1,460	1,487,018	2,033,526	409,005	—	6,794,191
Net income (loss)	$ 6,914,832	$ 2,468,949	$ 3,201,066	$ 730,435	$ 1,023,610	$ 142,607	$ 697,105	$ 282,644	$ 190	$ 4,770	$ (631,530)	$ (870,178)	$ (409,005)	$ (7,005,000)	$ 6,550,495

Enhanced Capital Partners, LLC
Consolidated Financial Statements
December 31, 2019 and 2018
(With Independent Auditors' Report Thereon)

Ernst & Young LLP
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Report of Independent Auditors

The Members
Enhanced Capital Partners, LLC

We have audited the accompanying consolidated financial statements of Enhanced Capital Partners, LLC , which comprise the consolidated balance sheets, including the consolidated schedules of investments, as of December 31, 2019 and 2018, and the related consolidated statements of operations, members' (deficit) equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Enhanced Capital Partners, LLC at December 31, 2019 and 2018, and the consolidated results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

December 23, 2020

A member firm of Ernst & Young Global Limited

Enhanced Capital Partners, LLC

Consolidated Balance Sheets

December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	**$ 5,298,246**	$ 9,415,047
Restricted cash	**4,792,735**	1,340,549
Accrued interest receivable	**255,629**	385,884
Due from related party	**2,209,264**	1,251,918
Investments in qualified businesses, at fair value (cost of $32,921,868 and $43,106,512 as of December 31, 2019 and December 31, 2018, respectively)	**31,180,060**	41,269,838
Investments in unconsolidated subsidiaries	**2,120,490**	2,393,950
Prepaid expenses and other assets, net	**180,063**	269,316
Earned premium tax credits	**49,645,794**	61,268,032
Payment undertaking contracts	**17,767,639**	19,768,828
Total assets	**$ 113,449,920**	$ 137,363,362
Liabilities and members' deficit		
Accounts payable and accrued expenses	**$ 4,095,221**	$ 4,351,238
Accrued interest payable	**5,494,451**	7,842,381
Accrued supplemental insurance and profits interest	**5,554,042**	5,703,557
Credit facility	**—**	200,000
CAPCO notes payable, net of discount	**82,884,730**	92,661,058
ECG note payable, net of discount	**42,167,694**	44,743,292
Total liabilities	**140,196,138**	155,501,526
Deficit:		
Members' deficit	**(27,792,558)**	(19,605,776)
Noncontrolling interest	**1,046,340**	1,467,612
Total deficit	**(26,746,218)**	(18,138,164)
Total liabilities and members' deficit	**$ 113,449,920**	$ 137,363,362

See accompanying notes.

Enhanced Capital Partners, LLC

Consolidated Statements of Operations

Years Ended December 31, 2019 and 2018

	2019	2018
Income from premium tax credits	**$ 6,898,218**	$ 35,200,065
Interest income, including fees:		
Cash equivalents and restricted cash	**14,515**	6,039
Investments	**1,975,792**	2,238,526
Payment undertaking contracts	**459,572**	411,823
Other fee income	**52,595**	66,032
Total interest income, including fees	**2,502,474**	2,722,420
Administrative and support services income	**6,863,726**	6,462,952
Total income	**16,264,418**	44,385,437
Expenses:		
Professional fees	**692,388**	728,802
General and administrative	**1,236,008**	3,203,846
Interest, net of premium and discount amortization	**14,009,436**	14,423,715
Depreciation and amortization	**197,100**	395,491
Administrative and support services expense	**7,930,183**	7,461,965
Total expenses	**24,065,115**	26,213,819
Net investment (loss) income	**(7,800,697)**	18,171,618
Gain (loss) from unconsolidated subsidiaries	**95,781**	(436,195)
Change in accrued supplemental insurance	**(715,140)**	(1,120,747)
Net realized gain (loss) on investments	**9,413**	(5,015,080)
Unrealized loss on investments:		
Beginning of period	**(1,836,674)**	(6,173,192)
End of period	**(1,741,808)**	(1,836,674)
Net unrealized gain on investments	**94,866**	4,336,518
Net realized and unrealized gain (loss) on investments	**104,279**	(678,562)
Net (loss) income	**(8,315,777)**	15,936,114
Net loss (income) attributable to non-controlling interests	**128,995**	(486,287)
Net (loss) income attributable to members	**$ (8,186,782)**	$ 15,449,827

See accompanying notes.

Enhanced Capital Partners, LLC

Consolidated Statements of Members' Deficit

Years Ended December 31, 2019 and 2018

	Members' Deficit	Noncontrolling Interest	Total Deficit
Balances at December 31, 2017	$ (35,055,603)	$ 1,444,932	$ (33,610,671)
Return of capital	—	(150,000)	(150,000)
Distributions	—	(313,607)	(313,607)
Net income	15,449,827	486,287	15,936,114
Balances at December 31, 2018	(19,605,776)	1,467,612	(18,138,164)
Distributions	**—**	**(292,277)**	**(292,277)**
Net loss	**(8,186,782)**	**(128,995)**	**(8,315,777)**
Balances at December 31, 2019	**$ (27,792,558)**	**$ 1,046,340**	**$ (26,746,218)**

See accompanying notes.

Enhanced Capital Partners, LLC

Consolidated Statements of Cash Flows

Years Ended December 31, 2019 and 2018

	2019	2018
Operating activities		
Net income	**$ (8,315,777)**	$ 15,936,114
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**197,100**	395,491
Accretion of payment undertaking contracts	**(459,572)**	(411,823)
Income from premium tax credits	**(6,898,218)**	(35,200,065)
Amortization of debt issuance costs	**441,858**	459,014
Non-cash interest expense	**11,890,016**	12,157,714
(Gain) loss from unconsolidated subsidiaries	**(95,781)**	436,195
Unrealized gain on qualified investments, net	**(94,866)**	(4,336,518)
Realized loss on investments, net	**(9,413)**	5,015,080
Proceeds from repayment and sales of qualified investments	**20,074,377**	14,358,907
Purchase of investments in qualified businesses	**(9,880,320)**	(11,185,888)
Supplemental insurance and profits interest payments	**(864,655)**	(1,284,505)
Change in accrued supplemental insurance and profits interest	**715,140**	1,120,747
Changes in assets and liabilities:		
Accrued interest receivable	**130,255**	120,787
Prepaid expenses and other assets, net	**(166,867)**	(117,675)
Due from related party	**(957,346)**	612,751
Accounts payable and accrued expenses	**(256,017)**	1,537,549
Accrued interest payable	**(1,636,340)**	1,211,142
Net cash provided by operating activities	**3,813,574**	825,017

See accompanying notes.

Investing activities		
Proceeds from investments in unconsolidated subsidiaries	**369,241**	250,677
Payment for payment undertaking agreement	**(3,487,508)**	—
Net cash (used in) provided by investing activities	**(3,118,267)**	250,677

See accompanying notes.

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Enhanced Capital Partners, LLC

Consolidated Statements of Cash Flows (continued)

Years Ended December 31, 2019 and 2018

	2019	2018
Financing activities		
Payment for debt issuance costs	**$ (330,944)**	$ —
Proceeds from issuance of CAPCO notes payable	**9,528,336**	—
Payments on CAPCO notes payable	**(2,108,897)**	—
Proceeds from credit facility and term loans	**—**	2,500,000
Payments on credit facility and term loans	**(200,000)**	(2,300,000)
Payments on subordinated note payable	**(7,956,140)**	(3,940,694)
Return of capital to non-controlling interest	**—**	(150,000)
Distributions to non-controlling interest	**(292,277)**	(313,607)
Net cash used in financing activities	**(1,359,922)**	(4,204,301)
Net decrease in cash, cash equivalents, and restricted cash	**$ (664,615)**	$ (3,128,607)
Cash, cash equivalents, and restricted cash at beginning of period	**10,755,596**	13,884,203
Cash, cash equivalents, and restricted cash at end of period	**$ 10,090,981**	$ 10,755,596
Cash and cash equivalents	**$ 5,298,246**	$ 9,415,047
Restricted cash	**4,792,735**	1,340,549
Total cash, cash equivalents, and restricted cash	**$ 10,090,981**	$ 10,755,596
Noncash operating and financing activities		
Settlement of CAPCO notes payable and accrued interest payable with:		
Payment undertaking contracts	**$ 5,948,269**	$ 5,487,072
Premium tax credits	**18,520,454**	20,571,994
Supplemental cash flow disclosure		
Cash paid for interest	**$ 1,413,040**	$ 595,846

See accompanying notes.

Enhanced Capital Partners, LLC

Consolidated Schedules of Investments

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Shares	Cost	Fair Value	Percentage of Equity	Shares	Cost	Fair Value
Technology and Software:								
Louisiana Technology Fund, LLC								
Common Units	N/A	326	$ 347,280	$ 2,764	N/A	326	$ 425,617	$ 81,100
Louisiana Technology Fund 2006, LLC								
Common Units	N/A	291	244,398	1,646	N/A	291	256,053	13,300
RepEquity, Inc.								
Series A Convertible Preferred Stock	N/A	383,825	350,000	1,050,000	N/A	383,825	350,000	1,050,000
Common stock	N/A	738,589	2,299,545	1,652,740	N/A	738,589	2,299,545	1,458,324
Warrants - Common	N/A	109,385	—	142,592	N/A	109,385	—	113,799
Convertible Debt, 10%, Due date 7/31/2022	N/A		200,000	200,000	N/A		—	—
	N/A		2,849,545	3,045,332	N/A		2,649,545	2,622,123
Post-N-Track Corporation								
Debt Securities,5%, Due date 09/30/2018	N/A		—	—	N/A		1,114,285	1,114,285
Camgian Microsystems Corporation								
Debt securities, Term A&B 16%, Due date 7/10/2020	N/A		—	—	N/A		223,268	223,268
Spot-On Networks, LLC								
Debt Securities, 3%, Term A&B Due date 12/31/2019, Term C Due date 3/1/2021	N/A		1,225,000	1,225,000	N/A		1,225,000	1,225,000
Inbox Health Corp								
Series Seed Preferred Stock	N/A	439,946	109,987	109,987	N/A	439,946	109,987	109,987
Pennsylvania Globe Gaslight Co.								
Debt Securities, 8%, Due date 7/7/2020	N/A		207,500	207,500	N/A		237,500	237,500
Budderfly, Inc.								

See accompanying notes

Enhanced Capital Partners, LLC

Consolidated Schedules of Investments (continued)

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Shares	Cost	Fair Value	Percentage of Equity	Shares	Cost	Fair Value
Debt Securities, Term A 3%, Due date 9/29/20, Term B 8%, Due date 9/29/20, Term C 3%, Due date 6/11/21	N/A		—	—	N/A		2,985,000	2,985,000
Grey Wall Software, LLC								
Debt Securities, Term A 6%, Due date 3/19/2021, Term B 6%, Due date 5/3/2021, Term C 8%, Due date	N/A		1,418,760	1,418,760	N/A		1,000,000	1,000,000
TRS Fuel Cell, LLC								
Debt Securities, 6%, Due date 1/14/2022	N/A		1,500,000	1,500,000	N/A		—	—
Energea Global, LLC								
Debt Securities, 8%, Due date 1/10/2022	N/A		1,000,000	1,000,000	N/A		—	—
Total Technology and Software Investments	N/A		8,902,470	8,510,989	N/A		10,359,445	9,744,753
Healthcare:								
ContinuumRX Services, Inc.								
Series A Preferred Stock	N/A	1,357,704	$ 227,898	$ 501,013	N/A	1,357,704	$ 227,898	$ 454,199
Series B Preferred Stock	N/A	582,931	511,135	448,688	N/A	582,931	511,135	429,349
Common Shares	N/A	2,781,956	1,993,910	864,651	N/A	2,781,956	1,993,910	569,282
Common Warrants	N/A	—	32,832	32,832	N/A	—	—	—
	N/A		2,765,775	1,847,184	N/A		2,732,943	1,452,830
CircleLink Health Inc.								
(f/k/a MedAdherence, LLC)								
Series Seed 6 Preferred Stock	N/A	327,045	75,000	73,354	N/A	327,045	75,000	73,354
Precipio, Inc.								
Series B Preferred Stock	N/A	1,282	75,000	2,957	N/A	19,241	75,000	2,957

See accompanying notes

Enhanced Capital Partners, LLC

Consolidated Schedules of Investments (continued)

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Shares	Cost	Fair Value	Percentage of Equity	Shares	Cost	Fair Value
iMedEquip, LLC								
Debt Securities,16%,Due date 09/23/2019	N/A		—	—	N/A		350,000	350,000
Happy Mountains, LLC								
Debt Securities, 6.50%, Term A Due date 11/22/2019, Term B Due date 12/07/2020	N/A		—	—	N/A		5,168,000	5,168,000
Windham Nursing, LLC								
Debt Securities, 3%, Due date 11/16/2021	N/A		1,485,000	1,485,000	N/A		1,500,000	1,500,000
RightPro Staffing, LLC								
Debt Securities, 6.5%, Term A Due date 12/6/2021,	N/A		544,487	544,487	N/A		400,000	400,000
Term B Due date 11/17/2022								
Total Healthcare Investments	N/A		4,945,262	3,952,982	N/A		10,300,943	8,947,141
Food and Beverage Services:								
City Winery New York, LLC								
Common Stock	N/A	469	54,000	1,504,278	N/A	469	54,000	1,288,735
Wyoming Authentic Products, LLC								
Series B&C Preferred Stock	N/A	310,204	310,204	—	N/A	310,204	310,204	—
Debt securities, 4.50%, Term A Due date 7/1/20, Term B 4/1/2023	N/A		1,300,000	1,300,000	N/A		1,000,000	1,000,000
	N/A		1,610,204	1,300,000	N/A		1,310,204	1,000,000
Vertical Harvest, LLC								
Debt securities, Term A, B, & C 3%, Term A Due date 10/1/20, Term B Due date 5/22/2020, Term C Due date 5/1/2023	N/A		635,000	635,000	N/A		345,000	345,000

See accompanying notes

Enhanced Capital Partners, LLC

Consolidated Schedules of Investments (continued)

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Shares	Cost	Fair Value	Percentage of Equity	Shares	Cost	Fair Value
Salad Days, LLC								
Debt Securities, 6%, Due Date 11/26/2023	N/A		162,000	162,000	N/A		—	—
Total Food and Beverage Services Investments	N/A		2,461,204	3,601,278	N/A		1,709,204	2,633,735
Manufacturing:								
Rheonix, Inc.								
Series A Convertible Preferred Stock	N/A	212,585	$ 250,000	$ —	N/A	212,585	$ 250,000	$ 150,000
Oxford Performance Materials, LLC								
Series A Preferred Stock	N/A		150,000	150,000	N/A		150,000	150,000
Kat Burki, Inc.								
Debt Securities, 15%, Due date 1/31/2018	N/A		2,076,821	2,076,821	N/A		2,100,742	1,724,127
SciApps, Inc.								
Series B Preferred Stock	N/A	117,371	250,000	326,764	N/A	117,371	250,000	280,631
Serice C Preferred Stock	N/A	66,744	102,787	134,348	N/A	66,744	102,787	115,381
Series C-1 Preferred Stock	N/A	86,108	92,997	121,552	N/A	86,108	92,997	104,391
	N/A		445,784	582,664	N/A		445,784	500,403
Empire Geonomics, LLC								
Convertible debt securities, 12%, Due date 12/31/2020	N/A		87,054	87,054	N/A		91,979	91,979
Pro South, Inc.								
Debt securities, 12%, Due date 2/1/2020	N/A		326,777	—	N/A		416,667	416,667
Greenleaf Energy Solutions, LLC								

See accompanying notes

Enhanced Capital Partners, LLC

Consolidated Schedules of Investments (continued)

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Shares	Cost	Fair Value	Percentage of Equity	Shares	Cost	Fair Value
Debt Securities, 6%, Term A Due date 8/14/2020, Term B Due date 5/3/2022	N/A		1,482,000	1,482,000	N/A		810,000	810,000
Florian Tools								
Debt Securities, 8%, Due date 06/16/2019	N/A		—	—	N/A		434,750	434,750
Air-Up Vending, LLC								
Debt securities, Term A 8%, Term B 3% Due date 10/1/2020, Term C 8%, Term D 3% Due date 2/22/21	N/A		480,952	480,952	N/A		984,523	984,523
Magnolia Energy Solution, LLC								
Debt securities, 3.85%, Due date 1/1/2021	N/A		300,000	300,000	N/A		1,008,333	1,008,333
River & Roads, LLC								
Debt securities, 3.85%, Due date 1/1/2021	N/A		155,417	155,417	N/A		710,417	710,417
DMOS, LLC								
Preferred Stock	N/A	695,507	50,000	50,000	N/A	695,507	50,000	50,000
Total Manufacturing Investments	N/A		5,804,805	5,364,908	N/A		7,453,195	7,031,199
Services:								
Saff, Inc.								
Debt Securities,12%, Due date 1/1/2021	N/A		$ 22,486	$ 22,486	N/A		$ 34,841	$ 34,841
Cotton Mill Hotel Group, LLC								
Debt securities,4% in 2018, 2.125% in 2019, Due date 11/01/20	N/A		1,137,253	895,244	N/A		1,268,861	1,268,861

See accompanying notes

Enhanced Capital Partners, LLC

Consolidated Schedules of Investments (continued)

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Shares	Cost	Fair Value	Percentage of Equity	Shares	Cost	Fair Value
Discover Video, LLC								
Debt Securities, 8%, Due date 07/28/2020	N/A		162,500	162,500	N/A		557,500	557,500
Brighter Health Network, LLC								
Debt securities, 8%, Due date 2/29/20	N/A		455,555	455,555	N/A		655,556	655,556
Landshark Transport, LLC								
Debt securities, 6.50%, Due date 9/1/2019	N/A		—	—	N/A		53,205	53,205
CK Mechanical Plumbing and Heating, Inc.								
Debt securities,10%, Due date 7/1/2020	N/A		637,000	175,785	N/A		647,000	185,785
Brushbuck Guide Services, Inc.								
Debt securities, 7% in 2018, 8% in 2019, due date 01/01/2021	N/A		—	—	N/A		765,000	765,000
Y2 Consultants, LLC								
Debt securities, 8%, Due date 6/01/2021	N/A		—	—	N/A		1,082,500	1,082,500
Educational Playcare, LLC								
Debt Securities, 8%, Term A Due date 06/27/20, Term B Due date 2/23/21	N/A		—	—	N/A		2,305,000	2,305,000
Pinnacle Medical Solution, LLC								
Debt securities, 4.5%, Due date 10/2/2020	N/A		708,333	708,333	N/A		829,762	829,762
Frost, LLC								
Debt securities,5%, Due date 01/01/2021	N/A		89,000	89,000	N/A		125,000	125,000
Delcon Partners, LLC								
Debt securities, 3.5%, Due date 5/01/2022	N/A		—	—	N/A		1,400,000	1,400,000

See accompanying notes

Enhanced Capital Partners, LLC

Consolidated Schedules of Investments (continued)

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Shares	Cost	Fair Value	Percentage of Equity	Shares	Cost	Fair Value
Fireside Glamping, LLC								
Debt securities,10%, Due date 4/30/2017	N/A		—	—	N/A		59,500	150,000
TriLipid, LLC								
Debt securities, 10%, Due date 3/16/2022	N/A		2,001,000	2,001,000	N/A		1,500,000	1,500,000
Powderhorn Partners, LLC								
Debt securities,3.5%, Due date 9/1/2022	N/A		$ 440,000	$ 440,000	N/A		$ 1,250,000	$ 1,250,000
Echo Transportation, LLC								
Debt securities,8%, Due date 9/1/2023	N/A		705,000	350,000	N/A		750,000	750,000
Vesper, LLC								
Debt Securities, 8%, Due date 2/5/2022	N/A		500,000	500,000	N/A		—	—
Voice Glance, LLC								
Debt Securities, 6%, Term A Due date 2/14/2022, Term B Due date 4/10/2022	N/A		700,000	700,000	N/A		—	—
Posigen CT, LLC								
Debt Securities, 8%, Due date 5/3/2022	N/A		2,500,000	2,500,000	N/A		—	—
Lillian August Design, LLC								
Debt Securities, 8%, Due date 11/04/2021	N/A		750,000	750,000	N/A		—	—
Total Services Investments	N/A		10,808,127	9,749,903	N/A		13,283,725	12,913,010
Total Investments	N/A		$32,921,868	$31,180,060	N/A		$43,106,512	$41,269,838

See accompanying notes

Enhanced Capital Partners, LLC

Consolidated Schedules of Investments (continued)

	December 31, 2019				December 31, 2018			
	Percentage of Equity	Shares	Cost	Fair Value	Percentage of Equity	Shares	Cost	Fair Value
Summary of Securities								
Preferred Stock	N/A		$ 2,555,008	$ 2,968,663	N/A		$ 2,405,008	$ 2,820,249
Common Stock	N/A		4,939,133	4,026,079	N/A		5,029,125	3,410,741
Warrants - Common	N/A		32,832	175,424	N/A		—	113,799
Debt Securities	N/A		25,307,841	23,922,840	N/A		35,430,400	34,683,070
Convertible Debt Securities	N/A		87,054	87,054	N/A		241,979	241,979
Total Investments	N/A		$32,921,868	$31,180,060	N/A		$43,106,512	$41,269,838

See accompanying notes

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements

December 31, 2019

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by Enhanced Capital Partners, LLC (ECP or the Company), in the preparation of its consolidated financial statements in accordance with accounting principles generally accepted in the United States.

Basis of Presentation and Description of Business

The Company's primary business objective is to participate in certified capital company premium tax credit programs adopted by various states throughout the United States. The Company's principal investment objective is to maximize portfolio return by generating current income from debt investments and capital appreciation from equity and equity-related investments, including warrants, convertible securities, and other rights to acquire equity securities in a portfolio company. ECP's portfolio investments are debt and equity investments in small and emerging private companies through its Certified Capital Companies (CAPCOs).

A CAPCO issues qualified debt instruments to insurance company investors (Certified Investors) in exchange for cash. The gross proceeds of these debt instruments are Certified Capital, which is used to make targeted investments in qualified businesses (Investments in Qualified Businesses, as defined under the respective state statutes, or Qualified Businesses). Such investments are accounted for using the fair value method of accounting, as described in Accounting Standards Codification (ASC) 946, Financial Services – Investment Companies. Participation in each CAPCO program legally entitles the CAPCO to receive (or earn) tax credits from the state upon satisfying quantified, defined investment percentage thresholds and time requirements. In order for a CAPCO to maintain its state-issued certifications, the CAPCO must make Investments in Qualified Businesses in accordance with these requirements. These state requirements are mirrored in the limitations agreed to by each CAPCO in its written contractual agreements with its Certified Investors and limit the activities of the CAPCO to conducting the business of a CAPCO.

The CAPCOs can satisfy the interest and principal payments on the notes by delivering premium tax credits and cash payments from Payment Undertaking Contracts. The CAPCOs have the legal right to deliver the premium tax credits to the Certified Investors. The Certified Investors legally have the right to receive and use the premium tax credits and would, in turn, use these premium tax credits to reduce their respective state tax liabilities in an amount normally equal to 100% of their certified investment. The premium tax credits can be utilized over a fixed time period, at a fixed rate and, in some instances, the premium tax credits are transferable and can be carried forward. The premium tax credits, plus the Payment Undertaking Contracts and accumulated interest thereon, are designed to satisfy in full both the principal amount and accumulated interest on the notes payable.

The following is a summary of each CAPCO, its state of certification, and date of certification:

CAPCO	State of Certification	Date of Certification
Enhanced Louisiana Issuer, LLC	Louisiana	December 15, 1997
Enhanced Louisiana Capital II, LLC	Louisiana	September 27, 2002
Enhanced Louisiana Capital III, LLC	Louisiana	June 17, 2003
Enhanced New York Issuer, LLC	New York	November 27, 2000
Enhanced Capital New York Fund II, LLC	New York	November 26, 2004

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies

CAPCO	State of Certification	Date of Certification
Enhanced Capital New York Fund III, LLC	New York	September 26, 2005
Enhanced Colorado Issuer, LLC	Colorado	February 20, 2002
Enhanced Alabama Issuer, LLC	Alabama	November 6, 2003
Enhanced Capital Alabama Fund II, LLC	Alabama	February 27, 2008
Enhanced Capital District Fund, LLC	District of Columbia	September 13, 2004
Enhanced Capital Texas Fund, LP	Texas	April 8, 2005
Enhanced Capital Texas Fund II, LLC	Texas	November 18, 2007
Enhanced Capital Connecticut Fund I, LLC	Connecticut	January 25, 2011
Enhanced Capital Connecticut Fund II, LLC	Connecticut	January 27, 2011
Enhanced Capital Connecticut Fund III, LLC	Connecticut	November 22, 2011
Enhanced Capital Connecticut Fund IV, LLC	Connecticut	December 9, 2013
Enhanced Capital Connecticut Fund V, LLC	Connecticut	November 6, 2015
Enhanced Capital Wyoming Fund, LLC	Wyoming	August 13, 2012
Enhanced Capital Mississippi Fund, LLC	Mississippi	January 16, 2013
Enhanced Capital Mississippi Fund II, LLC	Mississippi	January 9, 2019

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany accounts and transactions are eliminated in consolidation.

The Company employs the equity method of accounting for investments in business entities when it can exercise significant influence over the operating and financial policies of the entities. The cost method is used when the Company does not have the ability to exert significant influence.

Regulatory Matters

The CAPCOs are licensed under the various applicable state statutes and are subject to regulation by a state governmental agency. The applicable state agency implements various regulations and determines the CAPCO’s compliance with the regulations. These regulations require, among other things, that the Company invest a percentage of each Certified Capital pool at required minimum levels by a certain date after such capital is certified. See Revenue Recognition below for further discussion.

1. Summary of Significant Accounting Policies (continued)

The CAPCO will recognize earnings from premium tax credits as it meets the qualified investment benchmarks, as discussed below, which are determined by the applicable state rules and regulations that govern the CAPCO program. Upon investing 100% of the Certified Capital, as determined by the applicable state rules and regulations governing the CAPCO program, the CAPCO can apply for voluntary decertification, which will then allow the CAPCO to make distributions to its parent and other affiliated entities. Until either the end of the program, or voluntary decertification, the CAPCO is not permitted to make distributions, other than qualified distributions, to its parent and other affiliated entities under the provisions of the applicable state regulations.

The Company has completed 20 CAPCO transactions in 8 states and the District of Columbia, and as a result, purchasers have invested Certified Capital in the CAPCOs, purchased notes payable issued by the CAPCOs, and the CAPCOs have earned premium tax credits pursuant to applicable state CAPCO programs. An insurance company that invests in a CAPCO during the certification year may be entitled to premium tax credits of generally 100% of its investment, which may be available to offset premium tax liabilities, subject to specific state requirements, over a defined period of years.

As previously discussed, a CAPCO is required to make Investments in Qualified Businesses under a qualified investment schedule, as defined, in order to remain certified as a CAPCO. If the Company does not make such qualified investments within the statutorily provided time frame, the CAPCO is subject to involuntary decertification and revocation, as defined in the respective CAPCO agreements, of its certificate and, accordingly, the Certified Investor could be subject to forfeiture or recapture of its previously granted state tax credits. This risk has been insured under premium tax credit insurance policies described in the Prepaid Expenses section of Note 1. Generally, a CAPCO must invest at least 50% of its Certified Capital in Qualified Businesses within five years after the certification date.

The CAPCOs believe they are in compliance with the various applicable state statutes as of December 31, 2019, including the investment time limits provided for in the applicable statute. See the table in Revenue Recognition below.

Revenue Recognition

Interest income earned by the Company is recognized on the accrual basis of accounting. Dividend income earned by the Company from equity investments is recognized when declared by portfolio companies.

Interest income on loans is generally accrued on the principal balance outstanding. The accrual of interest income on loans is discontinued when the receipt of principal and interest on a timely basis becomes doubtful. In such cases, interest is recognized at the time of receipt. A reserve for possible losses on interest receivable is maintained when appropriate.

The cost of each specific security is used to determine gains or losses on sales of securities. Such gains or losses are reported as a component of realized gains (losses). Purchases and sales of investments are recorded on a trade-date basis.

Other fee income consists primarily of management fee income with a related party which is recognized over the service period, provided collection is probable (see Note 7).

Income from premium tax credits is recognized as the Company fulfills its statutory minimum investment thresholds, causing the premium tax credits to become non-recapturable, as discussed below. Following an

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

application process, the state will notify a company that it has been certified as a CAPCO. The state then allocates an aggregate dollar amount of premium tax credits to the CAPCO. However, such amount is neither recognized as income nor otherwise recorded in the financial statements because it has yet to be earned by the CAPCO. The CAPCO is legally entitled to earn premium tax credits upon satisfying defined investment percentage thresholds within specified time requirements and corresponding non-recapture percentages as defined by the state statutes. As the CAPCO meets these requirements, it avoids grounds under the state statutes for its disqualification from continued participation in the CAPCO program. Disqualification, or "involuntary decertification," of a CAPCO results in a recapture of all or a portion of the allocated premium tax credits; however, the proportion of the recapture is reduced over time as the CAPCO remains in general compliance with the program rules and meets the progressively increasing investment benchmarks. As the CAPCO progresses its investments in Qualified Businesses and, accordingly, places an increasing proportion of the premium tax credits beyond recapture, it earns an amount equal to the non-recapturable premium tax credits and records such amount as income, with a corresponding asset called "earned premium tax credits" in the balance sheet. The amount of premium tax credits earned is recognized at its present value of the percentage of the total amount of premium tax credits allocated to the CAPCO multiplied by the percentage of the premium tax credits immune from recapture (the earned income percentage) under the state statute.

Once the Company reaches the investment benchmarks or receives notice from the state that the benchmark has been met, the state generally cannot recapture a percentage of the premium tax credits, as discussed earlier. The following table depicts the recapture percentages for the premium tax credits and the point at which revenue from premium tax credits will be recognized (Earned Income Percentage).

CAPCO	Investment Benchmark Date	Qualified Investments Benchmarks	Recapture Percentage	Earned Income Percentage	Benchmark Achieved
Enhanced Louisiana Issuer, LLC	10/18/2005	After 50%	0.00%	100.00%	X
Enhanced Louisiana Capital II, LLC	10/17/2007	After 50%	0.00%	100.00%	X
Enhanced Louisiana Capital III, LLC	10/16/2008	After 50%	0.00%	100.00%	X
Enhanced New York Issuer, LLC	12/27/2004	After 50%	0.00%	100.00%	X
Enhanced Colorado Issuer, LLC	4/22/2007	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Alabama Issuer, LLC	2/4/2009	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Capital District Fund, LLC	11/18/2009	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Capital New York Fund II, LLC	12/10/2008	After 50%	0.00%	100.00%	X
Enhanced Capital New York Fund III, LLC	11/18/2009	After 50%	0.00%	100.00%	X
Enhanced Capital Texas Fund, LP	6/20/2010	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Capital Texas Fund II, LLC	1/25/2013	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Capital Alabama Fund II, LLC	4/15/2013	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Capital Connecticut Fund I, LLC	1/25/2015	After 60% and after 4 years	0.00%	100.00%	X
Enhanced Capital Connecticut Fund II, LLC	1/27/2015	After 60% and after 4 years	0.00%	100.00%	X

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

CAPCO	Investment Benchmark Date	Qualified Investments Benchmarks	Recapture Percentage	Earned Income Percentage	Benchmark Achieved
Enhanced Capital Connecticut Fund III, LLC	11/22/2015	After 60% and after 4 years	0.00%	100.00%	X
Enhanced Capital Wyoming Fund, LLC	8/13/2016	After 50%	0.00%	100.00%	X
Enhanced Capital Mississippi Fund, LLC	1/24/2017	After 50%	0.00%	100.00%	X
Enhanced Capital Connecticut Fund IV, LLC	12/12/2017	After 60% and after 4 years	0.00%	100.00%	X
Enhanced Capital Connecticut Fund V, LLC	11/6/2021	After 60% and after 6 years	0.00%	100.00%	X
Enhanced Capital Mississippi Fund II, LLC	1/22/2023	After 50%	0.00%	100.00%	

Once a CAPCO has achieved the 100% investment milestone it can become voluntarily decertified by the state regulatory agency. Once voluntarily decertified, the CAPCO has the authority to make profit distributions at its own discretion. The following table depicts the CAPCOs that have become voluntarily decertified as of December 31, 2019.

CAPCO	Date
Enhanced Louisiana Issuer, LLC	February 11, 2004
Enhanced Capital New York Fund II, LLC	February 28, 2011
Enhanced Capital Texas Fund, LP	December 4, 2012
Enhanced Capital Texas Fund II, LLC	December 4, 2012
Enhanced Louisiana Capital II, LLC	November 7, 2012
Enhanced Capital New York Fund III, LLC	July 8, 2013
Enhanced Louisiana Capital III, LLC	October 14, 2013
Enhanced Alabama Issuer, LLC	June 19, 2014
Enhanced New York Issuer, LLC	November 23, 2015
Enhanced Capital Connecticut Fund II, LLC	December 23, 2015
Enhanced Capital Connecticut Fund III, LLC	December 23, 2015
Enhanced Capital Connecticut Fund I, LLC	January 29, 2016
Enhanced Capital Connecticut Fund IV, LLC	March 25, 2016
Enhanced Capital Alabama Fund II, LLC	March 9, 2017
Enhanced Capital Connecticut Fund V, LLC	July 10, 2019
Enhanced Capital Wyoming Fund, LLC	December 13, 2019

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures* (ASC 820), establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value and requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy (i.e., Level 1, 2, and 3 inputs, as defined). The fair value

1. Summary of Significant Accounting Policies (continued)

hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Additionally, companies are required to provide enhanced disclosure regarding instruments in the Level 3 category (which use inputs to the valuation techniques that are unobservable and require significant management judgment), including a reconciliation of the beginning and ending balances separately for each major category of assets and liabilities.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Inputs – Quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date. Level 1 assets include listed mutual funds, equities, and certain debt securities.

Level 2 Inputs – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted market prices that are observable, such as models or other valuation methodologies.

Level 3 Inputs – Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. Assets included in this category generally include direct private equity investments, general and limited partnership interests in private equity funds, and funds of funds.

The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and the consideration of factors specific to the financial instrument.

Investments

The Company records its investments at fair value, as determined by management. Such values are generally considered to be the amount that the Company might reasonably expect to receive for its investments if negotiations for sale were entered into on the valuation date. Valuation as of any particular date, however, is not necessarily indicative of an amount that the Company may ultimately realize as a result of a future sale or other disposition of the investment. The estimated fair value is determined by taking into consideration the cost of the investments; internal or third-party valuation models; the price at which unaffiliated investors have purchased the same or similar securities; developments concerning the company to which such investments relate subsequent to the acquisition of such investments; the financial condition and cash flow projections of the underlying company; price/earnings ratios; cash flow multiples, equity/sales ratios, or other appropriate financial measures of publicly traded companies within the same industry; and other such relevant factors. Changes to the fair values of investments are recognized in income.

Equity investments, other than common stock, have various liquidity features with the underlying financial instrument. These features typically include cumulative and noncumulative dividends, detachable warrants, and redeemable and convertible options. In most instances, the Company has voting representation on the investee’s board of directors.

Debt investments can include senior and mezzanine loans, which are loans that are usually subordinate to senior debt, may have some equity features, and generally reflect a level of risk moderately higher than traditional bank financing or senior debt with entities that have a higher risk profile.

There were no individual investments greater than 10% of the fair value of the Company’s portfolio. Income, consisting of interest, dividends, fees, other investment income, and realization of gains or losses on equity

1. Summary of Significant Accounting Policies (continued)

interests, can fluctuate dramatically upon repayment of an investment or sale of an equity interest and in any given year can be highly concentrated among several investees. The Company's investments carry a number of risks including, but not limited to: (1) investing in companies which have a limited operating history and financial resources; (2) investing in senior subordinated debt which ranks equal to or lower than debt held by other investors; and (3) holding investments that are not publicly traded. The Company evaluates the credit risk of its investees at the time of the investment and on a consistent basis going forward. The Company generally requires collateral for its investments. The maximum amount of loss due to credit risk of the Company is the fair value of its investments, which has been recognized in the accompanying consolidated financial statements. There may also be risk associated with the concentration of investments in certain geographic regions or in certain industries.

Income Taxes

No provision is made in the consolidated financial statements for federal income taxes because ECP's results of operations are allocated directly to its members. ECP is subject to state and local income taxes in certain state and local jurisdictions.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Company to report information regarding its exposure to various tax positions taken by the Company. The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax positions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Any interest or penalties assessed to the Company are recorded in operating expenses. No interest or penalties from any taxing authorities were recorded in the accompanying consolidated financial statements. Federal, state, and local taxing authorities generally have the right to examine and audit the previous three years of tax returns filed.

Cash and Cash Equivalents

The Company considers unrestricted cash in banks and investments with original maturities of 90 days or less to be cash and cash equivalents.

Restricted Cash

The Company has cash on deposit with BH Finance, LLC and Vulcan Enhancement, LLC, for the future investment in qualified investments as required by the CAPCO transaction agreements. The cash may be drawn for investment in qualified investments only. At December 31, 2019 and 2018, the Company had $4,602,168 and $0, respectively, on deposit with BH Finance, LLC for the future investment in qualified investments as required by the CAPCO transaction agreements. At December 31, 2019 and 2018, the Company had $0 and $1,259,461, respectively, on deposit with Vulcan Enhancement, LLC, for the future investment in qualified investments.

At December 31, 2019 and 2018, the Company had $0 and $81,088, respectively, on deposit with third-party escrow agents from the sale of its qualified investments. The terms of the escrow agreements state that the money will be held on deposit through the end of the escrow periods, which vary for each sale. The money held in escrow will be used to fund future claims that may occur. The amount ultimately realized may be less due to shareholder claims filed against the escrow deposit.

1. Summary of Significant Accounting Policies (continued)

The Company also holds cash on deposit for the purpose of fulfilling minimum cash requirement with BH Finance, LLC. At December 31, 2019 and December 31, 2018, the company had $190,567 and $0, respectively, on deposit for minimum cash requirement

Prepaid Expenses

As of December 31, 2019, the Company had purchased 20 premium tax credit insurance policies related to the note purchase agreements, one of which was still in place. The insurance policies insure the availability of premium tax credits to the noteholders. Premiums under the policy cease once the premium tax credits are immune from recapture. The Company amortizes the initial insurance premiums using the greater of the percentage of the qualified investments made to the total amount required or the straight-line method over the life of the notes. Subsequent premiums are amortized using the straight-line method until the time of the next premium, which is typically every six months. Amortization expense was $194,354 and $390,784 for the years ended December 31, 2019 and 2018, respectively.

Debt Issuance Costs

The Company amortizes debt issuance costs over the life of the associated notes using the effective interest method. During the years ended December 31, 2019 and 2018, the Company recorded $441,858 and $459,013, respectively, in amortization expense. This amount is classified as interest expense in the accompanying statements of operations.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expense during the reporting period. The most significant estimate for the Company is with respect to valuation of investments. Actual results could differ from those estimates.

Recently Adopted Accounting Standards

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), which requires a company to recognize revenue when the company transfers control of promised goods and services to the customer. Revenue is recognized in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. The Company adopted Topic 606 using the modified retrospective approach on January 1, 2019, which did not result in a change in the Company’s measurement or recognition of revenues.

2. Fair Value Disclosures

Level 3 assets primarily consist of direct private company investments in debt and equity securities of portfolio companies. Changes in Level 3 assets measured at fair value on a recurring basis were as follows:

	Investments
Balance at December 31, 2017	$ 45,121,419
Purchases of investments	11,185,888
Proceeds from sales and repayments of investments	(14,358,907)
Realized loss on investments	(5,015,080)
Unrealized gain on investments	4,336,518
Balance at December 31, 2018	41,269,838
Purchases of investments	**9,880,320**
Proceeds from sales and repayments of investments	**(20,074,377)**
Realized gain on investments	**9,413**
Unrealized gain on investments	**94,866**
Balance at December 31, 2019	**$ 31,180,060**

All realized and unrealized gains and losses on investments are included in earnings and are reported in net realized loss on investments and in net change in unrealized loss on investments, respectively, in the statement of operations. Net unrealized gain (loss) on investments of $185,368 and $(712,454) during the years ended December 31, 2019 and 2018, respectively, are related to portfolio company investments that were still held by the Company as of December 31, 2019 and 2018.

The Company's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstances that caused the transfer.

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level 3 of the fair value hierarchy as of December 31, 2019.

	Fair Value at December 31 2019	Valuation Technique	Unobservable Inputs	Ranges	Weighted Average
Debt securities	**$9,229,592**	Discounted cash flows	Discount rate	0.0%–15.2%	3.4%
			ROI multiple	1.0x	1.0x
	14,780,301	Transaction price	N/A	N/A	N/A
Equity securities	**6,779,459**		Revenue multiple	1.3x–2.9x	1.6x
		Enterprise value waterfall	EBITDA multiple	9.4x–11.9x	10.3x
	390,708	Transaction price	N/A	N/A	N/A

2. Fair Value Disclosures (continued)

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level 3 of the fair value hierarchy as of December 31, 2018.

	Fair Value at December 31 2018	Valuation Technique	Unobservable Inputs	Ranges	Weighted Average
Debt securities	$ **16,059,193**	Discounted cash flows	Discount rate	3.1%–32.6%	6.7%
	1,724,127	Enterprise value waterfall	Revenue multiple	1.4x	1.4x
	16,991,729	Transaction price	N/A	N/A	N/A
Equity securities	**5,864,091**		Revenue multiple	1.1x–2.9x	1.4x
		Enterprise value waterfall	EBITDA multiple	8.0x	8.0x
	630,698	Transaction price	N/A	N/A	N/A

The significant unobservable inputs used in the measurement of debt and equity securities include discount rates, exit multiples, revenue multiples, EBITDA multiples, and compound annual growth rates (CAGR). Increases (decreases) in discount rates in isolation can result in a lower (higher) fair value measurement. Increases (decreases) in any of the exit multiples, revenue multiples, EBITDA multiples, and compound annual growth rates in isolation can result in a higher (lower) fair value measurement. Due to their short term nature, the fair value of debt securities is assumed to approximate cost (less repayment of principal) unless there is a significant change in the risk free rate, or deterioration of the credit worthiness of the underlying investee is observed, at which time a discounted cash flow analysis is performed.

3. Payment Undertaking Contracts

In connection with the CAPCO transactions described in Note 1, the Company entered into interest-earning Payment Undertaking Contracts with BH Finance, LLC, in which BH Finance, LLC has agreed to make payments to the trustee on behalf of the holders of the notes described in Note 5, which will be sufficient to permit the trustee to pay the cash payment obligations on behalf of the Company on the dates on which the obligations are due. These agreements and deposits do not release the Company as obligor under the note agreements. At December 31, 2019 and 2018, the Company had $3,104,537 and $5,461,342, respectively, deposited with BH Finance, LLC to meet these obligations.

In connection with the Wyoming CAPCO transaction described in Note 1, the Company entered into an interest-earning Long Term Investment Contract with Vulcan Enhancement, LLC, in which Vulcan Enhancement, LLC has received a cash management deposit that upon the final maturity, will offset against the Wyoming CAPCO notes payable when the obligation is due. The Long-Term Investment Contract bears interest at 0.20% until February 13, 2013 and 2.50% after February 13, 2013, through maturity. These agreements and deposits do not release the Company as obligor under the note agreements. At December 31, 2019 and 2018, the Company had $14,663,102 and $14,307,486, respectively, deposited with Vulcan Enhancement, LLC to meet this obligation. These amounts are classified as payment undertaking contracts in the accompanying consolidated balance sheets.

4. Credit Facility

The Company had a $4,000,000 revolving line of credit with a national financial institution. The credit line bears interest at a floating rate of either LIBOR plus 4% or prime plus 1.5% at the option of the Company The credit line includes an unused commitment fee of 0.375%. The revolver facility was terminated on June 28, 2019. The outstanding balances under the credit line were $0 and $200,000 as of December 31, 2019 and 2018,

4. Credit Facility (continued)

respectively. As of December 31, 2019 and 2018, respectively, the unamortized balance of debt issuance costs of $0 and $58,060 was recorded as Prepaid expenses and other assets, net in the accompanying balance sheets.

5. CAPCO Notes Payable

The Company's CAPCOs have unsecured notes payable to various insurance company lenders that were issued in connection with the CAPCOs obtaining certified premium tax credits in the applicable states. Principal and interest on the non-Wyoming notes are to be repaid through a combination of cash repayments funded from the Payment Undertaking Contracts and through expected premium tax credit usage by the holders of the notes. Principal and interest on the Company's Wyoming CAPCO unsecured notes payable is to be repaid through a combination of the sales proceeds from the monetization of Wyoming tax credits and through the offset of the Long-Term Investment Contract as discussed in Note 3.

	2019	2018
Enhanced Capital Alabama Fund II, LLC	**$ —**	$ 109,137
Enhanced Capital Connecticut Fund I, LLC	**4,242,071**	8,190,256
Enhanced Capital Connecticut Fund II, LLC	**1,725,739**	3,328,980
Enhanced Capital Connecticut Fund III, LLC	**5,950,417**	11,488,594
Enhanced Capital Wyoming Fund, LLC	**22,891,210**	25,000,000
Enhanced Capital Mississippi Fund, LLC	**693,680**	3,370,511
Enhanced Capital Connecticut Fund IV, LLC	**5,300,260**	5,873,190
Enhanced Capital Connecticut Fund V, LLC	**33,105,915**	35,717,301
Enhanced Capital Mississippi Fund II, LLC	**9,465,562**	—
Total CAPCO notes payable, gross	**$ 83,374,854**	$ 93,077,969
Net discounts	**—**	(331)
Debt issuance costs	**(490,124)**	(416,580)
Total CAPCO notes payable, net of discount	**$ 82,884,730**	$ 92,661,058

Principal maturities on the outstanding CAPCO notes are as follows:

	Total
2020	$ 15,697,250
2021	9,092,662
2022	10,432,000
2023	8,774,335
2024	9,016,983
Thereafter	30,361,624
	$ 83,374,854

6. ECG Note Payable

On December 23, 2013, ECP issued a note payable to Enhanced Capital Group (ECG), an affiliate of the Company, with a face amount of $77,114,529 in order to refinance existing indebtedness (the Note). The Note was recorded at its fair value of $40,560,971 since the Note carries a below market interest rate. The difference

6. ECG Note Payable (continued)

between the estimated fair value and stated value resulted in a discount being recorded in the aggregate amount of $36,553,558. The discount will be amortized over the remaining life of the Notes using the effective-interest amortization method. For the years ended December 31, 2019 and 2018, $5,254,144 and $4,791,346, respectively, of discount amortization was recorded to interest expense in the accompanying consolidated statements of operations. As of December 31, 2019 and 2018, the unamortized discount of $8,178,851 and $13,432,995, respectively were included as an offset to ECG note payable in the accompanying consolidated balance sheets. As of December 31, 2019 and 2018, the unamortized portion of debt issuance costs of $252,797 and $379,195, respectively, is included as an offset to the ECG Note Payable in the accompanying consolidated balance sheets.

The Note accrues interest at the rate of 1.65% per annum through December 23, 2019, and Prime plus 2.0% from December 23, 2019 through December 23, 2021. The Note matures on December 23, 2021. Interest is due and payable annually, commencing on December 23, 2014. If interest is not paid when due, it accrues until it is paid. Principal is due at maturity but can be prepaid without penalty. Principal outstanding on the Note at December 31, 2019 and 2018 was $50,599,342 and $58,555,482, respectively. Accrued interest on the Note at December 31, 2019 and 2018 was $4,843,745 and $4,579,222, respectively. The Note issued is subordinate in right of payment to the senior indebtedness of the Company.

7. Related Party and Investments in Unconsolidated Subsidiaries

In August 2009, the Company formed a partnership, Council & Enhanced Tennessee Fund, LLC (C&E), with another investment firm for the purpose of applying and participating in the Tennessee Small Business Investment Company Credit Act (The Act). The Act was enacted to provide investment capital in the form of equity and debt financing to qualified businesses headquartered in the state of Tennessee. The Company has a 50% ownership interest in C&E. For the years ended December 31, 2019 and 2018, the Company recognized $52,595 and $66,032 of management fee income, respectively.

In December 2009, C&E was approved by the Tennessee Department of Economic and Community Development (TDECD) to be a qualified Tennessee small business investment company (TN Investco). C&E was awarded a $20 million investment allocation in premium insurance tax credits, the proceeds of which will be used to invest in qualifying small businesses headquartered within the state of Tennessee.

As of December 31, 2019 and 2018, the Company had made cumulative contributions of $257,500 to C&E and received cumulative distributions of $2,636,833 and $2,267,592, respectively from C&E. The Company accounts for its investment in C&E using the equity method of accounting and, thus, has recorded its share of income (loss) in the amount of $136,510 and $(311,129) for the years ended December 31, 2019 and 2018, respectively. ECP's investment in C&E was $1,244,385 and $1,477,116 as of December 31, 2019 and 2018, respectively.

The Company has a 2% ownership interest in Enhanced Small Business Investment Company, LP ("ESBIC"). As of December 31, 2019 and 2018, the Company has made cumulative capital contributions of $943,300 to ESBIC and received cumulative distributions of $452,747, respectively from ESBIC. The Company accounts for its investment in ESBIC using the equity method of accounting and, thus, has recorded its share of loss in the amount of $40,729 and $125,066 for the years ended December 31, 2019 and 2018, respectively. ECP's investment in ESBIC was $876,105 and $916,834 as of December 31, 2019 and 2018, respectively.

On December 23, 2013, the Company entered into an Administrative Services Agreement with Enhanced Capital Holdings, Inc., its parent company, to provide personnel and resources for the Company to operate its business

7. Related Party and Investments in Unconsolidated Subsidiaries (continued)

units. The Company recognized $7,930,183 and $7,461,965 of administrative support expense under this arrangement for the periods ended December 31, 2019 and 2018, respectively. The Company also entered into an Administrative Services Agreement with ECG to provide personnel and resources in order for ECG to operate its business units. The Company recognized $6,863,726 and $6,462,952 of administrative support fee income under this arrangement for the years ended December 31, 2019 and 2018, respectively.

8. Leases

The Company leases office space under various noncancelable leases. Future minimum lease payments at December 31, 2019, are as follows:

2020	$ 428,649
2021	47,350
2022	—
2023	—
2024	—
Thereafter	—
Total	$ 475,999

Rent expense for leases with escalation clauses is recognized straight-line over the lease term. For the years ended December 31, 2019 and 2018, the Company incurred rent expense of $66,198 and $67,035 of which $13,802 and $14,055 was paid by ECG through the Administrative Services agreement and $52,396 and $52,980 was expensed by the Company.

9. Commitments and Contingencies

The Company has pledged its Alabama II, Connecticut, and Mississippi I CAPCOs' assets to National Fire & Marine Insurance Company (NFM) and The Bank of New York, as trustee, and its Mississippi II CAPCO's assets to National Fire & Marine Insurance Company (NFM) and The US Bank, as trustee, in the event the Company defaults under the various CAPCO Transaction Agreements for the applicable state.

The Company has pledged its New York III CAPCO's assets to National Indemnity Company (NIC) and The Bank of New York, as trustee, in the event the Company defaults under the various CAPCO Transaction Agreements for the applicable state.

The Company has pledged assets of the Wyoming CAPCO to Vulcan Enhancement, LLC, in the event the Company defaults under the Wyoming Small Business Investment Credit (SBIC) Transaction Agreement.

NFM and NIC (collectively "Insurers"), in addition to receiving periodic insurance premiums from the CAPCOs related to the premium tax credit insurance policies as defined in Note 1, are entitled to receive, as additional consideration for providing the tax credit insurance policy, a payment equal to 22.5% of equity distributions made by the CAPCOs to the Company. Equity distributions can only be made under the terms of the rules and regulations governing the CAPCO after the CAPCO is "voluntarily decertified" by the applicable state. Equity distributions do not include distributions made, or to be made, to pay a tax liability related to ownership of the CAPCO, or the return of the original capital contributed to the CAPCO relating to its formation.

9. Commitments and Contingencies (continued)

The Company determines the fair value of the 22.5% equity distributions using current fair values for certain assets and liabilities, and also using projected discounted cash flows. As of December 31, 2019 and 2018, the amounts, recorded for the accrued supplemental insurance were $4,537,819 and $4,596,316, respectively.

Vulcan Enhancement, LLC, may be entitled to receive, as additional consideration for providing the guarantee of availability of Wyoming premium tax credits, a portion of equity distributions made from the Wyoming SBIC, as defined by the SBIC Transaction Agreement. No equity distributions have been made to date since the SBIC has not been voluntarily decertified. No amount was accrued for as of December 31, 2019 and 2018, respectively.

Pursuant to Louisiana R.S. 51:1927.1(C) of the Statute, if Enhanced Louisiana Capital II, LLC and Enhanced Louisiana Capital III, LLC do not fund 40% in qualified investments within three years, 60% by five years, and 100% by seven years to LEDF, then the Company shall remit 25% of all distributions, other than tax distributions and management fees, until the LEDF shall have received an amount equal to the amount of tax credit quoted for the pool. Thereafter, these CAPCOs shall remit 10% of such excess distributions. During 2009, the Statute was amended whereby if the Company did not invest 100% by seven years it could invest 110% of Certified Capital by the eighth anniversary date. Enhanced Louisiana Capital II, LLC and Enhanced Louisiana Capital III, LLC did not achieve the 100% state profits milestone and, as such, are subject to remitting 25% of all distributions other than tax distributions to the LEDF. As of December 31, 2019 and 2018, the amount recorded for accrued state profits interest related to this provision of the Statute was $12,633 and $15,428, respectively.

Pursuant to Alabama Section 281-2-1.10, following the voluntary decertification of Enhanced Alabama Issuer, LLC and Enhanced Capital Alabama Fund II, LLC, the state shall receive a 10% share of any distributions other than qualified distributions, payments with respect to indebtedness to the noteholders, and the return of initial equity contributions and any other equity contributions to the Company. As of December 31, 2019 and 2018, the amount recorded for the accrued state profits was $120,205 and $119,852, respectively.

Pursuant to a Memorandum of Understanding in reference to the Mississippi Small Business Company Investment Act, Section 57-115-5, following the voluntary decertification of the CAPCO fund, the state of Mississippi shall receive a 20% share of any distributions other than qualified distributions, payments with respect to indebtedness from the Company to its noteholders, and the return of its initial equity contribution and any other equity contributions from the Company to its member. As of December 31, 2019 and 2018, the amount recorded for the accrued state profits interest was $618,757 and $775,816, respectively.

Pursuant to Wyoming state statute Title 9, Chapter 12, Article 13, following the voluntary decertification of the SBIC, 10% of distributions, excluding qualified distributions, payments with respect to indebtedness from the SBIC to its noteholders, tax distributions, and the return of any equity capital invested in the SBIC that is not Designated Capital, shall be paid to the state of Wyoming. If, more than 10 years after the allocation date, the SBIC has failed to invest 100% of its Designated Capital in qualified investments, then 25% of distributions, excluding qualified distributions, payments with respect to indebtedness from the SBIC to its noteholders, and the return of any equity capital invested in the SBIC that is not Designated Capital, shall be paid to the state of Wyoming. As of December 31, 2019 and 2018, the amount recorded for the accrued state profits interest was $264,628 and $196,145, respectively.

Pursuant to the Connecticut Public Act 10-75, Section 14(8), following the voluntary decertification of the Insurance Reinvestment Fund (IRF), if less than 80% but more than 60% of the jobs set forth in the Connecticut IRFs' business plan are created or retained, then 10% of the Connecticut IRFs' distributions, excluding qualified distributions, payments with respect to indebtedness from the Connecticut IRFs to their noteholders, and the

9. Commitments and Contingencies (continued)

return of any equity capital invested in the IRF that is not Eligible Capital, shall be paid to the state of Connecticut. If 60% or fewer of the jobs set forth in the business plan are created or retained, then 20% of the Connecticut IRFs' distributions, excluding qualified distributions, payments with respect to indebtedness from the Connecticut IRFs to their noteholders, and the return of any equity capital invested in the IRF that is not Eligible Capital, shall be paid to the State of Connecticut. No amount was accrued for as of December 31, 2019 and 2018.

Pursuant to the Section 57 of the Mississippi Code of 1972, following the voluntary decertification of the SBIC, if the jobs creation and retention goals agreed to by the Mississippi Development Authority (MDA) and the SBIC are not met, the percentage of the cumulative management fees paid by the SBIC shall be due to the MDA in an amount equal to the percent by which the jobs goal is not met. This penalty will be paid out of distributions, excluding qualified distributions, payments with respect to indebtedness from the SBIC to its noteholders, and the return of any equity capital invested in the SBIC that is not Designated Capital. No amount was accrued for as of December 31, 2019 and 2018.

Pursuant to the various CAPCO regulations for New York, Colorado, and the District of Columbia, following the voluntary decertification of a CAPCO, the Company's CAPCO subsidiaries shall remit to the applicable state regulatory agency all distributions (ranging from 10%–15%), excluding qualified distributions, in excess of the amount required to produce an annual internal rate of return ranging from 10%–15% or higher on the Certified Capital, together with the initial equity capital of the CAPCOs. These distributions exclude tax liability distributions to the equity holders and management fees paid to the Company during the time Certified Capital is outstanding. No amount was accrued for as of December 31, 2019 and 2018.

In addition, the Company entered into certain agreements with fund managers whereby the fund managers will receive a profits interest in each qualified investment based on the total realized gain. As of December 31, 2019 and 2018, the amount accrued for fund manager profits interest was $2,581,769 and $2,983,346, respectively.

10. Revisions to Previously Issued Consolidated Financial Statements

These revised consolidated financial statements are prepared in order to meet the requirements prescribed in Regulation S-X, which specifies the form and content of the consolidated financial statements and related notes. These consolidated financial statements are intended to replace in their entirety, the original audited consolidated financial statements for the years ended December 31, 2019 and 2018, which were available to be issued on April 30,2020. We have made changes to those previously issued financial statements for the years ended December 31, 2019 and 2018 as detailed below.

We have included consolidating schedules beginning on page 35 for all significant subsidiaries. We have included additional information in our Schedules of Investments, including the applicable interest rates and maturity dates. We have included required financial highlights in accordance with ASC 946 (see Note 12).

11. Subsequent Events

The Company has evaluated subsequent events through December 23, 2020, the date these consolidated financial statements were available to be issued. During March 2020, the spread of COVID-19 throughout the country resulted in a national and global pandemic, including the temporary shutdown of many small businesses throughout the country. The Company continues to assess the impact COVID-19 is having on its existing

11. Subsequent Events (continued)

investment portfolio. Based on inquiries with fund managers and management of portfolio companies, the Company has not identified any adjustments to the estimated fair value of the portfolio that would have a material impact on the investment portfolio in the aggregate, however, the overall impact will depend on the duration of the effects of COVID-19, and is not yet known at this time. The Company has not performed formal valuation update procedures since the balance sheet date. Actual results may differ from current estimates.

In November 2020, an unrelated entity entered into a definitive agreement to acquire, indirectly, approximately 49% of the voting equity interests and 50% of the economic equity interests of ECP from existing shareholders in exchange for cash consideration. The transaction was completed in December 2020. In conjunction with the transaction, ECP entered into a reorganization agreement with ECG whereby a new limited liability company, Enhanced Permanent Capital, LLC (“EPC”), was created and ECP contributed its permanent capital subsidiaries to EPC in exchange for membership interests in EPC in proportion to the fair value of the net assets contributed. No effect was given to this transaction in the accompanying consolidated financial statements as of and for the years ended December 31, 2019 and 2018.

12. Financial Highlights

The Company is presenting the following disclosures for nonregistered investment companies as required by ASC 946. Such results may not be indicative of future performance of the Company.
The ratios presented are calculated for member’s deficit as a whole.

	Year Ended December 31, 2019	2018
Total Return[a]	(832%)	1,594%
Ratios to average member’s deficit:[b]		
Net investment (loss) income	(c)	(c)
Operating expenses	(c)	(c)

(a) The total return is computed based on the change in value during the period of a theoretical investment made at the beginning of the period. The change in value of a theoretical investment is measured by comparing the Company’s aggregate ending value with the aggregate beginning value, adjusted for cash flows related to capital contributions or withdrawals during the period. There were no incentive allocations for the Company for the Years ended December 31, 2019 and 2018.

(b) Ratios are computed on the weighted-average member’s deficit of the Company for the Years ended December 31, 2019 and 2018. Net investment (loss) income, as defined, excludes realized and unrealized losses.

(c) Ratios are not meaningful due to the Member’s deficit as of December 31, 2019 and 2018.

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Report of Independent Auditors on Supplementary Information

The Members
Enhanced Capital Partners, LLC

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheets and consolidating statements of operations of Enhanced Capital Partners, LLC are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst & Young LLP

December 23, 2020

A member firm of Ernst & Young Global Limited

Enhanced Capital Partners, LLC
Consolidating Balance Sheet
December 31, 2019

	ECP	AL I	AL II	ECI	CT I	CT II
Assets						
Cash	32,858	—	4,620	162,116	26,966	16,408
Restricted cash	—	—	—	—	—	—
Due from Related Party	9,999,872	—	—	—	—	—
Interest Receivable	—	—	—	—	30,333	—
Prepaid Expenses	—	—	—	—	—	—
Credit Enhancement Fee	—	—	—	—	—	—
Total Prepaids	—	—	—	—	—	—
Investments (at fair value)	—	—	1,847,184	—	676,250	—
Investment is Sub	3,560,724	—	—	—	—	—
Investment in Unconsolidated Sub	2,120,490	—	—	—	—	—
Inv in Sub-ESOP Push-down	38,681,460	—	—	—	—	—
Other Assets	11,563	—	—	—	—	—
Long-Term Investment Agreement	—	—	—	—	—	—
Payment Undertaking Agreement	—	—	—	—	—	—
Deferred tax credits	—	—	—	—	4,118,908	1,674,419
Debt Issuance Costs	252,796	—	—	—	7,889	2,748
Total Assets	**54,659,763**	**—**	**1,851,804**	**162,116**	**4,860,346**	**1,693,575**
Liabilities & Equity						
Accrued Interest Payable	4,843,745	—	—	—	12,709	5,302
Accrued Expenses	4,027,020	—	2,500	2,500	2,500	2,500
Unearned Management Fees	1,424,428	—	—	—	—	—
Due to Related Party	99	—	—	2,254,758	—	—
CAPCO Note Payable - net of premium	—	—	—	—	4,242,071	1,725,739
ECG Note Payable	42,420,490	—	—	—	—	—
Accrued Profits Interests	—	—	446,109	—	134,082	—
Total Liabilities	**52,715,782**	**—**	**448,609**	**2,257,258**	**4,391,362**	**1,733,541**
Paid-in Capital	—	—	42,183	533,500	—	—
Paid-in Capital - Grits	—	—	—	—	—	—
Capital Contributions - ESOP Push-down	—	2,843,468	5,546,887	2,445,790	—	—
Retained Earnings	4,440,986	(946,508)	(840,873)	(5,069,814)	8,390,822	3,302,322
Distributions	—	(1,882,419)	(3,369,251)	—	(7,770,287)	(3,367,801)
Dividends Paid	—	—	(303,508)	—	(284,031)	—
CY Income/ (Loss)	(3,543,345)	(14,541)	327,757	(4,618)	132,480	25,513
Total	**53,613,423**	**—**	**1,851,804**	**162,116**	**4,860,346**	**1,693,575**
Minority Interest	1,046,340	—	—	—	—	—
Total Liabilities & Equity	**54,659,763**	**—**	**1,851,804**	**162,116**	**4,860,346**	**1,693,575**

Enhanced Capital Partners, LLC
Consolidating Balance Sheet (continued)
December 31, 2019

	CT III	CT IV	CT V	DCFL	LAF1	LAF2
Assets						
Cash	17,356	16,845	2,010,221	45,279	—	54,163
Restricted cash	—	—	—	—	—	—
Due from Related Party	—	—	—	—	—	—
Interest Receivable	—	24,257	73,555	8,667	—	—
Prepaid Expenses	—	—	930,956	—	—	—
Credit Enhancement Fee	—	—	—	—	—	—
Total Prepaids	—	—	930,956	—	—	—
Investments (at fair value)	493,334	1,133,548	13,585,234	3,045,332	—	2,437
Investment is Sub	—	—	—	—	—	—
Investment in Unconsolidated Sub	—	—	—	—	—	—
Inv in Sub-ESOP Push-down	—	—	—	—	—	—
Other Assets	—	—	—	—	—	—
Long-Term Investment Agreement	—	—	—	—	—	—
Payment Undertaking Agreement	—	—	—	—	—	—
Deferred tax credits	5,777,653	5,149,041	32,261,038	—	—	—
Debt Issuance Costs	9,296	39,580	162,732	—	—	—
Total Assets	**6,297,639**	**6,363,271**	**49,023,736**	**3,099,278**	**—**	**56,600**
Liabilities & Equity						
Accrued Interest Payable	17,827	16,285	222,402	—	—	—
Accrued Expenses	2,500	10,000	21,900	2,500	—	—
Unearned Management Fees	—	—	—	—	—	—
Due to Related Party	—	—	807,237	660,121	—	—
CAPCO Note Payable - net of premium	5,950,417	5,300,260	33,105,915	—	—	—
ECG Note Payable	—	—	—	—	—	—
Accrued Profits Interests	88,308	208,577	2,698,807	—	—	15,296
Total Liabilities	**6,059,052**	**5,535,122**	**36,856,261**	**662,621**	**—**	**15,296**
Paid-in Capital	—	—	—	515,600	30,000	—
Paid-in Capital - Grits	—	—	—	—	—	—
Capital Contributions - ESOP Push-down	—	—	—	3,493,808	1,587,331	1,531,366
Retained Earnings	11,420,422	4,086,364	14,904,293	(1,805,710)	1,204,540	431,943
Distributions	(11,178,664)	(3,022,906)	—	—	(2,822,310)	(1,917,111)
Dividends Paid	(101,440)	(324,607)	(1,623,037)	—	—	—
CY Income/ (Loss)	98,269	89,298	(1,113,781)	232,959	439	(4,894)
Total	**6,297,639**	**6,363,271**	**49,023,736**	**3,099,278**	**—**	**56,600**
Minority Interest	—	—	—	—	—	—
Total Liabilities & Equity	**6,297,639**	**6,363,271**	**49,023,736**	**3,099,278**	**—**	**56,600**

Enhanced Capital Partners, LLC
Consolidating Balance Sheet (continued)
December 31, 2019

	LAF3	MSFL	MSF2	NYF1	NYF2
Assets					
Cash	39,373	1,904,877	886,033	11,749	76
Restricted cash	—	—	4,792,735	—	—
Due from Related Party	—	—	—	—	—
Interest Receivable	—	12,889	837	1,418	—
Prepaid Expenses	—	19,682	—	—	—
Credit Enhancement Fee	—	—	168,500	—	—
Total Prepaids	—	19,682	168,500	—	—
Investments (at fair value)	1,973	2,995,501	162,000	109,540	810,722
Investment is Sub	—	—	—	—	—
Investment in Unconsolidated Sub	—	—	—	—	—
Inv in Sub-ESOP Push-down	—	—	—	—	—
Other Assets	—	—	—	—	—
Long-Term Investment Agreement	—	—	—	—	—
Payment Undertaking Agreement	—	—	3,104,537	—	—
Deferred tax credits	—	664,735	—	—	—
Debt Issuance Costs	—	880	266,999	—	—
Total Assets	**41,346**	**5,598,564**	**9,381,641**	**122,707**	**810,798**
Liabilities & Equity					
Accrued Interest Payable	—	9,343	314,483	—	—
Accrued Expenses	2,500	8,500	—	2,702	2,500
Unearned Management Fees	—	—	—	—	—
Due to Related Party	—	—	36,525	1,150	11,570
CAPCO Note Payable - net of premium	—	693,680	9,465,562	—	—
ECG Note Payable	—	—	—	—	—
Accrued Profits Interests	9,609	1,399,244	—	20,951	143,239
Total Liabilities	**12,109**	**2,110,767**	**9,816,570**	**24,803**	**157,309**
Paid-in Capital	—	10,500	515,000	—	479,148
Paid-in Capital - Grits	—	4,500	—	—	—
Capital Contributions - ESOP Push-down	1,088,520	—	—	2,200,801	2,740,743
Retained Earnings	(15,142)	5,922,392	(19,711)	1,163,621	(1,680,328)
Distributions	(1,036,967)	(1,045,355)	—	(3,293,751)	(849,194)
Dividends Paid	—	(974,255)	—	—	—
CY Income/ (Loss)	(7,174)	(429,985)	(930,218)	27,233	(36,880)
Total	**41,346**	**5,598,564**	**9,381,641**	**122,707**	**810,798**
Minority Interest	—	—	—	—	—
Total Liabilities & Equity	**41,346**	**5,598,564**	**9,381,641**	**122,707**	**810,798**

Enhanced Capital Partners, LLC
Consolidating Balance Sheet (continued)
December 31, 2019

	NYF3	TXF1	TXF2	WYFL	ECTH
Assets					
Cash	—	—	1,917	67,389	—
Restricted cash	—	—	—	—	—
Due from Related Party	—	—	—	—	—
Interest Receivable	—	—	—	103,673	—
Prepaid Expenses	—	—	—	473,790	—
Credit Enhancement Fee	—	—	—	—	—
Total Prepaids	—	—	—	473,790	—
Investments (at fair value)	693,556	—	—	5,623,449	—
Investment is Sub	—	—	—	—	—
Investment in Unconsolidated Sub	—	—	—	—	—
Inv in Sub-ESOP Push-down	—	—	—	—	—
Other Assets	—	—	—	—	—
Long-Term Investment Agreement	—	—	—	14,476,719	—
Payment Undertaking Agreement	—	—	—	186,383	—
Deferred tax credits	—	—	—	—	—
Debt Issuance Costs	—	—	—	—	—
Total Assets	**693,556**	**—**	**1,917**	**20,931,403**	**—**
Liabilities & Equity					
Accrued Interest Payable	—	—	—	52,355	—
Accrued Expenses	2,500	—	—	2,500	—
Unearned Management Fees	—	—	—	—	—
Due to Related Party	19,247	—	—	4,000,000	—
CAPCO Note Payable - net of premium	—	—	—	22,891,210	—
ECG Note Payable	—	—	—	—	—
Accrued Profits Interests	125,192	—	—	264,628	—
Total Liabilities	**146,939**	**—**	**—**	**27,210,693**	**—**
Paid-in Capital	382,421	8,000	27,246	—	—
Paid-in Capital - Grits	—	—	—	—	—
Capital Contributions - ESOP Push-down	2,288,793	5,468,537	7,445,416	—	—
Retained Earnings	(1,937,643)	(784,943)	2,712,693	(6,822,536)	1,088,333
Distributions	(258,671)	(4,701,944)	(10,133,840)	—	(1,088,333)
Dividends Paid	—	—	—	—	—
CY Income/ (Loss)	71,717	10,350	(49,598)	543,246	—
Total	**693,556**	**—**	**1,917**	**20,931,403**	**—**
Minority Interest	—	—	—	—	—
Total Liabilities & Equity	**693,556**	**—**	**1,917**	**20,931,403**	**—**

Enhanced Capital Partners, LLC
Consolidating Balance Sheet (continued)
December 31, 2019

	ECTH II	ECTM LP	TOTAL	ELIM & ADJ	CONSOL
Assets					
Cash	—	—	5,298,246		5,298,246
Restricted cash	—	—	4,792,735	—	4,792,735
Due from Related Party	—	—	9,999,872	(7,790,608)	2,209,264
Interest Receivable	—	—	255,629		255,629
Prepaid Expenses	—	—	1,424,428	(1,424,428)	—
Credit Enhancement Fee	—	—	168,500		168,500
Total Prepaids	—	—	1,592,928		168,500
Investments (at fair value)	—	—	31,180,060		31,180,060
Investment is Sub	—	—	3,560,724	(3,560,724)	—
Investment in Unconsolidated Sub	—	—	2,120,490		2,120,490
Inv in Sub-ESOP Push-down	—	—	38,681,460	(38,681,460)	—
Other Assets	—	—	11,563		11,563
Long-Term Investment Agreement	—	—	14,476,719		14,476,719
Payment Undertaking Agreement	—	—	3,290,920		3,290,920
Deferred tax credits	—	—	49,645,794		49,645,794
Debt Issuance Costs	—	—	742,920	(742,920)	—
Total Assets	**—**	**—**	**165,650,060**	**(52,200,140)**	**113,449,920**
Liabilities & Equity					
Accrued Interest Payable	—	—	5,494,451		5,494,451
Accrued Expenses	—	—	4,095,122	—	4,095,122
Unearned Management Fees	—	—	1,424,428	(1,424,428)	—
Due to Related Party	—	—	7,790,707	(7,790,608)	99
CAPCO Note Payable - net of premium	—	—	83,374,854	(490,124)	82,884,730
ECG Note Payable	—	—	42,420,490	(252,796)	42,167,694
Accrued Profits Interests	—	—	5,554,042		5,554,042
Total Liabilities	**—**	**—**	**150,154,094**		**140,196,138**
Paid-in Capital	—	1,012,626	3,556,224	(3,556,224)	—
Paid-in Capital - Grits	—	—	4,500	(4,500)	—
Capital Contributions - ESOP Push-down	—	—	38,681,460	(38,681,460)	—
Retained Earnings	426,817	(1,012,495)	38,559,845		38,559,845
Distributions	(426,817)	—	(58,165,621)		(58,165,621)
Dividends Paid	—	—	(3,610,878)	3,610,878	—
CY Income/ (Loss)	—	(131)	(4,575,904)	(3,610,878)	(8,186,782)
Total	**—**	**—**	**164,603,720**		**112,403,580**
Minority Interest	—	—	1,046,340		1,046,340
Total Liabilities & Equity	**—**	**—**	**165,650,060**	**(52,200,140)**	**113,449,920**

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Enhanced Capital Partners, LLC
Consolidating Statement of Operations
December 31, 2019

	ECP	AL I	AL II	ECI	CT I
Revenue					
Premium Tax Credit Income	—	—	1,909	—	581,674
Cash Equivalents and Restricted Cash	—	33	269	—	178
Investments	—	—	36,415	—	40,752
Payment undertaking contracts	—	—	—	—	—
Other fee income	2,351,104	—	—	—	—
Total Interest Income, including fees	2,351,104	33	36,684	—	40,930
Admin and support services income	6,863,726				
Dividend Income from Subs	3,610,878	—	—	—	—
Total Revenue	**12,825,708**	**33**	**38,593**	**—**	**622,604**
Expenses					
Management Fee	—	—	—	—	18,565
Professional Fees					
Legal Fees	17,588	—	—	—	—
Professional Fees	212,020	16,313	4,348	4,298	28,298
Other	24,461	5	105	—	275
Taxes & Licenses	18,066	100	100	320	270
Total Professional Fees	272,135	16,418	4,553	4,618	28,843
General & Administrative	1,247,100	—	—	—	—
Interest Expense - net	6,931,706	—	1,632	—	459,987
Debt Issuance Costs	184,459	—	—	—	21,962
Total Interest Expense	7,116,165	—	1,632	—	481,949
Depreciation	2,746	—	—	—	—
Credit Enhancement Fee	—	—	—	—	—
Total Amortization	2,746	—	—	—	—
Admin and support services expense	7,930,183				
Total Expenses	**16,568,329**	**16,418**	**6,185**	**4,618**	**529,357**
Net investment (loss) income	(3,742,621)	(16,385)	32,408	(4,618)	93,247
Gain (Loss) from Unconsolidated Sub	95,781	—	—	—	—
Change in accrued supplemental insurance	—	1,844	(66,173)	—	(75,868)
Realized Gain/(Loss) on Investments	—	—	—	—	—
Unrealized Gain/(Loss) on Investments	—	—	361,522	—	115,101
Net realized and unrealized gain (loss)	—	—	361,522	—	115,101
Net (loss) income before tax	(3,646,840)	(14,541)	327,757	(4,618)	132,480
State Tax Benefit	25,500	—	—	—	—
Net Income/(Loss)	(3,672,340)	(14,541)	327,757	(4,618)	132,480
Net Loss/(Income) Attributable to NCI	128,995	—	—	—	—
Net Income/(Loss) Attributable to Members	**(3,543,345)**	**(14,541)**	**327,757**	**(4,618)**	**132,480**

Enhanced Capital Partners, LLC
Consolidating Statement of Operations (continued)
December 31, 2019

	CT II	CT III	CT IV	CT V	DCFL
Revenue					
Premium Tax Credit Income	242,401	815,923	428,305	2,444,393	—
Cash Equivalents and Restricted Cash	89	286	272	—	8,667
Investments	20,119	5,430	17,110	1,107,163	28,000
Payment undertaking contracts	—	—	—	25,731	—
Other fee income	—	—	—	—	—
Total Interest Income, including fees	20,208	5,716	17,382	1,132,894	36,667
Admin and support services income					
Dividend Income from Subs	—	—	—	—	—
Total Revenue	**262,609**	**821,639**	**445,687**	**3,577,287**	**36,667**
Expenses					
Management Fee	8,750	—	—	1,057,237	—
Professional Fees					
Legal Fees	—	—	—	—	—
Professional Fees	28,298	28,298	36,498	50,596	16,618
Other	300	395	305	—	—
Taxes & Licenses	270	270	270	250	10,300
Total Professional Fees	28,868	28,963	37,073	50,846	26,918
General & Administrative	—	—	—	—	—
Interest Expense - net	191,833	645,230	415,310	2,858,144	—
Debt Issuance Costs	7,645	25,882	26,366	51,900	—
Total Interest Expense	199,478	671,112	441,676	2,910,044	—
Depreciation	—	—	—	—	—
Credit Enhancement Fee	—	—	—	172,287	—
Total Amortization	—	—	—	172,287	—
Admin and support services expense					
Total Expenses	**237,096**	**700,075**	**478,749**	**4,190,414**	**26,918**
Net investment (loss) income	25,513	121,564	(33,062)	(613,127)	9,749
Gain (Loss) from Unconsolidated Sub	—	—	—	—	—
Change in accrued supplemental insurance	—	(81,076)	(81,377)	(500,654)	—
Realized Gain/(Loss) on Investments	—	—	—	—	—
Unrealized Gain/(Loss) on Investments	—	57,781	203,737	—	223,210
Net realized and unrealized gain (loss)	—	57,781	203,737	—	223,210
Net (loss) income before tax	25,513	98,269	89,298	(1,113,781)	232,959
State Tax Benefit	—	—	—	—	—
Net Income/(Loss)	25,513	98,269	89,298	(1,113,781)	232,959
Net Loss/(Income) Attributable to NCI	—	—	—	—	—
Net Income/(Loss) Attributable to Members	**25,513**	**98,269**	**89,298**	**(1,113,781)**	**232,959**

Enhanced Capital Partners, LLC
Consolidating Statement of Operations (continued)
December 31, 2019

	LAF1	LAF2	LAF3	MSFL	MSF2
Revenue					
Premium Tax Credit Income	—	—	—	229,613	—
Cash Equivalents and Restricted Cash	—	—	—	3,441	—
Investments	—	—	—	279,709	972
Payment undertaking contracts	—	—	—	—	78,225
Other fee income	—	—	—	—	—
Total Interest Income, including fees	—	—	—	283,150	79,197
Admin and support services income					
Dividend Income from Subs	—	—	—	—	—
Total Revenue	**—**	**—**	**—**	**512,763**	**79,197**
Expenses					
Management Fee	—	—	—	284,507	179,450
Professional Fees					
Legal Fees	—	—	—	21,801	—
Professional Fees	(439)	6,970	10,607	45,525	17,704
Other	—	—	—	170	—
Taxes & Licenses	—	—	—	4,558	13,342
Total Professional Fees	(439)	6,970	10,607	72,054	31,046
General & Administrative	—	—	—	—	—
Interest Expense - net	—	—	—	132,183	712,906
Debt Issuance Costs	—	—	—	14,109	63,946
Total Interest Expense	—	—	—	146,292	776,852
Depreciation	—	—	—	—	—
Credit Enhancement Fee	—	—	—	—	22,067
Total Amortization	—	—	—	—	22,067
Admin and support services expense					
Total Expenses	**(439)**	**6,970**	**10,607**	**502,853**	**1,009,415**
Net investment (loss) income	439	(6,970)	(10,607)	9,910	(930,218)
Gain (Loss) from Unconsolidated Sub	—	—	—	—	—
Change in accrued supplemental insurance	—	2,076	3,433	128,891	—
Realized Gain/(Loss) on Investments	—	—	—	—	—
Unrealized Gain/(Loss) on Investments	—	—	—	(568,786)	—
Net realized and unrealized gain (loss)	—	—	—	(568,786)	—
Net (loss) income before tax	439	(4,894)	(7,174)	(429,985)	(930,218)
State Tax Benefit	—	—	—	—	—
Net Income/(Loss)	439	(4,894)	(7,174)	(429,985)	(930,218)
Net Loss/(Income) Attributable to NCI	—	—	—	—	—
Net Income/(Loss) Attributable to Members	**439**	**(4,894)**	**(7,174)**	**(429,985)**	**(930,218)**

Enhanced Capital Partners, LLC
Consolidating Statement of Operations (continued)
December 31, 2019

	NYF1	NYF2	NYF3	TXF1	TXF2
Revenue					
Premium Tax Credit Income	—	—	—	—	—
Cash Equivalents and Restricted Cash	21	—	—	—	—
Investments	4,703	—	—	—	—
Payment undertaking contracts	—	—	—	—	—
Other fee income	—	—	—	—	—
Total Interest Income, including fees	4,724	—	—	—	—
Admin and support services income					
Dividend Income from Subs	—	—	—	—	—
Total Revenue	**4,724**	**—**	**—**	**—**	**—**
Expenses					
Management Fee	—	—	—	—	—
Professional Fees					
Legal Fees	—	—	—	—	(1,414)
Professional Fees	11,798	9,020	6,354	(4,465)	2,870
Other	50	—	—	—	—
Taxes & Licenses	325	334	325	—	—
Total Professional Fees	12,173	9,354	6,679	(4,465)	1,456
General & Administrative	—	—	—	—	—
Interest Expense - net	—	—	—	—	—
Debt Issuance Costs	—	—	—	—	—
Total Interest Expense	—	—	—	—	—
Depreciation	—	—	—	—	—
Credit Enhancement Fee	—	—	—	—	—
Total Amortization	—	—	—	—	—
Admin and support services expense					
Total Expenses	**12,173**	**9,354**	**6,679**	**(4,465)**	**1,456**
Net investment (loss) income	(7,449)	(9,354)	(6,679)	4,465	(1,456)
Gain (Loss) from Unconsolidated Sub	—	—	—	—	—
Change in accrued supplemental insurance	34,682	6,430	(21,103)	—	2,238
Realized Gain/(Loss) on Investments	—	—	—	(7,785)	(73,302)
Unrealized Gain/(Loss) on Investments	—	(33,956)	99,499	—	—
Net realized and unrealized gain (loss)	—	(33,956)	99,499	(7,785)	(73,302)
Net (loss) income before tax	27,233	(36,880)	71,717	(3,320)	(72,520)
State Tax Benefit	—	—	—	(13,670)	(22,922)
Net Income/(Loss)	27,233	(36,880)	71,717	10,350	(49,598)
Net Loss/(Income) Attributable to NCI	—	—	—	—	—
Net Income/(Loss) Attributable to Members	**27,233**	**(36,880)**	**71,717**	**10,350**	**(49,598)**

Enhanced Capital Partners, LLC
Consolidating Statement of Operations (continued)
December 31, 2019

	WYFL	ECTM LP	TOTAL	ELIM & ADJ	CONSOL
Revenue					
Premium Tax Credit Income	2,154,000	—	6,898,218		6,898,218
Cash Equivalents and Restricted Cash	1,259	—	14,515		14,515
Investments	435,419	—	1,975,792		1,975,792
Payment undertaking contracts	355,616	—	459,572		459,572
Other fee income	—	—	2,351,104	(2,298,509)	52,595
Total Interest Income, including fees	792,294	—	4,800,983	(2,298,509)	2,502,474
Admin and support services income			6,863,726		6,863,726
Dividend Income from Subs	—	—	3,610,878	(3,610,878)	—
Total Revenue	**2,946,294**	**—**	**22,173,805**	**(5,909,387)**	**16,264,418**
Expenses					
Management Fee	750,000	—	2,298,509	(2,298,509)	—
Professional Fees					
Legal Fees	4,110	—	42,085		42,085
Professional Fees	18,425	131	550,085		550,085
Other	—	—	26,066		26,066
Taxes & Licenses	25,052	—	74,152		74,152
Total Professional Fees	47,587	131	692,388		692,388
General & Administrative	—	—	1,247,100	(11,092)	1,236,008
Interest Expense - net	1,218,646	—	13,567,577		13,567,577
Debt Issuance Costs	45,590	—	441,859		441,859
Total Interest Expense	1,264,236	—	14,009,436		14,009,436
Depreciation	—	—	2,746		2,746
Credit Enhancement Fee	—	—	194,354		194,354
Total Amortization	—	—	197,100		197,100
Admin and support services expense			7,930,183		7,930,183
Total Expenses	**2,061,823**	**131**	**26,374,716**	**(2,309,601)**	**24,065,115**
Net investment (loss) income	884,471	(131)	(4,200,911)	(3,599,786)	(7,800,697)
Gain (Loss) from Unconsolidated Sub	—		95,781		95,781
Change in accrued supplemental insurance	(68,483)	—	(715,140)		(715,140)
Realized Gain/(Loss) on Investments	90,500	—	9,413		9,413
Unrealized Gain/(Loss) on Investments	(363,242)	—	94,866		94,866
Net realized and unrealized gain (loss)	(272,742)	—	104,279		104,279
Net (loss) income before tax	543,246	(131)	(4,715,991)	(3,599,786)	(8,315,777)
State Tax Benefit	—	—	(11,092)	11,092	—
Net Income/(Loss)	543,246	(131)	(4,704,899)	(3,610,878)	(8,315,777)
Net Loss/(Income) Attributable to NCI	—	—	128,995		128,995
Net Income/(Loss) Attributable to Members	**543,246**	**(131)**	**(4,575,904)**	**(3,610,878)**	**(8,186,782)**

Enhanced Capital Partners, LLC
Consolidating Balance Sheet
December 31, 2018

	ECP	AL I	AL II	ECI	CT I
Assets					
Cash	30,117	18,885	24,256	166,734	364,879
Restricted cash	—	—	—	—	—
Due from Related Party	8,696,849	—	—	—	—
Interest Receivable	—	—	31,064	—	30,333
Prepaid Expenses	—	—	—	—	18,565
Credit Enhancement Fee	—	—	—	—	—
Total Prepaids	—	—	—	—	18,565
Investments (at fair value)	—	—	1,802,830	—	561,149
Investment is Sub	11,277,726	—	—	—	—
Investment in Unconsolidated Sub	2,393,950	—	—	—	—
Inv in Sub-ESOP Push-down	38,681,461	—	—	—	—
Other Assets	12,523	—	—	—	—
Leasehold Improvements	2,746	—	—	—	—
Long-Term Investment Agreement	—	—	—	—	—
Payment Undertaking Agreement	—	—	—	—	—
Deferred tax credits	—	—	109,481	—	7,957,234
Debt Issuance Costs	437,255	—	—	—	29,852
Total Assets	**61,532,627**	**18,885**	**1,967,631**	**166,734**	**8,962,012**
Liabilities & Equity					
Accrued Interest Payable	4,579,222	—	951	—	24,537
Accrued Expenses	4,256,156	2,500	2,500	2,500	2,500
Unearned Management Fees	1,451,777	—	—	—	—
Income Tax Payable	—	—	—	—	—
Due to Related Party	14,388	—	—	2,254,758	—
CAPCO Note Payable - net of premium	—	—	108,806	—	8,190,256
ECG Note Payable	45,122,487	—	—	—	—
Term & Revolver Notes Payable	200,000	—	—	—	—
Accrued Profits Interests	—	1,844	476,428	—	124,184
Total Liabilities	**55,624,030**	**4,344**	**588,685**	**2,257,258**	**8,341,477**
Paid-in Capital	—	—	42,183	533,500	—
Paid-in Capital - Grits	—	—	—	—	—
Capital Contributions - ESOP Push-down	—	2,843,468	5,546,887	2,445,790	—
Retained Earnings	8,819,952	(938,285)	(1,157,659)	(5,059,795)	8,656,053
Distributions	—	(1,882,419)	(2,394,232)	—	(6,816,753)
Dividends Paid	—	—	(975,019)	—	(953,534)
CY Income/ (Loss)	(4,378,967)	(8,223)	316,786	(10,019)	(265,231)
Total	**60,065,015**	**18,885**	**1,967,631**	**166,734**	**8,962,012**
Minority Interest	1,467,612				
Total Liabilities & Equity	**61,532,627**	**18,885**	**1,967,631**	**166,734**	**8,962,012**

Enhanced Capital Partners, LLC
Consolidating Balance Sheet (continued)
December 31, 2018

	CT II	CT III	CT IV	CT V	DCFL
Assets					
Cash	25,069	9,224	3,922	7,218,561	244,197
Restricted cash	—	—	—	—	—
Due from Related Party	—	—	—	—	—
Interest Receivable	—	18,167	81,171	83,632	—
Prepaid Expenses	8,750	—	10,700	930,956	—
Credit Enhancement Fee	—	—	—	172,287	—
Total Prepaids	8,750	—	10,700	1,103,243	—
Investments (at fair value)	—	573,764	1,294,811	17,367,737	2,622,122
Investment is Sub	—	—	—	—	—
Investment in Unconsolidated Sub	—	—	—	—	—
Inv in Sub-ESOP Push-down	—	—	—	—	—
Other Assets	—	—	—	—	—
Leasehold Improvements	—	—	—	—	—
Long-Term Investment Agreement	—	—	—	—	—
Payment Undertaking Agreement	—	—	—	5,461,342	—
Deferred tax credits	3,232,017	11,161,731	5,710,736	29,816,645	—
Debt Issuance Costs	10,393	35,178	65,946	214,632	—
Total Assets	**3,276,229**	**11,798,064**	**7,167,286**	**61,265,792**	**2,866,319**
Liabilities & Equity					
Accrued Interest Payable	10,228	34,419	18,045	239,945	—
Accrued Expenses	2,500	2,500	10,000	21,900	2,500
Unearned Management Fees	—	—	—	—	—
Income Tax Payable	—	—	—	—	—
Due to Related Party	—	—	—	807,237	660,122
CAPCO Note Payable - net of premium	3,328,980	11,488,594	5,873,190	35,717,301	—
ECG Note Payable	—	—	—	—	—
Term & Revolver Notes Payable	—	—	—	—	—
Accrued Profits Interests	—	30,792	202,593	2,575,116	—
Total Liabilities	**3,341,708**	**11,556,305**	**6,103,828**	**39,361,499**	**662,622**
Paid-in Capital	—	—	—	7,000,000	515,600
Paid-in Capital - Grits	—	—	—	—	—
Capital Contributions - ESOP Push-down	—	—	—	—	3,493,808
Retained Earnings	3,412,400	11,741,989	4,376,204	(8,956,814)	(1,266,534)
Distributions	(3,124,345)	(10,975,784)	(2,941,754)	—	—
Dividends Paid	(243,456)	(202,880)	(81,152)	—	—
CY Income/ (Loss)	(110,078)	(321,566)	(289,840)	23,861,107	(539,177)
Total	**3,276,229**	**11,798,064**	**7,167,286**	**61,265,792**	**2,866,319**
Minority Interest					
Total Liabilities & Equity	**3,276,229**	**11,798,064**	**7,167,286**	**61,265,792**	**2,866,319**

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Enhanced Capital Partners, LLC
Consolidating Balance Sheet (continued)
December 31, 2018

	LAF1	LAF2	LAF3	MSFL	MSF2
Assets					
Cash	190	6,970	14,153	572,467	500,354
Restricted cash	—	—	—	—	—
Due from Related Party	—	—	—	—	—
Interest Receivable	—	—	—	26,937	—
Prepaid Expenses	—	—	—	19,682	—
Credit Enhancement Fee	—	—	—	—	—
Total Prepaids	—	—	—	19,682	—
Investments (at fair value)	—	56,600	37,800	6,150,592	—
Investment is Sub	—	—	—	—	—
Investment in Unconsolidated Sub	—	—	—	—	—
Inv in Sub-ESOP Push-down	—	—	—	—	—
Other Assets	—	—	—	—	13,000
Leasehold Improvements	—	—	—	—	—
Long-Term Investment Agreement	—	—	—	—	—
Payment Undertaking Agreement	—	—	—	—	—
Deferred tax credits	—	—	—	3,280,188	—
Debt Issuance Costs	—	—	—	14,989	—
Total Assets	**190**	**63,570**	**51,953**	**10,064,855**	**513,354**
Liabilities & Equity					
Accrued Interest Payable	—	—	—	45,395	—
Accrued Expenses	—	—	2,500	2,500	—
Unearned Management Fees	—	—	—	—	—
Income Tax Payable	—	—	—	—	—
Due to Related Party	629	—	—	—	18,066
CAPCO Note Payable - net of premium	—	—	—	3,370,511	—
ECG Note Payable	—	—	—	—	—
Term & Revolver Notes Payable	—	—	—	—	—
Accrued Profits Interests	—	17,372	13,042	1,754,413	—
Total Liabilities	**629**	**17,372**	**15,542**	**5,172,819**	**18,066**
Paid-in Capital	30,000	—	—	10,500	515,000
Paid-in Capital - Grits	—	—	—	4,500	—
Capital Contributions - ESOP Push-down	1,587,331	1,531,366	1,088,520	—	—
Retained Earnings	1,207,120	654,289	75,188	4,301,443	—
Distributions	(2,822,310)	(1,713,217)	(748,118)	—	—
Dividends Paid	—	(203,894)	(288,849)	(1,045,355)	—
CY Income/ (Loss)	(2,580)	(222,346)	(90,330)	1,620,948	(19,712)
Total	**190**	**63,570**	**51,953**	**10,064,855**	**513,354**
Minority Interest					
Total Liabilities & Equity	**190**	**63,570**	**51,953**	**10,064,855**	**513,354**

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Enhanced Capital Partners, LLC
Consolidating Balance Sheet (continued)
December 31, 2018

	NYF1	NYF2	NYF3	TXF1	TXF2
Assets					
Cash	1,827	110	174	407	17,097
Restricted cash	—	—	—	7,785	73,303
Due from Related Party	—	—	—	15,609	—
Interest Receivable	360	—	—	—	—
Prepaid Expenses	—	—	—	—	—
Credit Enhancement Fee	—	—	—	—	—
Total Prepaids	—	—	—	—	—
Investments (at fair value)	126,819	844,678	594,057	—	—
Investment is Sub	—	—	—	—	—
Investment in Unconsolidated Sub	—	—	—	—	—
Inv in Sub-ESOP Push-down	—	—	—	—	—
Other Assets	—	—	—	—	—
Leasehold Improvements	—	—	—	—	—
Long-Term Investment Agreement	—	—	—	—	—
Payment Undertaking Agreement	—	—	—	—	—
Deferred tax credits	—	—	—	—	—
Debt Issuance Costs	—	—	—	—	—
Total Assets	**129,006**	**844,788**	**594,231**	**23,801**	**90,400**
Liabilities & Equity					
Accrued Interest Payable	—	—	—	—	—
Accrued Expenses	2,702	2,500	2,500	2,500	2,500
Unearned Management Fees	—	—	—	—	—
Income Tax Payable	—	—	—	3,669	7,423
Due to Related Party	—	2,250	12,742	27,982	26,723
CAPCO Note Payable - net of premium	—	—	—	—	—
ECG Note Payable	—	—	—	—	—
Term & Revolver Notes Payable	—	—	—	—	—
Accrued Profits Interests	55,633	149,669	104,088	—	2,238
Total Liabilities	**58,335**	**154,419**	**119,330**	**34,151**	**38,884**
Paid-in Capital	—	479,148	382,421	8,000	27,246
Paid-in Capital - Grits	—	—	—	—	—
Capital Contributions - ESOP Push-down	2,200,801	2,740,743	2,288,793	5,468,537	7,445,416
Retained Earnings	1,180,513	(1,818,755)	(2,134,098)	(777,478)	2,712,394
Distributions	(2,624,248)	(849,194)	(258,671)	(4,701,944)	(10,133,840)
Dividends Paid	(669,503)	—	—	—	—
CY Income/ (Loss)	(16,892)	138,427	196,456	(7,465)	300
Total	**129,006**	**844,788**	**594,231**	**23,801**	**90,400**
Minority Interest					
Total Liabilities & Equity	**129,006**	**844,788**	**594,231**	**23,801**	**90,400**

Enhanced Capital Partners, LLC
Consolidating Balance Sheet (continued)
December 31, 2018

	WYFL	ECTM LP	TOTAL	ELIM & ADJ	CONSOL
Assets					
Cash	195,323	131	9,415,047		9,415,047
Restricted cash	1,259,461	—	1,340,549		1,340,549
Due from Related Party	—	—	8,712,458	(7,460,540)	1,251,918
Interest Receivable	114,220	—	385,884		385,884
Prepaid Expenses	473,790	—	1,462,443	(1,451,743)	10,700
Credit Enhancement Fee	—	—	172,287		172,287
Total Prepaids	473,790	—	1,634,730		182,987
Investments (at fair value)	9,236,879	—	41,269,838		41,269,838
Investment is Sub	—	—	11,277,726	(11,277,726)	—
Investment in Unconsolidated Sub	—	—	2,393,950		2,393,950
Inv in Sub-ESOP Push-down	—	—	38,681,461	(38,681,461)	—
Other Assets	—	—	25,523		25,523
Leasehold Improvements	—	—	2,746		2,746
Long-Term Investment Agreement	14,121,475	—	14,121,475		14,121,475
Payment Undertaking Agreement	186,011	—	5,647,353		5,647,353
Deferred tax credits	—	—	61,268,032		61,268,032
Debt Issuance Costs	45,590	—	853,835	(795,775)	58,060
Total Assets	**25,632,749**	**131**	**197,030,607**	**(59,667,245)**	**137,363,362**
Liabilities & Equity					
Accrued Interest Payable	2,889,639	—	7,842,381		7,842,381
Accrued Expenses	2,500	—	4,325,758		4,325,758
Unearned Management Fees	—	—	1,451,777	(1,451,777)	—
Income Tax Payable	—	—	11,092		11,092
Due to Related Party	3,650,000	—	7,474,897	(7,460,509)	14,388
CAPCO Note Payable - net of premium	25,000,000	—	93,077,638	(416,580)	92,661,058
ECG Note Payable	—	—	45,122,487	(379,195)	44,743,292
Term & Revolver Notes Payable	—	—	200,000	—	200,000
Accrued Profits Interests	196,145	—	5,703,557		5,703,557
Total Liabilities	**31,738,284**	**—**	**165,209,587**		**155,501,526**
Paid-in Capital	717,000	1,012,626	11,273,224	(11,273,224)	—
Paid-in Capital - Grits	—	—	4,500	(4,500)	—
Capital Contributions - ESOP Push-down	—	—	38,681,460	(38,681,460)	—
Retained Earnings	(7,084,406)	(1,012,495)	18,446,376		18,446,376
Distributions	—	—	(53,501,979)		(53,501,979)
Dividends Paid	—	—	(4,663,642)	4,663,642	—
CY Income/ (Loss)	261,871	—	20,113,469	(4,663,642)	15,449,827
Total	**25,632,749**	**131**	**195,562,995**		**135,895,750**
Minority Interest			1,467,612		1,467,612
Total Liabilities & Equity	**25,632,749**	**131**	**197,030,607**	**(59,667,245)**	**137,363,362**

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Enhanced Capital Partners, LLC
Consolidating Statement of Operations
December 31, 2018

	ECP	AL I	AL II	ECI	CT I
Revenue					
Premium Tax Credit Income	—	—	132,708	—	843,142
Cash Equivalents and Restricted Cash	—	67	443	—	404
Investments	—	—	141,077	—	91,104
Payment undertaking contracts	—	—	—	—	—
Other fee income	3,090,550	—	—	—	—
Total Interest Income, including fees	3,090,550	67	141,520	—	91,508
Admin and support services income	6,462,952	—	—	—	—
Dividend Income from Subs	4,663,642	—	—	—	—
Total Revenue	**14,217,144**	**67**	**274,228**	**—**	**934,650**
Expenses					
Management Fee	—	—	80,329	—	276,250
Professional Fees					
Legal Fees	1,359	—	—	—	—
Professional Fees	202,938	8,750	26,558	9,700	34,357
Other	13,287	—	205	—	195
Taxes & Licenses	27,643	200	201	319	4,019
Total Professional Fees	245,227	8,950	26,964	10,019	38,571
General & Administrative	3,203,846	—	—	—	—
Interest Expense - net	6,598,334	—	124,527	—	734,332
Debt Issuance Costs	159,550	—	—	—	35,061
Total Interest Expense	6,757,884	—	124,527	—	769,393
Depreciation	4,707	—	—	—	—
Credit Enhancement Fee	—	—	—	—	—
Total Amortization	4,707	—	—	—	—
Admin and support services expense	7,461,965	—	—	—	—
Total Expenses	**17,673,629**	**8,950**	**231,820**	**10,019**	**1,084,214**
Net investment (loss) income	(3,456,485)	(8,883)	42,408	(10,019)	(149,564)
Gain (Loss) from Unconsolidated Sub	(436,195)	—	—	—	—
Change in accrued supplemental insurance		660	(247,040)	—	(566)
Realized Gain/(Loss) on Investments	—	(1,807,740)	—	—	(75,000)
Unrealized Gain/(Loss) on Investments	—	1,807,740	521,418	—	(40,101)
Net realized and unrealized gain (loss)	—	—	521,418	—	(115,101)
Net Income/(Loss)	(3,892,680)	(8,223)	316,786	(10,019)	(265,231)
Net Loss/(Income) Attributable to NCI	(486,287)	—	—	—	—
Net Income/(Loss) Attributable to Members	**(4,378,967)**	**(8,223)**	**316,786**	**(10,019)**	**(265,231)**

Enhanced Capital Partners, LLC
Consolidating Statement of Operations (continued)
December 31, 2018

	CT II	CT III	CT IV	CT V	DCFL
Revenue					
Premium Tax Credit Income	351,071	1,182,688	467,493	29,816,645	—
Cash Equivalents and Restricted Cash	151	200	154	—	—
Investments	31,841	15,800	31,826	1,145,579	28,000
Payment undertaking contracts	—	—	—	64,927	—
Other fee income	—	—	—	—	—
Total Interest Income, including fees	31,992	16,000	31,980	1,210,506	28,000
Admin and support services income	—	—	—	—	—
Dividend Income from Subs	—	—	—	—	—
Total Revenue	**383,063**	**1,198,688**	**499,473**	**31,027,151**	**28,000**
Expenses					
Management Fee	112,500	346,598	117,097	1,057,237	—
Professional Fees					
Legal Fees	—	—	—	—	—
Professional Fees	31,477	32,917	30,418	55,738	18,807
Other	245	215	70	—	—
Taxes & Licenses	19	4,018	10,020	13,156	10,600
Total Professional Fees	31,741	37,150	40,508	68,894	29,407
General & Administrative	—	—	—	—	—
Interest Expense - net	305,985	1,030,059	456,103	3,061,103	—
Debt Issuance Costs	12,195	41,319	28,955	55,586	—
Total Interest Expense	318,180	1,071,378	485,058	3,116,689	—
Depreciation	—	—	—	—	—
Credit Enhancement Fee	—	—	—	348,108	—
Total Amortization	—	—	—	348,108	—
Admin and support services expense	—	—	—	—	—
Total Expenses	**462,421**	**1,455,126**	**642,663**	**4,590,928**	**29,407**
Net investment (loss) income	(79,358)	(256,438)	(143,190)	26,436,223	(1,407)
Gain (Loss) from Unconsolidated Sub	—	—	—	—	—
Change in accrued supplemental insurance	(30,720)	14,431	57,087	(2,575,116)	—
Realized Gain/(Loss) on Investments	—	—	—	—	(419,681)
Unrealized Gain/(Loss) on Investments	—	(79,559)	(203,737)	—	(118,089)
Net realized and unrealized gain (loss)	—	(79,559)	(203,737)	—	(537,770)
Net Income/(Loss)	(110,078)	(321,566)	(289,840)	23,861,107	(539,177)
Net Loss/(Income) Attributable to NCI	—	—	—	—	—
Net Income/(Loss) Attributable to Members	**(110,078)**	**(321,566)**	**(289,840)**	**23,861,107**	**(539,177)**

Enhanced Capital Partners, LLC
Consolidating Statement of Operations (continued)
December 31, 2018

	LAF1	LAF2	LAF3	MSFL	MSF2	NYF1
Revenue						
Premium Tax Credit Income	—	—	—	400,718	—	—
Cash Equivalents and Restricted Cash	—	—	—	1,708	—	185
Investments	—	—	7,954	360,566	—	15,893
Payment undertaking contracts	—	—	—	—	—	—
Other fee income	—	—	—	—	—	—
Total Interest Income, including fees	—	—	7,954	362,274	—	16,078
Admin and support services income	—	—	—	—	—	—
Dividend Income from Subs	—	—	—	—	—	—
Total Revenue	**—**	**—**	**7,954**	**762,992**	**—**	**16,078**
Expenses						
Management Fee	—	—	—	284,507	—	—
Professional Fees						
Legal Fees	—	—	—	—	—	—
Professional Fees	2,580	8,395	8,396	52,620	12,212	12,550
Other	—	—	—	315	7,500	65
Taxes & Licenses	—	35	35	2,500	—	484
Total Professional Fees	2,580	8,430	8,431	55,435	19,712	13,099
General & Administrative	—	—	—	—	—	—
Interest Expense - net	—	—	—	312,560	—	—
Debt Issuance Costs	—	—	—	33,361	—	—
Total Interest Expense	—	—	—	345,921	—	—
Depreciation	—	—	—	—	—	—
Credit Enhancement Fee	—	—	—	42,676	—	—
Total Amortization	—	—	—	42,676	—	—
Admin and support services expense	—	—	—	—	—	—
Total Expenses	**2,580**	**8,430**	**8,431**	**728,539**	**19,712**	**13,099**
Net investment (loss) income	(2,580)	(8,430)	(477)	34,453	(19,712)	2,979
Gain (Loss) from Unconsolidated Sub	—	—	—	—	—	—
Change in accrued supplemental insurance	—	56,103	6,947	1,586,495	—	(19,871)
Realized Gain/(Loss) on Investments	—	(501,164)	(471,472)	(196,970)	—	—
Unrealized Gain/(Loss) on Investments	—	231,145	374,672	196,970	—	—
Net realized and unrealized gain (loss)	—	(270,019)	(96,800)	—	—	—
Net Income/(Loss)	(2,580)	(222,346)	(90,330)	1,620,948	(19,712)	(16,892)
Net Loss/(Income) Attributable to NCI	—	—	—	—	—	—
Net Income/(Loss) Attributable to Members	**(2,580)**	**(222,346)**	**(90,330)**	**1,620,948**	**(19,712)**	**(16,892)**

Enhanced Capital Partners, LLC
Consolidating Statement of Operations (continued)
December 31, 2018

	NYF2	NYF3	TXF1	TXF2	WYFL	ELIM & ADJ	CONSOL
Revenue							
Premium Tax Credit Income	—	—	—	—	2,005,600		35,200,065
Cash Equivalents and Restricted Cash	—	—	—	—	2,727		6,039
Investments	—	—	—	—	368,886		2,238,526
Payment undertaking contracts	—	—	—	—	346,896		411,823
Other fee income	—	—	—	—	—	(3,024,518)	66,032
Total Interest Income, including fees	—	—	—	—	718,509	(3,024,518)	2,722,420
Admin and support services income	—	—	—	—	—		6,462,952
Dividend Income from Subs	—	—	—	—	—	(4,663,642)	—
Total Revenue	**—**	**—**	**—**	**—**	**2,724,109**	**(7,688,160)**	**44,385,437**
Expenses							
Management Fee	—	—	—	—	750,000	(3,024,518)	—
Professional Fees							
Legal Fees	—	—	—	(1)	—		1,358
Professional Fees	8,840	6,030	7,465	10,238	21,150		602,136
Other	—	—	—	300	4,260		26,657
Taxes & Licenses	350	—	—	—	25,052		98,651
Total Professional Fees	9,190	6,030	7,465	10,537	50,462		728,802
General & Administrative	—	—	—	—	—		3,203,846
Interest Expense - net	—	—	—	—	1,341,699		13,964,702
Debt Issuance Costs	—	—	—	—	92,986		459,013
Total Interest Expense	—	—	—	—	1,434,685		14,423,715
Depreciation	—	—	—	—	—		4,707
Credit Enhancement Fee	—	—	—	—	—		390,784
Total Amortization	—	—	—	—	—		395,491
Admin and support services expense	—	—	—	—	—		7,461,965
Total Expenses	**9,190**	**6,030**	**7,465**	**10,537**	**2,235,147**	**(3,024,518)**	**26,213,819**
Net investment (loss) income	(9,190)	(6,030)	(7,465)	(10,537)	488,962	(4,663,642)	18,171,618
Gain (Loss) from Unconsolidated Sub	—	—	—	—	—		(436,195)
Change in accrued supplemental insurance	(30,164)	(47,057)	—	10,837	97,227		(1,120,747)
Realized Gain/(Loss) on Investments	—	—	—	(548,866)	(994,187)		(5,015,080)
Unrealized Gain/(Loss) on Investments	177,781	249,543	—	548,866	669,869		4,336,518
Net realized and unrealized gain (loss)	177,781	249,543	—	—	(324,318)		(678,562)
Net Income/(Loss)	138,427	196,456	(7,465)	300	261,871	(4,663,642)	15,936,114
Net Loss/(Income) Attributable to NCI	—	—	—	—	—		(486,287)
Net Income/(Loss) Attributable to Members	**138,427**	**196,456**	**(7,465)**	**300**	**261,871**	**(4,663,642)**	**15,449,827**

EnhancedCapital

CONSOLIDATED FINANCIAL STATEMENTS

Enhanced Capital Partners, LLC
Periods Ended September 30, 2020 and 2019
(UNAUDITED)

Enhanced Capital Partners, LLC

Consolidated Balance Sheets

(UNAUDITED)

	(unaudited) September 30, 2020	(audited) December 31, 2019
Assets		
Cash and cash equivalents	**$ 5,388,706**	$ 5,298,246
Restricted cash	**—**	4,792,735
Accrued interest receivable	**364,556**	255,629
Due from related party	**2,699,019**	2,209,264
Investments in qualified businesses, at fair value (cost of $31,127,865 and $32,921,868 as of September 30, 2020 and December 31, 2019, respectively)	**29,011,057**	31,180,060
Investments in unconsolidated subsidiaries	**2,030,625**	2,120,490
Prepaid expenses and other assets, net	**149,210**	180,063
Earned premium tax credits	**42,552,680**	49,645,794
Payment undertaking contracts	**17,166,813**	17,767,639
Total assets	**$ 99,362,666**	$ 113,449,920
Liabilities and members' deficit		
Accounts payable and accrued expenses	**$ 2,976,766**	$ 4,095,221
Accrued interest payable	**3,617,576**	5,494,451
Accrued supplemental insurance and profits interest	**5,300,549**	5,554,042
CAPCO notes payable, net of unamortized debt issuance cost	**68,218,583**	82,884,730
ECG note payable, net of discount	**43,858,861**	42,167,694
Total liabilities	**123,972,335**	140,196,138
Deficit:		
Members' deficit	**(25,614,176)**	(27,792,558)
Noncontrolling interest	**1,004,507**	1,046,340
Total deficit	**(24,609,669)**	(26,746,218)
Total liabilities and members' deficit	**$ 99,362,666**	$ 113,449,920

See accompanying notes.

EnhancedCapital

Enhanced Capital Partners, LLC

Consolidated Statements of Operations

(UNAUDITED)

	(unaudited) Nine months ended September 30, 2020	2019
Income from premium tax credits	**$ 10,513,808**	$ 5,712,641
Interest income, including fees:		
Cash equivalents and restricted cash	**5,300**	4,166
Investments	**922,631**	1,733,500
Payment undertaking contracts	**321,567**	347,384
Other fee income	**35,506**	39,451
Total interest income, including fees	**1,285,004**	2,124,501
Total income	**11,798,812**	7,837,142
Expenses:		
Professional fees	**569,821**	568,704
General and administrative	**363,430**	751,798
Interest, net of premium and discount amortization	**6,442,461**	10,959,105
Depreciation and amortization	**126,137**	191,224
Administrative and support services expense	**5,319,850**	6,625,348
Administrative and support services income	**(4,533,051)**	(4,646,777)
Total expenses	**8,288,648**	14,449,402
Net investment income (loss)	**3,510,164**	(6,612,260)
Loss from unconsolidated subsidiaries	**(89,865)**	(55,199)
Change in accrued supplemental insurance	**(847,997)**	(140,910)
Net realized loss on investments	**—**	(81,088)
Unrealized loss on investments:		
Beginning of period	**(1,741,808)**	(1,836,674)
End of period	**(2,116,808)**	(2,135,502)
Net unrealized loss on investments	**(375,000)**	(298,828)
Net realized and unrealized loss on investments	**(375,000)**	(379,916)
Net income (loss)	**2,197,302**	(7,188,285)
Net (income) loss attributable to non-controlling interests	**(18,920)**	(3,126)
Net income (loss) attributable to members	**$ 2,178,382**	$ (7,191,411)

See accompanying notes.

Table of Contents

Enhanced Capital

Enhanced Capital Partners, LLC

Consolidated Statements of Members' Deficit

(UNAUDITED)

	Members' Deficit	Noncontrolling Interest	Total Deficit
Balances at December 31, 2018	$ (19,605,776)	$ 1,467,612	$ (18,138,164)
Distributions	—	(292,277)	(292,277)
Net loss	(8,186,782)	(128,995)	(8,315,777)
Balances at December 31, 2019	(27,792,558)	1,046,340	(26,746,218)
Distributions	**—**	**(60,753)**	**(60,753)**
Net income	**2,178,382**	**18,920**	**2,197,302**
Balances at September 30, 2020	**$ (25,614,176)**	**$ 1,004,507**	**$ (24,609,669)**

See accompanying notes.

Enhanced Capital

Enhanced Capital Partners, LLC

Consolidated Statements of Cash Flows

(UNAUDITED)

	(unaudited) Nine months ended September 30, 2020	2019
Operating activities		
Net income (loss)	**$ 2,197,302**	$ (7,188,285)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Depreciation and amortization	**126,137**	191,224
Accretion of payment undertaking contracts	**(321,567)**	(347,384)
Income from premium tax credits	**(10,513,808)**	(5,712,642)
Amortization of debt issuance costs	**217,208**	380,122
Non-cash interest expense	**7,087,569**	9,272,455
Loss from unconsolidated subsidiaries	**89,865**	55,199
Unrealized loss on qualified investments, net	**375,000**	298,828
Realized loss on investments, net	**—**	81,088
Proceeds from repayment and sales of qualified investments	**6,744,003**	15,354,905
Purchase of investments in qualified businesses	**(4,950,000)**	(8,968,319)
Supplemental insurance and profits interest payments	**(1,101,490)**	(744,603)
Change in accrued supplemental insurance and profits interest	**847,997**	140,910
Changes in assets and liabilities:		
Accrued interest receivable	**(108,927)**	(19,603)
Prepaid expenses and other assets, net	**(95,284)**	(166,867)
Due from related party	**(489,755)**	475,639
Accounts payable and accrued expenses	**(1,118,455)**	(917,210)
Accrued interest payable	**(2,145,301)**	(1,282,469)
Net cash (used in) provided by operating activities	**(3,159,506)**	902,988
Investing activities		
Proceeds from investments in unconsolidated subsidiaries	**—**	369,242
Payment for payment undertaking agreement	**—**	(3,487,508)
Net cash used in investing activities	**—**	(3,118,266)

See accompanying notes.

Enhanced Capital Partners, LLC

Consolidated Statements of Cash Flows (continued)

(UNAUDITED)

	(unaudited) Nine months ended September 30, 2020	2019
Financing activities		
Payment for debt issuance costs	$ —	$ (330,944)
Proceeds from issuance of CAPCO notes payable	—	9,528,336
Payments on CAPCO notes payable	(15,000)	—
Payments on credit facility and term loans	—	(200,000)
Payments on subordinated note payable	(1,467,016)	(7,086,384)
Distributions to non-controlling interest	(60,753)	(292,277)
Net cash (used in) provided by financing activities	(1,542,769)	1,618,731
Net decrease in cash, cash equivalents, and restricted cash	$ (4,702,275)	$ (596,547)
Cash, cash equivalents, and restricted cash at beginning of period	10,090,981	10,755,596
Cash, cash equivalents, and restricted cash at end of period	$ 5,388,706	$ 10,159,049
Cash and cash equivalents	$ 5,388,706	$ 5,204,315
Restricted cash	—	4,954,734
Total cash, cash equivalents, and restricted cash	$ 5,388,706	$ 10,159,049
Noncash operating and financing activities		
Settlement of CAPCO notes payable and accrued interest payable with:		
Payment undertaking contracts	$ 922,393	$ 3,204,733
Premium tax credits	$ 17,606,922	$ 15,127,188
Supplemental cash flow disclosure		
Cash paid for interest	$ 1,282,985	$ 1,178,284

See accompanying notes.

EnhancedCapital

Enhanced Capital Partners, LLC

Consolidated Schedules of Investments (UNAUDITED)

	(unaudited) September 30, 2020				(audited) December 31, 2019			
	Percentage of Equity	Shares	Cost	Fair Value	Percentage of Equity	Shares	Cost	Fair Value
Technology and Software:								
Louisiana Technology Fund, LLC								
Common Units	N/A	326	$ 347,280	$ 2,764	N/A	326	$ 347,280	$ 2,764
Louisiana Technology Fund 2006, LLC								
Common Units	N/A	291	244,398	1,646	N/A	291	244,398	1,646
RepEquity, Inc.								
Series A Convertible Preferred Stock	N/A	383,825	350,000	1,050,000	N/A	383,825	350,000	1,050,000
Common stock	N/A	738,589	2,299,545	1,652,740	N/A	738,589	2,299,545	1,652,740
Warrants—Common	N/A	109,385	—	142,592	N/A	109,385	—	142,592
Convertible Debt Securities	N/A		200,000	200,000	N/A		200,000	200,000
	N/A		2,849,545	3,045,332	N/A		2,849,545	3,045,332
Spot-On Networks, LLC								
Debt Securities	N/A		—	—	N/A		1,225,000	1,225,000
Inbox Health Corp								
Series Seed Preferred Stock	N/A	439,946	109,987	109,987	N/A	439,946	109,987	109,987
Pennsylvania Globe Gaslight Co.								
Debt Securities	N/A		—	—	N/A		207,500	207,500
Grey Wall Software, LLC								
Debt Securities	N/A		1,288,760	1,288,760	N/A		1,418,760	1,418,760
TRS Fuel Cell, LLC								
Debt Securities	N/A		—	—	N/A		1,500,000	1,500,000
Energea Global, LLC								
Debt Securities	N/A		920,000	920,000	N/A		1,000,000	1,000,000
Total Technology and Software Investments	N/A		5,759,970	5,368,489	N/A		8,902,470	8,510,989
Healthcare:								
ContinuumRX Services, Inc.								
Series A Preferred Stock	N/A	1,357,704	$ 227,898	$ 501,013	N/A	1,357,704	$ 227,898	$ 501,013
Series B Preferred Stock	N/A	582,931	511,135	448,688	N/A	582,931	511,135	448,688
Common Shares	N/A	2,781,956	1,993,910	864,651	N/A	2,781,956	1,993,910	864,651
Common Warrants	N/A	—	32,832	32,832	N/A	—	32,832	32,832
	N/A		2,765,775	1,847,184	N/A		2,765,775	1,847,184
CircleLink Health Inc.								
(f/k/a MedAdherence, LLC)								
Series Seed 6 Preferred Stock	N/A	327,045	75,000	73,354	N/A	327,045	75,000	73,354
Precipio, Inc.								
Series B Preferred Stock	N/A	1,282	75,000	2,957	N/A	1,282	75,000	2,957
Windham Nursing, LLC								
Debt Securities	N/A		1,320,000	1,320,000	N/A		1,485,000	1,485,000
RightPro Staffing, LLC								
Debt Securities	N/A		531,042	531,042	N/A		544,487	544,487
Total Healthcare Investments	N/A		4,766,817	3,774,537	N/A		4,945,262	3,952,982

See accompanying notes.

EnhancedCapital

Enhanced Capital Partners, LLC

Consolidated Schedules of Investments (continued) (UNAUDITED)

	(unaudited) September 30, 2020				(audited) December 31, 2019			
	Percentage of Equity	Shares	Cost	Fair Value	Percentage of Equity	Shares	Cost	Fair Value
Food and Beverage Services:								
City Winery New York, LLC								
Common Stock	N/A	469	54,000	1,504,278	N/A	469	54,000	1,504,278
Wyoming Authentic Products, LLC								
Series B&C Preferred Stock	N/A	310,204	310,204	—	N/A	310,204	310,204	—
Debt Securities	N/A		1,295,000	1,295,000	N/A		1,300,000	1,300,000
	N/A		1,605,204	1,295,000	N/A		1,610,204	1,300,000
Vertical Harvest, LLC								
Debt Securities	N/A		635,000	635,000	N/A		635,000	635,000
Salad Days, LLC								
Debt Securities	N/A		148,500	148,500	N/A		162,000	162,000
Total Food and Beverage Services Investments	N/A		2,442,704	3,582,778	N/A		2,461,204	3,601,278
Manufacturing:								
Rheonix, Inc.								
Series A Convertible Preferred Stock	N/A	212,585	$ 250,000	$ —	N/A	212,585	$ 250,000	$ —
Oxford Performance Materials, LLC								
Convertible Debt Securities	N/A		150,000	150,000	N/A		150,000	150,000
Kat Burki, Inc.								
Debt Securities	N/A		2,046,143	2,046,143	N/A		2,076,821	2,076,821
SciApps, Inc.								
Series B Preferred Stock	N/A	117,371	250,000	326,764	N/A	117,371	250,000	326,764
Serice C Preferred Stock	N/A	66,744	102,787	134,348	N/A	66,744	102,787	134,348
Series C-1 Preferred Stock	N/A	86,108	92,997	121,552	N/A	86,108	92,997	121,552
	N/A		445,784	582,664	N/A		445,784	582,664
Empire Geonomics, LLC								
Convertible debt securities	N/A		78,374	78,374	N/A		87,054	87,054
Pro South, Inc.								
Debt Securities	N/A		326,777	—	N/A		326,777	—
Greenleaf Energy Solutions, LLC								
Debt Securities	N/A		—	—	N/A		1,482,000	1,482,000
Air-Up Vending, LLC								
Debt Securities	N/A		442,405	442,405	N/A		480,952	480,952
Magnolia Energy Solution, LLC								
Debt securities	N/A		75,000	75,000	N/A		300,000	300,000
River & Roads, LLC								
Debt Securities	N/A		38,750	38,750	N/A		155,417	155,417
DMOS, LLC								
Preferred Stock	N/A	695,507	50,000	50,000	N/A	695,507	50,000	50,000
Madera Fuels, LLC								
Debt securities	N/A		2,100,000	2,100,000	N/A		—	—
Lilyana Naturals, LLC								
Debt securities	N/A		1,100,000	1,100,000	N/A		—	—
Total Manufacturing Investments	N/A		7,103,233	6,663,336	N/A		5,804,805	5,364,908

See accompanying notes.

EnhancedCapital

Enhanced Capital Partners, LLC

Consolidated Schedules of Investments (continued) (UNAUDITED)

	(unaudited) September 30, 2020				(audited) December 31, 2019			
	Percentage of Equity	Shares	Cost	Fair Value	Percentage of Equity	Shares	Cost	Fair Value
Services:								
Saff, Inc.								
Debt Securities	N/A		$ 17,142	$ 17,142	N/A		$ 22,486	$ 22,486
Cotton Mill Hotel Group, LLC								
Debt Securities	N/A		462,009	220,000	N/A		1,137,253	895,244
Discover Video, LLC								
Debt Securities	N/A		—	—	N/A		162,500	162,500
Brighter Health Network, LLC								
Debt securities	N/A		—	—	N/A		455,555	455,555
CK Mechanical Plumbing and Heating, Inc.								
Debt securities	N/A		623,000	161,785	N/A		637,000	175,785
Pinnacle Medical Solution, LLC								
Debt securities	N/A		617,262	617,262	N/A		708,333	708,333
Frost, LLC								
Debt securities	N/A		84,728	84,728	N/A		89,000	89,000
TriLipid, LLC								
Debt securities	N/A		2,001,000	2,001,000	N/A		2,001,000	2,001,000
Powderhorn Partners, LLC								
Debt securities	N/A		395,000	395,000	N/A		440,000	440,000
Echo Transportation, LLC								
Debt securities	N/A		705,000	350,000	N/A		705,000	350,000
Vesper, LLC								
Debt securities	N/A		495,000	495,000	N/A		500,000	500,000
Voice Glance, LLC								
Debt securities	N/A		655,000	655,000	N/A		700,000	700,000
Posigen CT, LLC								
Debt Securities	N/A		2,500,000	2,500,000	N/A		2,500,000	2,500,000
Lillian August Design, LLC								
Debt Securities	N/A		750,000	375,000	N/A		750,000	750,000
AMS Construction, LLC								
Debt Securities	N/A		1,750,000	1,750,000	N/A		—	—
Total Services Investments	N/A		11,055,141	9,621,917	N/A		10,808,127	9,749,903
Total Investments	N/A		$31,127,865	$29,011,057	N/A		$32,921,868	$31,180,060
Summary of Securities								
Preferred Stock	N/A		$ 2,405,008	$ 2,818,663	N/A		$ 2,405,008	$ 2,818,663
Common Stock	N/A		4,939,133	4,026,079	N/A		4,939,133	4,026,079
Warrants—Common	N/A		32,832	175,424	N/A		32,832	175,424
Debt Securities	N/A		23,322,518	21,562,517	N/A		25,107,841	23,722,840
Convertible Debt Securities	N/A		428,374	428,374	N/A		437,054	437,054
Total Investments	N/A		$31,127,865	$29,011,057	N/A		$32,921,868	$31,180,060

See accompanying notes

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (UNAUDITED)

September 30, 2020

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by Enhanced Capital Partners, LLC (ECP or the Company), in the preparation of its consolidated financial statements in accordance with accounting principles generally accepted in the United States.

Basis of Presentation and Description of Business

The Company's primary business objective is to participate in certified capital company premium tax credit programs adopted by various states throughout the United States. The Company's principal investment objective is to maximize portfolio return by generating current income from debt investments and capital appreciation from equity and equity-related investments, including warrants, convertible securities, and other rights to acquire equity securities in a portfolio company. ECP's portfolio investments are debt and equity investments in small and emerging private companies through its Certified Capital Companies (CAPCOs).

A CAPCO issues qualified debt instruments to insurance company investors (Certified Investors) in exchange for cash. The gross proceeds of these debt instruments are Certified Capital, which is used to make targeted investments in qualified businesses (Investments in Qualified Businesses, as defined under the respective state statutes, or Qualified Businesses). Such investments are accounted for using the fair value method of accounting, as described in Accounting Standards Codification (ASC) 946, Financial Services – Investment Companies. Participation in each CAPCO program legally entitles the CAPCO to receive (or earn) tax credits from the state upon satisfying quantified, defined investment percentage thresholds and time requirements. In order for a CAPCO to maintain its state-issued certifications, the CAPCO must make Investments in Qualified Businesses in accordance with these requirements. These state requirements are mirrored in the limitations agreed to by each CAPCO in its written contractual agreements with its Certified Investors and limit the activities of the CAPCO to conducting the business of a CAPCO.

The CAPCOs can satisfy the interest and principal payments on the notes by delivering premium tax credits and cash payments from Payment Undertaking Contracts. The CAPCOs have the legal right to deliver the premium tax credits to the Certified Investors. The Certified Investors legally have the right to receive and use the premium tax credits and would, in turn, use these premium tax credits to reduce their respective state tax liabilities in an amount normally equal to 100% of their certified investment. The premium tax credits can be utilized over a fixed time period, at a fixed rate and, in some instances, the premium tax credits are transferable and can be carried forward. The premium tax credits, plus the Payment Undertaking Contracts and accumulated interest thereon, are designed to satisfy in full both the principal amount and accumulated interest on the notes payable.

EnhancedCapital

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

The following is a summary of each CAPCO, its state of certification, and date of certification:

CAPCO	State of Certification	Date of Certification
Enhanced Louisiana Issuer, LLC	Louisiana	December 15, 1997
Enhanced Louisiana Capital II, LLC	Louisiana	September 27, 2002
Enhanced Louisiana Capital III, LLC	Louisiana	June 17, 2003
Enhanced New York Issuer, LLC	New York	November 27, 2000
Enhanced Capital New York Fund II, LLC	New York	November 26, 2004
Enhanced Capital New York Fund III, LLC	New York	September 26, 2005
Enhanced Colorado Issuer, LLC	Colorado	February 20, 2002
Enhanced Alabama Issuer, LLC	Alabama	November 6, 2003
Enhanced Capital Alabama Fund II, LLC	Alabama	February 27, 2008
Enhanced Capital District Fund, LLC	District of Columbia	September 13, 2004
Enhanced Capital Texas Fund, LP	Texas	April 8, 2005
Enhanced Capital Texas Fund II, LLC	Texas	November 18, 2007
Enhanced Capital Connecticut Fund I, LLC	Connecticut	January 25, 2011
Enhanced Capital Connecticut Fund II, LLC	Connecticut	January 27, 2011
Enhanced Capital Connecticut Fund III, LLC	Connecticut	November 22, 2011
Enhanced Capital Connecticut Fund IV, LLC	Connecticut	December 9, 2013
Enhanced Capital Connecticut Fund V, LLC	Connecticut	November 6, 2015
Enhanced Capital Wyoming Fund, LLC	Wyoming	August 13, 2012
Enhanced Capital Mississippi Fund, LLC	Mississippi	January 16, 2013
Enhanced Capital Mississippi Fund II, LLC	Mississippi	January 9, 2019

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany accounts and transactions are eliminated in consolidation.

The Company employs the equity method of accounting for investments in business entities when it can exercise significant influence over the operating and financial policies of the entities. The cost method is used when the Company does not have the ability to exert significant influence.

Regulatory Matters

The CAPCOs are licensed under the various applicable state statutes and are subject to regulation by a state governmental agency. The applicable state agency implements various regulations and determines the CAPCO's compliance with the regulations. These regulations require, among other things, that the Company invest a percentage of each Certified Capital pool at required minimum levels by a certain date after such capital is certified. See Revenue Recognition below for further discussion.

The CAPCO will recognize earnings from premium tax credits as it meets the qualified investment benchmarks, as discussed below, which are determined by the applicable state rules and regulations that govern the CAPCO

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

program. Upon investing 100% of the Certified Capital, as determined by the applicable state rules and regulations governing the CAPCO program, the CAPCO can apply for voluntary decertification, which will then allow the CAPCO to make distributions to its parent and other affiliated entities. Until either the end of the program, or voluntary decertification, the CAPCO is not permitted to make distributions, other than qualified distributions, to its parent and other affiliated entities under the provisions of the applicable state regulations.

The Company has completed 20 CAPCO transactions in 8 states and the District of Columbia, and as a result, purchasers have invested Certified Capital in the CAPCOs, purchased notes payable issued by the CAPCOs, and the CAPCOs have earned premium tax credits pursuant to applicable state CAPCO programs. An insurance company that invests in a CAPCO during the certification year may be entitled to premium tax credits of generally 100% of its investment, which may be available to offset premium tax liabilities, subject to specific state requirements, over a defined period of years.

As previously discussed, a CAPCO is required to make Investments in Qualified Businesses under a qualified investment schedule, as defined, in order to remain certified as a CAPCO. If the Company does not make such qualified investments within the statutorily provided time frame, the CAPCO is subject to involuntary decertification and revocation, as defined in the respective CAPCO agreements, of its certificate and, accordingly, the Certified Investor could be subject to forfeiture or recapture of its previously granted state tax credits. This risk has been insured under premium tax credit insurance policies described in the Prepaid Expenses section of Note 1. Generally, a CAPCO must invest at least 50% of its Certified Capital in Qualified Businesses within five years after the certification date.

The CAPCOs believe they are in compliance with the various applicable state statutes as of September 30, 2020, including the investment time limits provided for in the applicable statute. See the table in Revenue Recognition below.

Revenue Recognition

Interest income earned by the Company is recognized on the accrual basis of accounting. Dividend income earned by the Company from equity investments is recognized when declared by portfolio companies.

Interest income on loans is generally accrued on the principal balance outstanding. The accrual of interest income on loans is discontinued when the receipt of principal and interest on a timely basis becomes doubtful. In such cases, interest is recognized at the time of receipt. A reserve for possible losses on interest receivable is maintained when appropriate.

The cost of each specific security is used to determine gains or losses on sales of securities. Such gains or losses are reported as a component of realized gains (losses). Purchases and sales of investments are recorded on a trade-date basis.

Other fee income consists primarily of management fee income with a related party which is recognized over the service period, provided collection is probable (see Note 7).

Income from premium tax credits is recognized as the Company fulfills its statutory minimum investment thresholds, causing the premium tax credits to become non-recapturable, as discussed below. Following an

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

application process, the state will notify a company that it has been certified as a CAPCO. The state then allocates an aggregate dollar amount of premium tax credits to the CAPCO. However, such amount is neither recognized as income nor otherwise recorded in the financial statements because it has yet to be earned by the CAPCO. The CAPCO is legally entitled to earn premium tax credits upon satisfying defined investment percentage thresholds within specified time requirements and corresponding non-recapture percentages as defined by the state statutes. As the CAPCO meets these requirements, it avoids grounds under the state statutes for its disqualification from continued participation in the CAPCO program. Disqualification, or “involuntary decertification,” of a CAPCO results in a recapture of all or a portion of the allocated premium tax credits; however, the proportion of the recapture is reduced over time as the CAPCO remains in general compliance with the program rules and meets the progressively increasing investment benchmarks. As the CAPCO progresses its investments in Qualified Businesses and, accordingly, places an increasing proportion of the premium tax credits beyond recapture, it earns an amount equal to the non-recapturable premium tax credits and records such amount as income, with a corresponding asset called “earned premium tax credits” in the balance sheet. The amount of premium tax credits earned is recognized at its present value of the percentage of the total amount of premium tax credits allocated to the CAPCO multiplied by the percentage of the premium tax credits immune from recapture (the earned income percentage) under the state statute.

Once the Company reaches the investment benchmarks or receives notice from the state that the benchmark has been met, the state generally cannot recapture a percentage of the premium tax credits, as discussed earlier. The following table depicts the recapture percentages for the premium tax credits and the point at which revenue from premium tax credits will be recognized (Earned Income Percentage).

CAPCO	Investment Benchmark Date	Qualified Investments Benchmarks	Recapture Percentage	Earned Income Percentage	Benchmark Achieved
Enhanced Louisiana Issuer, LLC	10/18/2005	After 50%	0.00%	100.00%	X
Enhanced Louisiana Capital II, LLC	10/17/2007	After 50%	0.00%	100.00%	X
Enhanced Louisiana Capital III, LLC	10/16/2008	After 50%	0.00%	100.00%	X
Enhanced New York Issuer, LLC	12/27/2004	After 50%	0.00%	100.00%	X
Enhanced Colorado Issuer, LLC	4/22/2007	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Alabama Issuer, LLC	2/4/2009	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Capital District Fund, LLC	11/18/2009	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Capital New York Fund II, LLC	12/10/2008	After 50%	0.00%	100.00%	X
Enhanced Capital New York Fund III, LLC	11/18/2009	After 50%	0.00%	100.00%	X

EnhancedCapital

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

CAPCO	Investment Benchmark Date	Qualified Investments Benchmarks	Recapture Percentage	Earned Income Percentage	Benchmark Achieved
Enhanced Capital Texas Fund, LP	6/20/2010	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Capital Texas Fund II, LLC	1/25/2013	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Capital Alabama Fund II, LLC	4/15/2013	After 50% and after 5 years	0.00%	100.00%	X
Enhanced Capital Connecticut Fund I, LLC	1/25/2015	After 60% and after 4 years	0.00%	100.00%	X
Enhanced Capital Connecticut Fund II, LLC	1/27/2015	After 60% and after 4 years	0.00%	100.00%	X
Enhanced Capital Connecticut Fund III, LLC	11/22/2015	After 60% and after 4 years	0.00%	100.00%	X
Enhanced Capital Wyoming Fund, LLC	8/13/2016	After 50%	0.00%	100.00%	X
Enhanced Capital Mississippi Fund, LLC	1/24/2017	After 50%	0.00%	100.00%	X
Enhanced Capital Connecticut Fund IV, LLC	12/12/2017	After 60% and after 4 years	0.00%	100.00%	X
Enhanced Capital Connecticut Fund V, LLC	11/6/2021	After 60% and after 6 years	0.00%	100.00%	X
Enhanced Capital Mississippi Fund II, LLC	1/22/2023	After 50%	0.00%	100.00%	X

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

Once a CAPCO has achieved the 100% investment milestone it can become voluntarily decertified by the state regulatory agency. Once voluntarily decertified, the CAPCO has the authority to make profit distributions at its own discretion. The following table depicts the CAPCOs that have become voluntarily decertified as of September 30, 2020.

CAPCO	Date
Enhanced Louisiana Issuer, LLC	February 11, 2004
Enhanced Capital New York Fund II, LLC	February 28, 2011
Enhanced Capital Texas Fund, LP	December 4, 2012
Enhanced Capital Texas Fund II, LLC	December 4, 2012
Enhanced Louisiana Capital II, LLC	November 7, 2012
Enhanced Capital New York Fund III, LLC	July 8, 2013
Enhanced Louisiana Capital III, LLC	October 14, 2013
Enhanced Alabama Issuer, LLC	June 19, 2014
Enhanced New York Issuer, LLC	November 23, 2015
Enhanced Capital Connecticut Fund II, LLC	December 23, 2015
Enhanced Capital Connecticut Fund III, LLC	December 23, 2015
Enhanced Capital Connecticut Fund I, LLC	January 29, 2016
Enhanced Capital Connecticut Fund IV, LLC	March 25, 2016
Enhanced Capital Alabama Fund II, LLC	March 9, 2017
Enhanced Capital Connecticut Fund V, LLC	July 10, 2019
Enhanced Capital Wyoming Fund, LLC	December 13, 2019
Enhanced Capital Mississippi Fund, LLC	October 13, 2020

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures* (ASC 820), establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value and requires companies to disclose the fair value of their financial instruments according to a fair value hierarchy (i.e., Level 1, 2, and 3 inputs, as defined). The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Additionally, companies are required to provide enhanced disclosure regarding instruments in the Level 3 category (which use inputs to the valuation techniques that are unobservable and require significant management judgment), including a reconciliation of the beginning and ending balances separately for each major category of assets and liabilities.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Inputs – Quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date. Level 1 assets include listed mutual funds, equities, and certain debt securities.

Level 2 Inputs – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted market prices that are observable, such as models or other valuation methodologies.

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

Level 3 Inputs – Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation. Assets included in this category generally include direct private equity investments, general and limited partnership interests in private equity funds, and funds of funds.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and the consideration of factors specific to the financial instrument.

Investments

The Company records its investments at fair value, as determined by management. Such values are generally considered to be the amount that the Company might reasonably expect to receive for its investments if negotiations for sale were entered into on the valuation date. Valuation as of any particular date, however, is not necessarily indicative of an amount that the Company may ultimately realize as a result of a future sale or other disposition of the investment. The estimated fair value is determined by taking into consideration the cost of the investments; internal or third-party valuation models; the price at which unaffiliated investors have purchased the same or similar securities; developments concerning the company to which such investments relate subsequent to the acquisition of such investments; the financial condition and cash flow projections of the underlying company; price/earnings ratios; cash flow multiples, equity/sales ratios, or other appropriate financial measures of publicly traded companies within the same industry; and other such relevant factors. Changes to the fair values of investments are recognized in income.

Equity investments, other than common stock, have various liquidity features with the underlying financial instrument. These features typically include cumulative and noncumulative dividends, detachable warrants, and redeemable and convertible options. In most instances, the Company has voting representation on the investee's board of directors.

Debt investments can include senior and mezzanine loans, which are loans that are usually subordinate to senior debt, may have some equity features, and generally reflect a level of risk moderately higher than traditional bank financing or senior debt with entities that have a higher risk profile.

There were no individual investments greater than 10% of the fair value of the Company's portfolio. Income, consisting of interest, dividends, fees, other investment income, and realization of gains or losses on equity interests, can fluctuate dramatically upon repayment of an investment or sale of an equity interest and in any given year can be highly concentrated among several investees. The Company's investments carry a number of risks including, but not limited to: (1) investing in companies which have a limited operating history and financial resources; (2) investing in senior subordinated debt which ranks equal to or lower than debt held by other investors; and (3) holding investments that are not publicly traded. The Company evaluates the credit risk of its investees at the time of the investment and on a consistent basis going forward. The Company generally requires collateral for its investments. The maximum amount of loss due to credit risk of the Company is the fair value of its investments, which has been recognized in the accompanying consolidated financial statements. There may also be risk associated with the concentration of investments in certain geographic regions or in certain industries.

EnhancedCapital

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

Income Taxes

No provision is made in the consolidated financial statements for federal income taxes because ECP's results of operations are allocated directly to its members. ECP is subject to state and local income taxes in certain state and local jurisdictions.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Company to report information regarding its exposure to various tax positions taken by the Company. The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax positions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Any interest or penalties assessed to the Company are recorded in operating expenses. No interest or penalties from any taxing authorities were recorded in the accompanying consolidated financial statements. Federal, state, and local taxing authorities generally have the right to examine and audit the previous three years of tax returns filed.

Cash and Cash Equivalents

The Company considers unrestricted cash in banks and investments with original maturities of 90 days or less to be cash and cash equivalents.

Restricted Cash

The Company has cash on deposit with BH Finance, LLC for the future investment in qualified investments as required by the CAPCO transaction agreements. The cash may be drawn for investment in qualified investments only. At September 30, 2020 and December 31, 2019, the Company had $0 and $4,602,168, respectively, on deposit with BH Finance, LLC for the future investment in qualified investments as required by the CAPCO transaction agreements.

The Company also holds cash on deposit for the purpose of fulfilling minimum cash requirements with BH Finance, LLC. At September 30, 2020 and December 31, 2019, the company had $0 and $190,567, respectively, on deposit for minimum cash requirements.

Prepaid Expenses

As of September 30, 2020, the Company had purchased 20 premium tax credit insurance policies related to the note purchase agreements, one of which was still in place. The insurance policies insure the availability of premium tax credits to the noteholders. Premiums under the policy cease once the premium tax credits are immune from recapture. The Company amortizes the initial insurance premiums using the greater of the percentage of the qualified investments made to the total amount required or the straight-line method over the life of the notes. Subsequent premiums are amortized using the straight-line method until the time of the next premium, which is typically every six months. Amortization expense was $126,137 and $191,224 for the periods ended September 30, 2020 and 2019, respectively.

EnhancedCapital

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

1. Summary of Significant Accounting Policies (continued)

Debt Issuance Costs

The Company amortizes debt issuance costs over the life of the associated notes using the effective interest method. During the periods ended September 30, 2020 and 2019, the Company recorded $217,208 and $380,122, respectively, in amortization expense. This amount is classified as interest expense in the accompanying statements of operations.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expense during the reporting period. The most significant estimate for the Company is with respect to valuation of investments. Actual results could differ from those estimates.

Recently Adopted Accounting Standards

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606), which requires a company to recognize revenue when the company transfers control of promised goods and services to the customer. Revenue is recognized in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. The Company adopted Topic 606 using the modified retrospective approach on January 1, 2019, which did not result in a change in the Company's measurement or recognition of revenues.

2. Fair Value Disclosures

Level 3 assets primarily consist of direct private company investments in debt and equity securities of portfolio companies. Changes in Level 3 assets measured at fair value on a recurring basis were as follows:

	Investments
Balance at December 31, 2018	$ 41,269,838
Purchases of investments	9,880,320
Proceeds from sales and repayments of investments	(20,074,377)
Realized gain on investments	9,413
Unrealized gain on investments	94,866
Balance at December 31, 2019	31,180,060
Purchases of investments	**4,950,000**
Proceeds from sales and repayments of investments	**(6,744,003)**
Realized gain on investments	**—**
Unrealized loss on investments	**(375,000)**
Balance at September 30, 2020	**$ 29,011,057**

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

2. Fair Value Disclosures (continued)

All realized and unrealized gains and losses on investments are included in earnings and are reported in net realized loss on investments and in net change in unrealized loss on investments, respectively, in the statement of operations.

The Company's policy is to recognize transfers in and transfers out as of the actual date of the event or change in circumstances that caused the transfer.

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level 3 of the fair value hierarchy as of September 30, 2020.

	Fair Value at September 30 2020	Valuation Technique	Unobservable Inputs	Ranges	Weighted Average
Debt securities	$ 9,604,592	Discounted cash flows	Discount rate	0.0%–15.2%	3.4%
			ROI multiple	1.0x	1.0x
	12,386,299	Transaction price	N/A	N/A	N/A
Equity securities	6,629,458	Enterprise value	Revenue multiple	1.3x–2.9x	1.6x
		waterfall	EBITDA multiple	9.4x–11.9x	10.3x
	390,708	Transaction price	N/A	N/A	N/A

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level 3 of the fair value hierarchy as of December 31, 2019.

	Fair Value at December 31 2019	Valuation Technique	Unobservable Inputs	Ranges	Weighted Average
Debt securities	$ 9,229,592	Discounted cash flows	Discount rate	0.0%–15.2%	3.4%
			ROI multiple	1.0x	1.0x
	14,780,301	Transaction price	N/A	N/A	N/A
Equity securities	6,779,459	Enterprise value	Revenue multiple	1.3x–2.9x	1.6x
		waterfall	EBITDA multiple	9.4x–11.9x	10.3x
	390,708	Transaction price	N/A	N/A	N/A

The significant unobservable inputs used in the measurement of debt and equity securities include discount rates, exit multiples, revenue multiples, EBITDA multiples, and compound annual growth rates (CAGR). Increases (decreases) in discount rates in isolation can result in a lower (higher) fair value measurement. Increases (decreases) in any of the exit multiples, revenue multiples, EBITDA multiples, and compound annual growth rates in isolation can result in a higher (lower) fair value measurement. Due to their short term nature, the fair value of debt securities is assumed to approximate cost (less repayment of principal) unless there is a significant change in the risk free rate, or deterioration of the credit worthiness of the underlying investee is observed, at which time a discounted cash flow analysis is performed.

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

3. Payment Undertaking Contracts

In connection with the CAPCO transactions described in Note 1, the Company entered into interest-earning Payment Undertaking Contracts with BH Finance, LLC, in which BH Finance, LLC has agreed to make payments to the trustee on behalf of the holders of the notes described in Note 5, which will be sufficient to permit the trustee to pay the cash payment obligations on behalf of the Company on the dates on which the obligations are due. These agreements and deposits do not release the Company as obligor under the note agreements. At September 30, 2020 and December 31, 2019, the Company had $2,231,146 and $3,104,537, respectively, deposited with BH Finance, LLC to meet these obligations.

In connection with the Wyoming CAPCO transaction described in Note 1, the Company entered into an interest-earning Long Term Investment Contract with Vulcan Enhancement, LLC, in which Vulcan Enhancement, LLC has received a cash management deposit that upon the final maturity, will offset against the Wyoming CAPCO notes payable when the obligation is due. The Long-Term Investment Contract bears interest at 0.20% until February 13, 2013 and 2.50% after February 13, 2013, through maturity. These agreements and deposits do not release the Company as obligor under the note agreements. At September 30, 2020 and December 31, 2019, the Company had $14,935,667 and $14,663,102, respectively, deposited with Vulcan Enhancement, LLC to meet this obligation. These amounts are classified as payment undertaking contracts in the accompanying consolidated balance sheets.

4. Credit Facility

The Company had a $4,000,000 revolving line of credit with a national financial institution. The credit line bears interest at a floating rate of either LIBOR plus 4% or prime plus 1.5% at the option of the Company The credit line includes an unused commitment fee of 0.375%. The revolver facility was terminated on June 28, 2019.

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

5. CAPCO Notes Payable

The Company's CAPCOs have unsecured notes payable to various insurance company lenders that were issued in connection with the CAPCOs obtaining certified premium tax credits in the applicable states. Principal and interest on the non-Wyoming notes are to be repaid through a combination of cash repayments funded from the Payment Undertaking Contracts and through expected premium tax credit usage by the holders of the notes. Principal and interest on the Company's Wyoming CAPCO unsecured notes payable is to be repaid through a combination of the sales proceeds from the monetization of Wyoming tax credits and through the offset of the Long-Term Investment Contract as discussed in Note 3.

	2020	2019
Enhanced Capital Connecticut Fund I, LLC	**$ 868,275**	$ 4,242,071
Enhanced Capital Connecticut Fund II, LLC	**353,434**	1,725,739
Enhanced Capital Connecticut Fund III, LLC	**1,217,942**	5,950,417
Enhanced Capital Wyoming Fund, LLC	**20,881,683**	22,891,210
Enhanced Capital Mississippi Fund, LLC	**—**	693,680
Enhanced Capital Connecticut Fund IV, LLC	**3,983,868**	5,300,260
Enhanced Capital Connecticut Fund V, LLC	**31,983,984**	33,105,915
Enhanced Capital Mississippi Fund II, LLC	**9,297,111**	9,465,562
Total CAPCO notes payable, gross	**$ 68,586,297**	$ 83,374,854
Debt issuance costs	**(367,714)**	(490,124)
Total CAPCO notes payable, net of debt issuance costs	**$ 68,218,583**	$ 82,884,730

Principal maturities on the outstanding CAPCO notes are as follows:

	Total
2020	$ 2,918,219
2021	9,092,662
2022	10,432,000
2023	8,774,335
2024	9,016,983
2025	5,600,258
Thereafter	22,751,840
	$ 68,586,297

6. ECG Note Payable

On December 23, 2013, ECP issued a note payable to Enhanced Capital Group (ECG), an affiliate of the Company, with a face amount of $77,114,529 in order to refinance existing indebtedness (the Note). The Note was recorded at its fair value of $40,560,971 since the Note carries a below market interest rate. The difference between the estimated fair value and stated value resulted in a discount being recorded in the aggregate amount of $36,553,558. The discount will be amortized over the remaining life of the Notes using the effective-interest amortization method. For the periods ended September 30, 2020 and 2019, $3,063,384 and $4,183,504,

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

6. ECG Note Payable (continued)

respectively, of discount amortization was recorded to interest expense in the accompanying consolidated statements of operations. As of September 30, 2020 and December 31, 2019, the unamortized discount of $5,115,467 and $8,178,851, respectively were included as an offset to ECG note payable in the accompanying consolidated balance sheets. As of September 30, 2020 and December 31, 2019, the unamortized portion of debt issuance costs of $157,998 and $252,797, respectively, is included as an offset to the ECG Note Payable in the accompanying consolidated balance sheets.

The Note accrues interest at the rate of 1.65% per annum through December 23, 2019, and Prime plus 2.0% from December 23, 2019 through December 23, 2021. The Note matures on December 23, 2021. Interest is due and payable annually, commencing on December 23, 2014. If interest is not paid when due, it accrues until it is paid. Principal is due at maturity but can be prepaid without penalty. Principal outstanding on the Note at September 30, 2020 and December 31, 2019 was $49,132,326 and $50,599,342, respectively. Accrued interest on the Note at September 30, 2020 and December 31, 2019 was $2,698,444 and $4,843,745, respectively.

7. Related Party and Investments in Unconsolidated Subsidiaries

In August 2009, the Company formed a partnership, Council & Enhanced Tennessee Fund, LLC (C&E), with another investment firm for the purpose of applying and participating in the Tennessee Small Business Investment Company Credit Act (The Act). The Act was enacted to provide investment capital in the form of equity and debt financing to qualified businesses headquartered in the state of Tennessee. The Company has a 50% ownership interest in C&E. For the periods ended September 30, 2020 and 2019, the Company recognized $35,506 and $39,431 of management fee income, respectively.

In December 2009, C&E was approved by the Tennessee Department of Economic and Community Development (TDECD) to be a qualified Tennessee small business investment company (TN Investco). C&E was awarded a $20 million investment allocation in premium insurance tax credits, the proceeds of which will be used to invest in qualifying small businesses headquartered within the state of Tennessee.

As of September 30, 2020 and December 31, 2019, the Company had made cumulative contributions of $257,500 to C&E and received cumulative distributions of $2,636,833, respectively from C&E. The Company accounts for its investment in C&E using the equity method of accounting and, thus, has recorded its share of loss in the amount of $0 and $28,640 for the periods ended September 30, 2020 and 2019, respectively. ECP's investment in C&E was $1,244,385 and $1,244,385 as of September 30, 2020 and December 31, 2019, respectively**.**

The Company has a 2% ownership interest in Enhanced Small Business Investment Company, LP ("ESBIC"). As of September 30, 2020 and December 31, 2019, the Company has made cumulative capital contributions of $943,300 to ESBIC and received cumulative distributions of $452,747, respectively from ESBIC. The Company accounts for its investment in ESBIC using the equity method of accounting and, thus, has recorded its share of loss in the amount of $89,865 and $26,559 for the periods ended September 30, 2020 and 2019, respectively. ECP's investment in ESBIC was $786,240 and $876,105 as of September 30, 2020 and December 31, 2019, respectively.

On December 23, 2013, the Company entered into an Administrative Services Agreement with Enhanced Capital Holdings, Inc., its parent company, to provide personnel and resources for the Company to operate its business units. The Company recognized $5,319,850 and $6,625,348 of administrative support expense under this

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

7. Related Party and Investments in Unconsolidated Subsidiaries (continued)

arrangement for the periods ended September 30, 2020 and 2019, respectively. The Company also entered into an Administrative Services Agreement with ECG to provide personnel and resources in order for ECG to operate its business units. The Company recognized $4,533,051 and $4,646,777 of administrative support fee income under this arrangement for the periods ended September 30, 2020 and 2019, respectively.

8. Leases

The Company leases office space under various noncancelable leases. Future minimum lease payments at September 30, 2020, are as follows:

2021	$ 47,350
2022	—
2023	—
2024	—
2025	—
Thereafter	—
Total	$ 47,350

Rent expense for leases with escalation clauses is recognized straight-line over the lease term. For the period ended September 30, 2020, the Company incurred rent expense of $50,334 of which $10,886 was paid by ECG through the Administrative Services agreement and $39,448 was expensed by the Company.

9. Commitments and Contingencies

The Company has pledged its Alabama II, Connecticut, and Mississippi I CAPCOs' assets to National Fire & Marine Insurance Company (NFM) and The Bank of New York, as trustee, and its Mississippi II CAPCO's assets to National Fire & Marine Insurance Company (NFM) and The US Bank, as trustee, in the event the Company defaults under the various CAPCO Transaction Agreements for the applicable state.

The Company has pledged its New York III CAPCO's assets to National Indemnity Company (NIC) and The Bank of New York, as trustee, in the event the Company defaults under the various CAPCO Transaction Agreements for the applicable state.

The Company has pledged assets of the Wyoming CAPCO to Vulcan Enhancement, LLC, in the event the Company defaults under the Wyoming Small Business Investment Credit (SBIC) Transaction Agreement.

NFM and NIC (collectively "Insurers"), in addition to receiving periodic insurance premiums from the CAPCOs related to the premium tax credit insurance policies as defined in Note 1, are entitled to receive, as additional consideration for providing the tax credit insurance policy, a payment equal to 22.5% of equity distributions made by the CAPCOs to the Company. Equity distributions can only be made under the terms of the rules and regulations governing the CAPCO after the CAPCO is "voluntarily decertified" by the applicable state. Equity distributions do not include distributions made, or to be made, to pay a tax liability related to ownership of the CAPCO, or the return of the original capital contributed to the CAPCO relating to its formation.

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

9. Commitments and Contingencies (continued)

The Company determines the fair value of the 22.5% equity distributions using current fair values for certain assets and liabilities, and also using projected discounted cash flows. As of September 30, 2020 and December 31, 2019, the amounts, recorded for the accrued supplemental insurance were $4,043,481 and $4,537,819, respectively.

Vulcan Enhancement, LLC, may be entitled to receive, as additional consideration for providing the guarantee of availability of Wyoming premium tax credits, a portion of equity distributions made from the Wyoming SBIC, as defined by the SBIC Transaction Agreement. No amount was accrued for as of September 30, 2020 and December 31, 2019.

Pursuant to Louisiana R.S. 51:1927.1(C) of the Statute, if Enhanced Louisiana Capital II, LLC and Enhanced Louisiana Capital III, LLC do not fund 40% in qualified investments within three years, 60% by five years, and 100% by seven years to LEDF, then the Company shall remit 25% of all distributions, other than tax distributions and management fees, until the LEDF shall have received an amount equal to the amount of tax credit quoted for the pool. Thereafter, these CAPCOs shall remit 10% of such excess distributions. During 2009, the Statute was amended whereby if the Company did not invest 100% by seven years it could invest 110% of Certified Capital by the eighth anniversary date. Enhanced Louisiana Capital II, LLC and Enhanced Louisiana Capital III, LLC did not achieve the 100% state profits milestone and, as such, are subject to remitting 25% of all distributions other than tax distributions to the LEDF. As of September 30, 2020 and December 31, 2019, the amount recorded for accrued state profits interest related to this provision of the Statute was $0 and $12,633, respectively.

Pursuant to Alabama Section 281-2-1.10, following the voluntary decertification of Enhanced Alabama Issuer, LLC and Enhanced Capital Alabama Fund II, LLC, the state shall receive a 10% share of any distributions other than qualified distributions, payments with respect to indebtedness to the noteholders, and the return of initial equity contributions and any other equity contributions to the Company. As of September 30, 2020 and December 31, 2019, the amount recorded for the accrued state profits was $119,125 and $120,205, respectively.

Pursuant to a Memorandum of Understanding in reference to the Mississippi Small Business Company Investment Act, Section 57-115-5, following the voluntary decertification of the CAPCO fund, the state of Mississippi shall receive a 20% share of any distributions other than qualified distributions, payments with respect to indebtedness from the Company to its noteholders, and the return of its initial equity contribution and any other equity contributions from the Company to its member. As of September 30, 2020 and December 31, 2019, the amount recorded for the accrued state profits interest was $589,014 and $618,757, respectively.

Pursuant to Wyoming state statute Title 9, Chapter 12, Article 13, following the voluntary decertification of the SBIC, 10% of distributions, excluding qualified distributions, payments with respect to indebtedness from the SBIC to its noteholders, tax distributions, and the return of any equity capital invested in the SBIC that is not Designated Capital, shall be paid to the state of Wyoming. If, more than 10 years after the allocation date, the SBIC has failed to invest 100% of its Designated Capital in qualified investments, then 25% of distributions, excluding qualified distributions, payments with respect to indebtedness from the SBIC to its noteholders, and the return of any equity capital invested in the SBIC that is not Designated Capital, shall be paid to the state of Wyoming. As of September 30, 2020 and December 31, 2019, the amount recorded for the accrued state profits interest was $274,979 and $264,628, respectively.

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

9. Commitments and Contingencies (continued)

Pursuant to the Connecticut Public Act 10-75, Section 14(8), following the voluntary decertification of the Insurance Reinvestment Fund (IRF), if less than 80% but more than 60% of the jobs set forth in the Connecticut IRFs' business plan are created or retained, then 10% of the Connecticut IRFs' distributions, excluding qualified distributions, payments with respect to indebtedness from the Connecticut IRFs to their noteholders, and the return of any equity capital invested in the IRF that is not Eligible Capital, shall be paid to the state of Connecticut. If 60% or fewer of the jobs set forth in the business plan are created or retained, then 20% of the Connecticut IRFs' distributions, excluding qualified distributions, payments with respect to indebtedness from the Connecticut IRFs to their noteholders, and the return of any equity capital invested in the IRF that is not Eligible Capital, shall be paid to the State of Connecticut. No amount was accrued for as of September 30, 2020 and December 31, 2019.

Pursuant to the Section 57 of the Mississippi Code of 1972, following the voluntary decertification of the SBIC, if the jobs creation and retention goals agreed to by the Mississippi Development Authority (MDA) and the SBIC are not met, the percentage of the cumulative management fees paid by the SBIC shall be due to the MDA in an amount equal to the percent by which the jobs goal is not met. This penalty will be paid out of distributions, excluding qualified distributions, payments with respect to indebtedness from the SBIC to its noteholders, and the return of any equity capital invested in the SBIC that is not Designated Capital. No amount was accrued for as of September 30, 2020 and December 31, 2019.

Pursuant to the various CAPCO regulations for New York, Colorado, and the District of Columbia, following the voluntary decertification of a CAPCO, the Company's CAPCO subsidiaries shall remit to the applicable state regulatory agency all distributions (ranging from 10%–15%), excluding qualified distributions, in excess of the amount required to produce an annual internal rate of return ranging from 10%–15% or higher on the Certified Capital, together with the initial equity capital of the CAPCOs. These distributions exclude tax liability distributions to the equity holders and management fees paid to the Company during the time Certified Capital is outstanding. No amount was accrued for as of September 30, 2020 and December 31, 2019.

Pursuant to a Memorandum of Understanding in reference to the Mississippi Small Business Company Investment Act, following the voluntary decertification of the Mississippi II SBIC fund, the state of Mississippi shall receive a 10% share of distributions, excluding qualified distributions, payments with respect to indebtedness from the SBIC to its noteholders, the return of its initial equity contribution relating to the formation of the SBIC, and the return of any other equity contributions invested in the SBIC that is not Designated Capital. As of September 30, 2020 and December 31, 2019, the amount recorded for the accrued state profits interest was $273,950 and $0, respectively.

In addition, the Company entered into certain agreements with fund managers whereby the fund managers will receive a profits interest in each qualified investment based on the total realized gain. As of September 30, 2020 and December 31, 2019, the amount accrued for fund manager profits interest was $1,840,918 and $2,581,769, respectively.

10. Subsequent Events

The Company has evaluated subsequent events through October 20, 2020, the date these consolidated financial statements were available to be issued.

Enhanced Capital Partners, LLC

Notes to Consolidated Financial Statements (continued) (UNAUDITED)

10. Subsequent Events (continued)

During March 2020, the spread of COVID-19 throughout the country resulted in a national and global pandemic, including the temporary shutdown of many small businesses throughout the country. The Company is currently assessing the impact COVID-19 may have on its existing investment portfolio, however, the overall impact is not yet known at this time.

11. Financial Highlights

The Company is presenting the following disclosures for nonregistered investment companies as required by ASC 946. Such results may not be indicative of future performance of the Company. The ratios presented are calculated for member's deficit as a whole.

	Period Ended September 30, 2020	Year Ended December 31, 2019
Total Return[(a)]	220%	(832%)
Ratios to average member's deficit:[(b)]		
Net investment (loss) income	[(c)]	[(c)]
Operating expenses	[(c)]	[(c)]

(a) The total return is computed based on the change in value during the period of a theoretical investment made at the beginning of the period. The change in value of a theoretical investment is measured by comparing the Company's aggregate ending value with the aggregate beginning value, adjusted for cash flows related to capital contributions or withdrawals during the period. There were no incentive allocations for the Company for the Period ended September 30, 2020 and Year ended December 31, 2019.

(b) Ratios are computed on the weighted-average member's deficit of the Company for the Period ended September 30, 2020 and Year ended December 31, 2019. Net investment (loss) income, as defined, excludes realized and unrealized losses.

(c) Ratios are not meaningful due to the Member's deficit as of September 30, 2020 and December 31, 2019.

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CLASS A COMMON STOCK

Prospectus

Morgan Stanley

, 2021

Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligations to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuances and Distribution.

The following table sets forth the expenses payable by the Registrant in connection with the issuance and distribution of the Class A common stock being registered hereby. All of such expenses are estimates, other than the filing and listing fees payable to the Securities and Exchange Commission, the New York Stock Exchange and the Financial Industry Regulatory Authority, Inc.

Filing Fee—Securities and Exchange Commission	$
Listing Fee—NYSE	
Fee—Financial Industry Regulatory Authority, Inc.	
Fees and Expenses of Counsel	
Printing Expenses	
Fees and Expenses of Accountants	
Transfer Agent Fees and Expenses	
Miscellaneous Expenses	
Total	$

Item 14. Indemnification of Directors and Officers.

Section 145 of the General Corporation Law of the State of Delaware (the "DGCL") grants each corporation organized thereunder the power to indemnify any person who is or was a director, officer, employee or agent of a corporation or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of being or having been in any such capacity, if he acted in good faith in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action, or proceeding, had no reasonable cause to believe his conduct was unlawful, except that with respect to an action brought by or in the right of the corporation such indemnification is limited to expenses (including attorneys' fees). Our amended and restated certificate of incorporation provides that we must indemnify our directors and officers to the fullest extent permitted by Delaware law. Prior to the completion of this offering, we intend to enter into indemnification agreements with each of our directors and officers that may, in some cases, be broader than the specific indemnification provisions contained under Delaware law.

Section 102(b)(7) of the DGCL enables a corporation, in its certificate of incorporation or an amendment thereto, to eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for violations of the director's fiduciary duty, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for liability of directors for unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit. Our amended and restated certificate of incorporation will provide for such limitations on liability for our directors.

We currently maintain liability insurance for our directors and officers. In connection with this offering, we will obtain additional liability insurance for our directors and officers. Such insurance would be available to our directors and officers in accordance with its terms.

Reference is made to the form of underwriting agreement to be filed as Exhibit 1.1 hereto for provisions providing that the underwriters are obligated under certain circumstances to indemnify our directors, officers and controlling persons against certain liabilities under the Securities Act of 1933, as amended.

Item 15. Recent Sales of Unregistered Securities.

Except as set forth below, in the three years preceding the filing of this registration statement, the registrant has not issued any securities that were not registered under the Securities Act.

Item 16. Exhibits and Financial Schedules.

(a) *Exhibits*. A list of exhibits filed herewith is contained in the exhibit index that immediately precedes such exhibits and is incorporated herein by reference.

(b) *Financial Statement Schedules*. All financial statement schedules are omitted because they are not applicable or the information is included in the Registrant's consolidated financial statements or related notes.

Item 17. Undertakings.

(a) The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(c) The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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Exhibit Index

Exhibit No.	Description of Exhibit
1.1***	Form of Underwriting Agreement
3.1***	Form of Amended and Restated Certificate of Incorporation of P10, Inc.
3.2***	Form of Amended and Restated Bylaws of P10, Inc.
5.1***	Opinion of Olshan Frome Wolosky LLP
10.1†***	P10, Inc. 2021 Equity Incentive Plan
10.2†***	Form of Restricted Stock Award Agreement under the 2021 Equity Incentive Plan
10.3†***	Form of Indemnification Agreement to be entered into between P10, Inc. and certain of its directors and officers
10.4**	Sale and Purchase Agreement, dated as of January 16, 2020, by and among Five Points Capital, Inc., a North Carolina S corporation, David G. Townsend, Trustee of the David G. Townsend Revocable Living Trust Agreement Dated 9-9-2004, Martin P. Gilmore, Trustee of the Martin Paul Gilmore 2008 Revocable Trust dated March 17, 2008, Thomas H. Westbrook and Christopher N. Jones, David G. Townsend, P10 Intermediate Holdings LLC, a Delaware limited liability company, and P10 Holdings, Inc., a Delaware corporation, solely for purposes of Section 11.12. Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant hereby agrees to furnish supplementary copies of any of the omitted schedules or exhibits upon request by the SEC.
10.5**	Sale and Purchase Agreement, dated as of August 24, 2020, by and among TrueBridge Capital Partners LLC, a Delaware limited liability company, TrueBridge Colonial Fund, u/a dated 11/15/2015, MAW Management Co., a Delaware corporation, Edwin Poston, solely for purposes of Sections 8.7 and 11.9, Mel A. Williams, solely for purposes of Sections 8.7 and 11.10, Poston and Williams, P10 Intermediate Holdings LLC, a Delaware limited liability company, and P10 Holdings, Inc., a Delaware corporation. Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant hereby agrees to furnish supplementary copies of any of the omitted schedules or exhibits upon request by the SEC.
10.6**	Securities Purchase Agreement, dated as of November 19, 2020, by and among (i) P10 Intermediate Holdings LLC, a Delaware limited liability company, (ii) Enhanced Capital Group, LLC, a Delaware limited liability company and Enhanced Capital Partners, LLC, a Delaware limited liability company, (iii) the parties set forth on Schedule A (the “Sellers” and each, a “Seller”), (iv) solely for purposes of Section 6.18, the parties set forth on Schedule B, (v) solely in its capacity as the representative of the Sellers, Stone Point Capital LLC, a Delaware limited liability company, and (vi) solely for purposes of Section 5.1, Section 5.2, Section 5.3, Section 5.7, Section 5.8, Section 5.9, Section 6.20, Section 6.24 and Section 11.22, P10 Holdings, Inc., a Delaware corporation. Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant hereby agrees to furnish supplementary copies of any of the omitted schedules or exhibits upon request by the SEC.
10.7**	Joinder and Amendment No. 1 to the Securities Purchase Agreement is made and entered into as of December 14, 2020, by and among (i) P10 Intermediate Holdings LLC, a Delaware limited liability company, (ii) Enhanced Capital Group, LLC, a Delaware limited liability company, (iii) Enhanced Capital Partners, LLC, a Delaware limited liability company, and (iv) solely for purposes of Section 1, Korengold Family Associates, LLC, a Delaware limited liability company.
10.8**	Employment Agreement, dated effective as of January 1, 2021, by and between P10 Holdings, Inc. and Robert Alpert. Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant hereby agrees to furnish supplementary copies of any of the omitted schedules or exhibits upon request by the SEC.
10.9**	Employment Agreement, dated effective as of January 1, 2021, by and between P10 Holdings, Inc. and C.Clark Webb. Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant hereby agrees to furnish supplementary copies of any of the omitted schedules or exhibits upon request by the SEC.

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Exhibit No.	Description of Exhibit
10.10**	Employment Agreement, dated effective as of October 6, 2017, by and between RCP Advisors 3, LLC and William F. Souder.
10.11**	Amendment to Employment Agreement, dated effective as of January 1, 2021, by and among P10 Holdings, Inc., RCP Advisors 3, LLC and William F. Souder.
10.12**	Employment Agreement, dated effective as of October 6, 2017, by and between RCP Advisors 3, LLC and Jeff Gehl.
10.13**	Amendment to Employment Agreement, dated effective as of January 1, 2021, by and among P10 Holdings, Inc., RCP Advisors 3, LLC and Jeff Gehl.
10.14**	Letter Agreement re: Sale and Purchase of Five Points Capital, Inc. (Management Fees - Seller), dated January 16, 2020, by and among P10 Intermediate Holdings LLC, Five Points Capital, Inc., David G. Townsend, in his individual capacity and as Trustee of the David G. Townsend Revocable Living Trust Agreement Dated 9-9-2004, Martin P. Gilmore in his individual capacity and as Trustee of the Martin Paul Gilmore 2008 Revocable Trust dated March 17, 2008, Thomas H. Westbrook and Christopher N. Jones and each signatory identified as a “GP Entity” on the signature pages thereto. Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant hereby agrees to furnish supplementary copies of any of the omitted schedules or exhibits upon request by the SEC.
10.15**	Letter Agreement re: Sale and Purchase of Five Points Capital, Inc. (Management Fees - Partners), dated January 16, 2020, by and among P10 Intermediate Holdings LLC, Five Points Capital, Inc.,Jonathan B. Blanco, S.Whitfield Edwards, Scott L. Snow and Marshall C. White. Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant hereby agrees to furnish supplementary copies of any of the omitted schedules or exhibits upon request by the SEC.
10.16**	Letter Agreement re: Sale and Purchase of TrueBridge Capital Partners LLC, dated August 24, 2020, by and among P10 Intermediate Holdings LLC, TrueBridge Capital Partners LLC, Edwin Poston and Mel A. Williams. Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant hereby agrees to furnish supplementary copies of any of the omitted schedules or exhibits upon request by the SEC.
10.17*	Fifth Amendment to Credit and Guaranty Agreement, dated as of December 14, 2020, by and among P10 RCP Holdco LLC, P10 Holdings, Inc., P10 Intermediate Holdings LLC, RCP Advisors 2, LLC, RCP Advisors 3, LLC, Five Points Capital, Inc., TrueBridge Capital Partners LLC and HPS Investment Partners, LLC.
21.1***	List of Subsidiaries
23.1***	Consent of Independent Registered Public Accounting Firm as to P10 Holdings, Inc.
23.2***	Consent of Independent Auditors as to Five Points Capital, Inc.
23.3***	Consent of Independent Auditors as to TrueBridge Capital Partners, LLC.
23.4***	Consent of Independent Auditors as to Enhanced Capital Partners, LLC.
23.5***	Consent of Independent Auditors as to Enhanced Capital Group, LLC.
23.6***	Consent of Olshan Frome Wolosky LLP (included in Exhibit 5.1)
24.1***	Power of Attorney (included in signature pages)

* Filed herewith
** Previously filed
*** To be filed by amendment
† Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Dallas, Texas, on the day of , 2021.

P10, INC.

By: ______________________
Name:
Title:

POWER OF ATTORNEY

Know all men by these presents, that the undersigned directors and officers of the Registrant, a Delaware corporation, which is filing a Registration Statement on Form S-1 with the Securities and Exchange Commission, Washington, D.C. 20549, under the provisions of the Securities Act of 1933 hereby constitute and appoint Robert Alpert and Amanda Coussens, and each of them, the individual's true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for the person and in his or her name, place and stead, in any and all capacities, to sign such Registration Statement and any or all amendments, including post-effective amendments to the registration statement, including a prospectus or an amended prospectus therein and any Registration Statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act, and all other documents in connection therewith to be filed with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact as agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated on the day of , 2021.

Signature	Title
Robert Alpert	Co-Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
C. Clark Webb	Co-Chief Executive Officer and Director
Amanda Coussens	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
William F. Souder	Director
Jeff P. Gehl	Director
Robert B. Stewart Jr.	Director

FIFTH AMENDMENT TO CREDIT AND GUARANTY AGREEMENT

This **FIFTH AMENDMENT TO CREDIT AND GUARANTY AGREEMENT** (this **"Amendment"**) is dated as of December 14, 2020 and is entered into by and among **P10 RCP HOLDCO, LLC**, a Delaware limited liability company, as the borrower (**"Company"**), **P10 HOLDINGS, INC.**, a Delaware corporation previously named P10 Industries, Inc. (**"Holdings"**), **P10 INTERMEDIATE HOLDINGS LLC**, a Delaware limited liability company (**"Intermediate Holdings"**), **RCP ADVISORS 2, LLC**, a Delaware limited liability company (**"RCP 2"**), **RCP ADVISORS 3, LLC**, a Delaware limited liability company (**"RCP 3"**), **FIVE POINTS CAPITAL, INC.** a North Carolina S corporation ("**Five Points**"), **TRUEBRIDGE CAPITAL PARTNERS LLC**, a Delaware limited liability company ("**TrueBridge**" and, collectively with Holdings, Intermediate Holdings, RCP 2, RCP 3 and Five Points, the **"Guarantors"**), and **HPS INVESTMENT PARTNERS, LLC**, as administrative agent (in such capacity, the **"Administrative Agent"**) and as collateral agent (in such capacity, the **"Collateral Agent"**) and the Lenders.

WHEREAS, reference is made to the Credit and Guaranty Agreement, dated as of October 7, 2017, by and among Company, Holdings, the other Guarantors, the Lenders party thereto from time to time, the Administrative Agent and the Collateral Agent for the Lenders (as amended, restated, supplemented or otherwise modified prior to the date hereof, the **"Existing Credit Agreement"** and, the Existing Credit Agreement as modified by this Amendment, the **"Credit Agreement"**). Capitalized terms used but not defined herein have the meanings assigned to them in the Credit Agreement; and

WHEREAS, Company has requested that the Administrative Agent and the Lenders agree to certain modifications to the Existing Credit Agreement and the Administrative Agent and the Lenders are willing to agree to such modifications upon the terms and subject to the conditions set forth in this Amendment;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION I. AMENDMENTS

Effective as of the Amendment Effective Date (as defined in Section II below):

A. the Existing Credit Agreement (including the Appendices thereto) shall be amended as set forth in Annex A hereto (stricken text shall be deleted from the Credit Agreement (indicated textually in the same manner as the following example: ~~stricken text~~) and double-underlined text shall be added to the Credit Agreement (indicated textually in the same manner as the following examples: double-underlined text or double-underlined text);

B. Appendix A-1 to the Existing Credit Agreement shall be amended and replaced in its entirety by the version of Appendix A-1 attached as Annex B hereto;

C. Appendix B to the Existing Credit Agreement shall be amended and replaced in its entirety by the version of Appendix B attached as Annex C hereto.

D. A new Schedule 1.1 shall be added to the Existing Credit Agreement in the form of Schedule 1.1 attached as Annex D hereto;

E. A new Exhibit B-4 shall be added to the Existing Credit Agreement in the form of Exhibit B-4 attached as Annex E hereto;

F. A new Exhibit F-6 shall be added to the Existing Credit Agreement in the form of Exhibit F-6 attached as Annex F hereto;

G. A new Exhibit F-7 shall be added to the Existing Credit Agreement in the form of Exhibit F-7 attached as Annex G hereto; and

H. The definition of "Excluded Property" in Section 1 of the Pledge and Security Agreement is hereby amended by (1) renumbering clause (b)(vii) to (b)(viii) and adding a new clause (b)(vii) as follows: "(vii) any Equity Interest in Trident ECP"; and (2) adding thereto a new clause (c) to read in its entirety as follows:

> "; (c) with respect to any ECG Guarantor, (i) its interest in any Controlled Fund Management Agreement or Third Party Management Agreement to which it is a party, except for Payment Rights with respect thereto, (ii) any Contract Rights or Investment Property owned in connection with a fund (or other entity that is not a Wholly-Owned Subsidiary) the Investment of such ECG Guarantor in respect of which is permitted under the Loan Documents, solely to the extent (x) the transfer or encumbrance thereof is prohibited by, or requires a consent not obtained under, applicable law, or (y) the consent of a non-Affiliate of such ECG Guarantor is required for the transfer or pledge of such Contract Rights or Investment Property, except for the Payment Rights with respect thereto, and (iii) the direct or indirect ownership interests of ECG in Enhanced Small Business Investment Company, LP, a Delaware limited partnership.

I. Section 1 of the Pledge and Security Agreement is hereby further amended by adding thereto the following defined term in appropriate alphabetical order:

> "'Payment Rights' means, with respect to a Contract or Investment Property, the right to receive money or other consideration with respect thereto, including, without limitation, the Accounts, Deposit Accounts, Letter-of-Credit Rights and Security Entitlements relating thereto, excluding any right to perform executory obligations under any Contract and any right to direct, vote, consent, manage or otherwise exercise dominion or control over any Person, directly or indirectly, through or pursuant to such Contract or Investment Property."

J. Schedule 1 to the Pledge and Security Agreement shall be amended and replaced in its entirety by the version of Schedule 1 attached as Annex H hereto.

SECTION II. CONDITIONS PRECEDENT

This Amendment shall become effective upon the execution and delivery to the Administrative Agent of counterparts of this Amendment duly executed by the Company, the Guarantors and the Lenders (the date upon which such effectiveness occurs, the **"Amendment Effective Date"**).

SECTION III. COVENANTS; FEES AND EXPENSES

A. Intermediate Holdings hereby agrees to deliver to the Administrative Agent within 30 days after the Amendment Effective Date (as such period may be extended by the Administrative Agent in its sole discretion) (i) an account control agreement with respect to any deposit account maintained by an ECG Guarantor required to be made subject to an account control agreement pursuant to Section 6.18 of the Credit Agreement, in form and substance reasonably satisfactory to the Administrative Agent and duly executed by the parties thereto, (ii) a certificate from ECG's insurance broker or other evidence reasonably acceptable to the Administrative Agent that all insurance required to be maintained by ECG pursuant to Section 5.5 of the Credit Agreement is in full force and effect, together with endorsements naming Collateral Agent, for the benefit of Secured Parties, as additional insured and loss payee thereunder to the extent required under Section 5.5 of the Credit Agreement, and (iii) an original stock certificate evidencing the Pledged Equity in Trident ECG Holdings, Inc. together with a duly executed instrument of transfer or assignment in blank or, to the extent such Pledged Equity constitutes uncertificated securities, a Pledge Registration and Control Agreement (as defined in the Pledge and Security Agreement) duly executed by Trident ECG Holdings, Inc., Intermediate Holdings and the Collateral Agent.

B. Intermediate Holdings hereby agrees to (i) identify each Subsidiary of ECG which is not an ECG Guarantor on and as of the Enhanced Capital Acquisition Closing Date and which is not deemed an Excluded ECG Subsidiary pursuant to the definition thereof, and to take such actions and execute such documents as are required pursuant to Section 5.10 of the Existing Credit Agreement with respect to such Subsidiaries and (ii) update Schedule I to the Pledge and Security Agreement to include the Pledged Equity of any ECG Guarantor that is not listed on the version of Schedule 1 attached as Annex H hereto and which is not deemed to be Excluded Property pursuant to the definition thereof, in each case, within 45 days after the Enhanced Capital Acquisition Closing Date (as such period may be extended by the Administrative Agent in its sole discretion).

C. Company shall promptly reimburse the Administrative Agent and the Collateral Agent upon demand for all actual and reasonable and documented out-of-pocket expenses (including all reasonable fees, expenses and disbursements of external counsel) incurred by them in connection with the preparation, execution and delivery of this Amendment and any related documents.

SECTION IV. JOINDER OF NEW LENDERS

Each of the Lenders on Schedule I hereto (each, a "New Lender") (i) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to the Administrative Agent and the Collateral Agent, as the case may be, by the terms thereof, together with such powers as are reasonably incidental thereto; and (ii) acknowledges and agrees that upon the occurrence of the Amendment Effective Date, such New Lender shall be a "Lender" under, and for all purposes of, the Credit Agreement and the other Credit Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender with an Enhanced Capital Acquisition Term Loan Commitment and related Pro Rata Share opposite its name set forth in Annex B.

SECTION V. MISCELLANEOUS

A. This Amendment shall constitute a Credit Document for purposes of the Credit Agreement and the other Credit Documents. On and after the Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "herein", "hereunder", "hereto", "hereof" and words of similar import shall, unless the context otherwise requires, refer to the Credit Agreement as amended hereby, and each reference to the Credit Agreement in any other Credit Document shall be deemed to be a reference to the Credit Agreement as amended hereby.

B. Each of the Lenders signatory hereto hereby directs the Administrative Agent to execute this Amendment and each other agreement or other document contemplated hereby to which it is a party.

C. Notwithstanding the effectiveness of this Amendment, each Collateral Document and all guarantees, pledges, grants, security interests, and other agreements thereunder shall continue to be in full force and effect. This Amendment shall not release or limit nor impair in any way (i) any guarantee provided under any Collateral Document or any other Credit Document (including the Guaranty by the Guarantors) or (ii) any security interests or liens (or the priority thereof) held by the Collateral Agent for the benefit of the Secured Parties against any assets of Company or any other Credit Party, arising under any Collateral Document or any other Credit Document.

D. Except as specifically modified by this Amendment (i) the Credit Agreement and the other Credit Documents shall remain unchanged and shall remain in full force and effect and are hereby ratified and confirmed and (ii) this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or the Collateral Agent under the Credit Agreement or any other Credit Document.

E. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

F. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER (INCLUDING ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST-JUDGMENT INTEREST) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

G. The provisions of Sections 10.2, 10.3, 10.11, 10.15, and 10.16 of the Credit Agreement pertaining to, *inter alia*, expenses, indemnity and related reimbursement, severability, consent to jurisdiction and service of process, and waiver of jury trial are hereby incorporated by reference herein, *mutatis mutandis.*

H. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by email or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment.

I. This Amendment shall be binding upon Company, the Guarantors, the Lenders, the Administrative Agent and the Collateral Agent and their respective successors and permitted assigns.

[*Remainder of this page intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized respective officers as of the date first written above.

P10 RCP HOLDCO, LLC

By: /s/ William F. Souder
Name: William F. Souder
Title: Senior Manager, President and Chief Executive Officer

P10 HOLDINGS, INC.

By: /s/ C. Clark Webb
Name: C. Clark Webb
Title: Co-Chief Executive Officer

P10 INTERMEDIATE HOLDINGS LLC

By: /s/ William F. Souder
Name: William F. Souder
Title: Senior Manager, President and Chief Executive Officer

RCP ADVISORS 2, LLC

By: /s/ William F. Souder
Name: William F. Souder
Title: Senior Manager, President and Chief Executive Officer

RCP ADVISORS 3, LLC

By: /s/ William F. Souder
Name: William F. Souder
Title: Senior Manager, President and Chief Executive Officer

FIVE POINTS CAPITAL, INC.

By: /s/ S. Whitfield Edwards
Name: S. Whitfield Edwards
Title: President

TRUEBRIDGE CAPITAL PARTNERS LLC

By: /s/ Edwin Poston
Name: Edwin Poston
Title: Co-President

HPS INVESTMENT PARTNERS, LLC,
as Administrative Agent and Collateral Agent

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

HPS SPECIALTY LOAN FUND V, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

HPS SPECIALTY LOAN FUND V-L, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

SLIF V-L HOLDINGS, LLC, as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

SLIF V HOLDINGS, LLC, as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

SPECIALTY LOAN FUND 2016 FUND, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

SPECIALTY LOAN ONTARIO FUND 2016, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

SLF 2016 INSTITUTIONAL HOLDINGS, L.P., as a Lender
By: HPS Investment Partners, LLC, its Service Provider

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

CST SPECIALTY LOAN FUND, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

MORENO STREET DIRECT LENDING FUND, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

SPECIALTY LOAN VG FUND, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

HPS DPT DIRECT LENDING FUND, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

EQUITABLE FINANCIAL LIFE INSURANCE COMPANY, as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

FALCON CREDIT FUND, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

RELIANCE STANDARD LIFE INSURANCE COMPANY, as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

TMD-DL HOLDINGS, LLC, as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

SPECIALTY LOAN FUND—CX-2, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

SWISS CAPITAL HPS PRIVATE DEBT FUND, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

PACIFIC INDEMNITY COMPANY, as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

PRESIDIO LOAN FUND, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

HALITE 2020 DIRECT LIMITED, as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

VG HPS PRIVATE DEBT FUND, L.P., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

LINCOLN INVESTMENT SOLUTIONS, INC., as a Lender
By: HPS Investment Partners, LLC, its Investment Manager

By: /s/ Vikas Keswani
Name: Vikas Keswani
Title: Managing Director

Annex A

See Attached Form of Amended Credit Agreement

CREDIT AND GUARANTY AGREEMENT

dated as of October 7, 2017

among

P10 RCP HOLDCO, LLC,
as Borrower,

P10 INDUSTRIES, INC.,
and
CERTAIN SUBSIDIARIES,
as Guarantors,

VARIOUS LENDERS,

and

HPS INVESTMENT PARTNERS, LLC,
as Administrative Agent and Collateral Agent

USD$130,000,000 Senior Secured Credit Facilities

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CREDIT AND GUARANTY AGREEMENT

This **CREDIT AND GUARANTY AGREEMENT**, dated as of October 7, 2017 (the **"Closing Date"**) is entered into by and among **P10 RCP HOLDCO, LLC**, a Delaware limited liability company (**"Company"**), as borrower, **P10 INDUSTRIES, INC.**, a Delaware corporation ("**Holdings**") and **CERTAIN SUBSIDIARIES OF COMPANY**, as Guarantors, the Lenders party hereto from time to time, and **HPS INVESTMENT PARTNERS, LLC** (**"HPS"**), as administrative agent (in such capacity, **"Administrative Agent"**) and collateral agent (in such capacity, **"Collateral Agent"**) for the Lenders.

RECITALS:

WHEREAS, Lenders have agreed to extend certain credit facilities to Company in the amounts and upon the terms and conditions more particularly set forth herein, the proceeds of which will be used, among other things, to fund the future acquisition by Company of 100% of the outstanding equity interests in RCP Advisors 3, LLC, a Delaware limited liability company (**"RCP 3"**), to pay certain transaction expenses, and for certain other working capital and general corporate purposes, in each case to the extent permitted hereunder; and

WHEREAS, Company and the other Guarantors party hereto have agreed to guarantee the Obligations of the other Credit Parties hereunder and to secure their respective Obligations by granting to Collateral Agent, for the benefit of Secured Parties, a First Priority Lien on substantially all of their respective assets, including a pledge by Holdings of all of the Capital Stock issued by Company and pledges by Company and each Guarantor of all of the Capital Stock directly owned by them, respectively, subject to the limitations set forth herein and in the Collateral Documents.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions. The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

"210 Principals" means each or either of C. Clark Webb and Robert H. Alpert (together with their respective heirs, trusts, estates or any other Persons controlled by or for the benefit of any 210 Principal).

"Accounts" means all "accounts" (as defined in the UCC) of Parent (or, if referring to another Person, of such Person), including accounts, accounts receivable, monies due or to become due and obligations in any form (whether arising in connection with contracts, contract rights, instruments, general intangibles, or chattel paper), in each case whether arising out of goods sold or services rendered or from any other transaction and whether or not earned by performance, now or hereafter in existence, and all documents of title or other documents representing any of the foregoing, and all collateral security and guaranties of any kind, now or hereafter in existence, given by any Person with respect to any of the foregoing.

"**Acquisition**" means any acquisition by Parent or any of its Subsidiaries, whether by purchase, consolidation, merger or otherwise, of all or substantially all of the assets of, all of the Capital Stock of, or a business line or unit of, any Person.

"Adjusted Asset Value" means, as of any date of determination, the difference of (a) the Asset Value as of such date, plus (b) the Controlled Fund Co-Investment Credit Amount as of such date, minus (c) the portion, if any, of such Asset Value that is attributable to expected cash flows from Controlled Direct Fund Management Agreements for which the Controlled Fund Commitment Period of the underlying Controlled Fund has terminated on or prior to such date to the extent that the aggregate amount of such expected cash flows exceeds 8.5% of total expected cash flows from all Controlled Fund Management Fees under Approved Controlled Fund Management Agreements in any Fiscal Year.

"Adjusted LIBO Rate" means, for any Interest Rate Determination Date with respect to an Interest Period for a LIBO Rate Loan, the greater of (x) 1.00% per annum, and (y) the rate per annum obtained by dividing (i) (a) the rate per annum appearing on Bloomberg L.P.'s (the "Service") applicable LIBOR screen page (or on any successor or substitute page of such Service, or any successor to or substitute for such Service) two Business Days prior to the beginning of such Interest Period, in an amount approximately equal to the principal amount of the LIBO Rate Loan to which such Interest Period is to apply and for a period of time comparable to such Interest Period, which determination shall be conclusive absent manifest error or (b) in the event the rate referenced in the preceding clause (a) is not available, the rate per annum equal to the offered quotation rate to first class banks in the London interbank market for deposits (for delivery on the first day of the relevant period) with a term equivalent to such period in Dollars, determined as of approximately 11:00 a.m. (London, England time) on such Interest Rate Determination Date, by (ii) an amount equal to (a) one, minus (b) the Applicable Reserve Requirement.

"Administrative Agent" as defined in the preamble hereto.

"Adverse Proceeding" means any action, suit, proceeding, hearing (in each case, whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of Holdings, any of its Subsidiaries, any Controlled Fund GP, or any Controlled Fund) at law or in equity, or before or by any Governmental Authority, domestic or foreign (including any Environmental Claims), whether pending or, to the knowledge of Holdings or any of its Subsidiaries, threatened in writing against or adversely affecting Holdings, any of its Subsidiaries, any Controlled Fund GP, any Controlled Fund or any property of any such Person.

"Affected Lender" as defined in Section 2.16(b).

"Affected Loans" as defined in Section 2.16(b).

"Affiliate" means, as applied to any Person, any other Person directly or indirectly controlling (including any member of the senior management group of such Person), controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power (i) to vote 10% or more of the Capital Stock having ordinary voting power for the election of members of the Board of Directors of such Person, or (ii) to direct or cause the direction of the management and policies of that Person, whether through the ability to exercise voting power, by contract or otherwise.

"Agent" means each of Administrative Agent, Collateral Agent, and any other Person appointed as an agent, arranger, bookrunner or similar title or capacity under or otherwise in connection with the Credit Documents.

"Agent Affiliates" as defined in Section 10.1(b)(iii).

"Aggregate Amounts Due" as defined in Section 2.15.

"Aggregate Controlled Fund Capital Commitments" means, with respect to any Controlled Fund at any time of determination, the aggregate stated amount of funded and unfunded capital commitments of all limited partners of such Controlled Fund under the applicable Controlled Fund LP Agreement at such time.

"Aggregate Payments" as defined in Section 7.2.

"Agreement" means this Credit and Guaranty Agreement.

"Annualized Consolidated Adjusted EBITDA"means, with respect to any Fiscal Quarter, an amount equal to the product of (i) Consolidated Adjusted EBITDA for such Fiscal Quarter, multiplied by (ii) 4; provided, that such calculation shall include any pro forma adjustments to the calculation of Consolidated Adjusted EBITDA provided for in Section 6.8(d) or that have been approved by Administrative Agent in its reasonable discretion, but shall include in any event a pro forma "run rate" adjustment for Management Fees in respect of Qualified Management Agreements entered into at any time during such Fiscal Quarter, as if such Qualified Management Agreement had been entered into on the first day of such Fiscal Quarter.

"Anti-Corruption and Anti-Bribery Laws"means any and all requirements of law related to anti-bribery or anti-corruption matters, including the United States Foreign Corrupt Practices Act of 1977.

"Anti-Terrorism and Anti-Money Laundering Laws"means any and all requirements of law related to engaging in, financing, or facilitating terrorism or money laundering, including the PATRIOT Act, The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act", 31 U.S.C. §§5311-5330 and 12 U.S.C. §§1818(s), 1820(b) and 1951-1959), Trading With the Enemy Act (50 U.S.C. §1 et seq.), Executive Order 13224 (effective September 24, 2001) and each of the laws, regulations, and executive orders administered by OFAC (31 C.F.R., Subtitle B, Chapter V).

"Applicable Margin" means (i) with respect to Loans that are LIBO Rate Loans, 6.00% per annum, and (ii) with respect to any Loans that are Base Rate Loans, 5.00% per annum. Nothing in this paragraph shall limit the right of Administrative Agent or any Lender under Section 2.8 or Section 8.

"Applicable Reserve Requirement" means, at any time, for any LIBO Rate Loan, the maximum rate, expressed as a decimal, at which reserves (including any basic marginal, special, supplemental, emergency or other reserves) are required to be maintained with respect thereto against "Eurocurrency liabilities" (as such term is defined in Regulation D) under regulations issued from time to time by the Board of Governors or other applicable banking regulator. Without limiting the effect of the foregoing, the Applicable Reserve Requirement shall reflect any other reserves required to be maintained by such member banks with respect to (i) any category of liabilities that includes deposits by reference to which the applicable Adjusted LIBO Rate or any other interest rate of a Loan is to be determined, or (ii) any category of extensions of credit or other assets that include LIBO Rate Loans. A LIBO Rate Loan shall be deemed to constitute Eurocurrency liabilities and as such shall be deemed subject to reserve requirements without benefits of credit for proration, exceptions or offsets that may be available from time to time to the applicable Lender. The rate of interest on LIBO Rate Loans shall be adjusted automatically on and as of the effective date of any change in the Applicable Reserve Requirement.

"Approved Controlled Fund Management Agreement" means (i) any Controlled Fund Management Agreement in effect on the Closing Date (or, with respect to any Controlled Fund Management Agreement with a Five Points Controlled Fund, the Limited Consent Effective Date, ~~and~~ any Controlled Fund Management Agreement with a TrueBridge Controlled Fund, the Fourth Amendment Effective Date, and any Controlled Fund Management Agreement with an ECG Controlled Fund, the Fifth Amendment Effective Date), ~~and~~ (ii) any Controlled Fund Management Agreement entered into after the Closing Date that includes terms and conditions that are in all material respects consistent with, and in any event not materially less favorable to the relevant Controlled Fund Asset Manager or any of the Lenders than, the terms and conditions of Controlled Fund Management Agreements as in effect on the Closing Date (or, with respect to any Controlled Fund Management Agreement with a Five Points Controlled Fund, the Limited Consent Effective Date, ~~and~~ any Controlled Fund Management Agreement with a TrueBridge Controlled Fund, the Fourth Amendment Effective Date~~)~~, and any Controlled Fund Management Agreement with an ECG Controlled Fund, the Fifth Amendment Effective Date), and (iii) the Enhanced Permanent Capital Advisory Agreement.

"Approved Electronic Communications" means any notice, demand, communication, information, document or other material that any Credit Party provides to Administrative Agent pursuant to any Credit Document or the transactions contemplated therein that is distributed to any Agents or any Lenders by means of electronic communications pursuant to Section 10.1(b).

"Approved Third Party Management Agreement" means (i) any Third Party Management Agreement in effect on the Closing Date (or, with respect to any Third Party Management Agreement with a Five Points Controlled Fund, the Limited Consent Effective Date, any Third Party Management Agreement with a TrueBridge Controlled Fund, the Fourth Amendment Effective Date, and any Third Party Management Agreement with an ECG Controlled Fund, the Fifth Amendment Effective Date), and (ii) any Third Party Management Agreement entered into after the Closing Date that includes terms and conditions that are in all material respects consistent with, and in any event not materially less favorable to the relevant Credit Party or any of the Lenders than, the terms and conditions of Third Party Management

Agreements as in effect on the Closing Date (or, with respect to any Third Party Management Agreement with a Five Points Controlled Fund, the Limited Consent Effective Date, any Third Party Management Agreement with a TrueBridge Controlled Fund, the Fourth Amendment Effective Date, and any Third Party Management Agreement with an ECG Controlled Fund, the Fifth Amendment Effective Date).

"Asset Coverage Ratio" means the ratio as of the last day of any Fiscal Quarter of (i) Adjusted Asset Value as of such day, to (ii) Consolidated Total Debt as of such day.

"Asset Sale" means a sale, lease or sub lease (as lessor or sublessor), sale and leaseback, assignment, conveyance, transfer, exclusive license (as licensor or sublicensor), or other disposition (not including a Permitted Lien, a Restricted Junior Payment permitted by Section 6.5 or an Investment permitted by Section 6.7) to, or any exchange of property with, any Person, in one transaction or a series of transactions, of all or any part of Parent's or any of its Subsidiaries' respective businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, leased, or licensed, including the Capital Stock of any of Parent's Subsidiaries, other than (A) any such Dispositions among Credit Parties, (B) inventory sold to unaffiliated customers in the ordinary course of business, and (C) dispositions of Cash and Cash Equivalents. For purposes of clarification, "Asset Sale" shall include (x) the sale or other disposition for value of any contracts and (y) the early termination or modification of any contract resulting in the receipt by Holdings or any of its Subsidiaries of a cash payment or other consideration in exchange for such event (other than payments in the ordinary course for accrued and unpaid amounts that would have been due through the date of termination or modification without giving effect thereto).

"Asset Sale Reinvestment Amounts" as defined in Section 2.12(a).

"Asset Sale Reinvestment Period" as defined in Section 2.12(a).

"Asset Value" means, as of any date of determination, an amount equal to the sum of (in each case below discounted back to such date of determination):

(i) 70% of the Discounted Cash Flows for all Qualified Management Agreements for the period of eight full Fiscal Quarters that immediately follows such date of determination (such period, the "First DCF Measurement Period"); plus

(ii) 80% of the Discounted Cash Flows for all Qualified Management Agreements for the period of twelve full Fiscal Quarters that begins immediately after the last day of the First DCF Measurement Period (such period, the "Second DCF Measurement Period"); plus

(iii) 90% of the Discounted Cash Flows for all Qualified Management Agreements for any period that begins immediately after the last day of the Second DCF Measurement Period;

provided, however, that (x) the total amount of Discounted Cash Flows for ~~Third Party~~ Management Fees payable under Third Party Management Agreements included in the calculation of Asset Value for any date of determination shall not exceed 15% of Asset Value for such date of determination and (y) the total amount of Discounted Cash Flows for Management Fees payable under the Enhanced Permanent Capital Advisory Agreement included in the calculation of Asset Value for any date of determination shall not exceed 10% of Asset Value for such date of determination.

"Assignment Agreement" means an Assignment and Assumption Agreement substantially in the form of Exhibit D, or such other form as agreed by Administrative Agent.

"Assignment Effective Date"as defined in Section 10.6(b).

"Authorized Officer" means, as applied to any Person that is an entity, any duly authorized individual natural Person holding the position of chairman of the Board of Directors (if an officer), chief executive officer, president, vice president, Chief Financial Officer, or any other officer position with similar authority; provided, that the secretary or assistant secretary of such Person, or another officer of such Person reasonably satisfactory to Administrative Agent, shall have delivered an incumbency certificate to Administrative Agent as to the authority of such Authorized Officer.

"Availability" means, at any time of determination with respect to the Multi Draw Term Loan Commitments, an amount equal to the lesser of (i) the aggregate amount of undrawn Multi Draw Term Loan Commitments and (ii) the difference of (A) the Maximum Credit Amount less (B) the aggregate outstanding principal (or equivalent) balance of Consolidated Total Debt (including any outstanding Loans and any other Indebtedness that will be incurred simultaneously with or on the same date as such Credit Extension) at such time, excluding, for purposes of this clause (B), any outstanding Indebtedness consisting of Revolving Loans.

"Bail-In Action"means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation"means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule.

"Bankruptcy Code" means Title 11 of the United States Code.

"Base Rate" means, for any day, a rate per annum equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1%, (iii) the sum of (a) the Adjusted LIBO Rate (after giving effect to any Adjusted LIBO Rate "floor") that would be payable on such day for a LIBO Rate Loan with a one-month interest period plus (b) the difference between the Applicable Margin for LIBO Rate Loans and the Applicable Margin for Base Rate Loans, and (iv) 4.00%. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Base Rate Loan" means a Loan bearing interest at a rate determined by reference to the Base Rate.

"Beneficiary" means each Agent, each Lender and each Lender Counterparty.

"Board of Directors"means, (a) with respect to any corporation or company, the board of directors of the corporation or company or any committee thereof duly authorized to act on behalf of such board, (b) with respect to a partnership, the board of directors or equivalent governing body of the general partner of the partnership, (c) with respect to a limited liability company, the managing member or members or any controlling committee or board of managers (or equivalent governing body) of such company or the sole member or the managing member thereof, and (d) with respect to any other Person, the entity, individual, board or committee of such Person serving a similar function.

"Board of Governors" means the Board of Governors of the United States Federal Reserve System, or any successor Governmental Authority.

"Business Day" means (i) any day excluding Saturday, Sunday and any day that is a legal holiday under the laws of the State of New York, or the State of Texas or is a day on which banking institutions located in any such state are authorized or required by law or other governmental action to close, and (ii) with respect to all notices, determinations, fundings and payments in connection with the Adjusted LIBO Rate or any LIBO Rate Loans, the term **"Business Day"** means any day that is a Business Day described in clause (i) and that is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"Capital Call Rights" means any rights of a Credit Party or a Controlled Fund GP to make capital calls to or on behalf of a Controlled Fund from the investors in such Controlled Fund.

"Capital Lease" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person (i) as lessee that, in conformity with GAAP in effect as of December 15, 2018, is or should be accounted for as a capital lease on the balance sheet of that Person or (ii) as lessee under a Synthetic Lease. To the extent that any change in GAAP after December 15, 2018 results in leases which are, or would have been, classified as operating leases under GAAP as in effect on December 15, 2018 (whether or not such operating lease was in effect on such date) being classified as capital leases under GAAP, as so revised, such change in classification of leases from operating leases to capital leases shall be ignored for purposes of this Agreement.

"Capital Lease Obligation" means, as applied to any Person (i) that is a lessee under any Capital Lease, that portion of obligations under such Capital Lease that is properly classified as a liability on a balance sheet in conformity with GAAP, and (ii) that is a lessee under any Synthetic Lease, an amount equal to the capitalized amount of the remaining payments under such Synthetic Lease that would appear on a balance sheet of such Person in accordance with GAAP if such obligations were accounted for as obligations with respect to capital leases on a balance sheet in conformity with GAAP.

“Capital-Raising Stage Fund” means any RCP Controlled Fund for which the Final Closing Date has not occurred as of the Initial Funding Date. As of the Initial Funding Date, (i) the Capital-Raising Stage Funds are RCP Fund XII, LP, a Delaware limited partnership, and RCP Secondary Opportunity Fund III, LP, a Delaware limited partnership, and (ii) notwithstanding the occurrence of their Final Closing Date prior to the Initial Funding Date, each of RCP FF Small Buyout Co-Investment Fund III, LP, a Delaware limited partnership, and RCP SBIC Opportunities Fund, LP, a Delaware limited partnership, shall be deemed to be a Capital-Raising Stage Fund.

“Capital Stock” means any and all shares, stock, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership or profits interests in a Person that is another type of entity, including partnership interests, membership interests, voting trust certificates, certificates of interest, and profits interests, participations, or similar arrangements, and any and all warrants, rights or options to purchase any of the foregoing.

“Cash” means money, currency or a credit balance in any demand or Deposit Account.

“Cash Collateralize” means, in respect of an Obligation, to provide and pledge (as a first priority perfected security interest) cash collateral in Dollars (or, if Administrative Agent agrees in its sole discretion, other credit support), at a location and pursuant to documentation in form and substance satisfactory to Administrative Agent (and **“Cash Collateralization”** has a corresponding meaning). **“Cash Collateral”** shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means, as at any date of determination, (i) marketable securities (a) issued or directly and unconditionally guaranteed as to interest and principal by the U.S. Federal Government, or (b) issued by any agency of the U.S., in each case of sub-clauses (a) and (b), the obligations of which are backed by the full faith and credit of the U.S., mature within one year after such date, and have, at the time of the acquisition thereof, a rating of at least A-1 from S&P and at least P-1 from Moody’s; (ii) marketable direct obligations issued by any state of the U.S. or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody’s; (iii) certificates of deposit or bankers’ acceptances maturing within three months after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the U.S. or any state thereof or the District of Columbia that (a) is at least “adequately capitalized” (as defined in the regulations of its primary federal banking regulator), and (b) has Tier 1 capital (as defined in such regulations) of not less than $1,000,000,000; and (iv) shares of any money market mutual fund that (a) has at least 95% of its assets invested continuously in the types of investments referred to in clauses (i) and (ii) above, (b) has net assets of not less than $5,000,000,000, and (c) has the highest rating obtainable from both S&P and Moody’s.

“Change in Law” means the occurrence, after the date hereof, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the U.S. or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"**Change of Control**" means, at any time:

(i) RCP Principals shall cease to beneficially own and control at least 27.5% on a fully diluted basis of each of (x) the economic interests and (y) the voting interests in the Capital Stock of Holdings; provided that, on or after the third anniversary of the Closing Date, any RCP Principal may dispose of up to 15.0% of his or her economic and/or voting interests in the Capital Stock of Holdings;

(ii) (a) RCP Principals shall cease to own, directly or indirectly, at least 27.5 % on a fully diluted basis of the economic interests in the Capital Stock of Intermediate Holdings; provided that, on and after the third anniversary of the Closing Date, such minimum ownership percentage of the economic interests in the Capital Stock of Intermediate Holdings shall be reduced to give effect to any dispositions by RCP Principals of their economic interests in the Capital Stock of Holdings permitted under the proviso to clause (i) above, (b) 210 Principals shall cease to own, directly or indirectly, at least 12.5% on a fully diluted basis of the economic interests in the Capital Stock of Intermediate Holdings ~~and~~, (c) TrueBridge Principals shall cease to own, directly or indirectly, at least 16% on a fully diluted basis of the economic interests in the Capital Stock of Intermediate Holdings, or (d) the Enhanced Capital Principal shall cease to own, directly or indirectly, at least 0.5% on a fully diluted basis of the economic interests in the Capital Stock of Intermediate Holdings;

(iii) 210 Principals shall cease to beneficially own and control at least 12.5% on a fully diluted basis (determined without giving effect to any dilution resulting from any employee stock or stock option compensation plan of Holdings) of each of (x) the economic interests and (y) the voting interests in the Capital Stock of Holdings;

(iv) Holdings shall cease to have the power, directly or indirectly, to appoint a majority of the members of the Board of Managers (or equivalent governing body) of Intermediate Holdings;

(v) any Person or "group" (within the meaning of Rules 13d 3 and 13d 5 under the Exchange Act) shall have acquired (a) beneficial ownership or control of 20% or more on a fully diluted basis of (x) the voting interests and/or (y) the economic interests in the Capital Stock of Holdings (other than, in the case of this subclause (a), the RCP Principals, the 210 Principals ~~and/or~~, the TrueBridge Principals and/or the Enhanced Capital Principal), (b) beneficial ownership or control of voting and/or economic interests in the Capital Stock of

Holdings in excess of those interests owned and controlled by RCP Principals at such time, (c) the power (whether or not exercised) to elect more members of the Board of Directors of Holdings than RCP Principals have the power to elect at such time, or (d) beneficial ownership or control of "a controlling block of any outstanding voting securities" (within the meaning of the Investment Advisers Act) of Intermediate Holdings, Company, RCP 2, RCP 3 (other than pursuant to the RCP 3 Acquisition Closing) or any other Controlled Fund Asset Manager that is an Investment Adviser;

(vi) Intermediate Holdings shall cease to beneficially own and control 100% on a fully diluted basis of the economic and voting interests in the Capital Stock of each of Company, Five Points ~~and~~, TrueBridge and (directly or indirectly) ECG;

(vii) Parent shall cease to beneficially own and control, directly or indirectly, 100% on a fully diluted basis of the economic and voting interests in the Capital Stock of any Controlled Fund Asset Manager;

(viii) RCP Principals shall cease to own in the aggregate at least 51.0% of the economic interests associated with any Capital Stock in any RCP Controlled Fund GP, or RCP Principals and other employees and Affiliates of the Credit Parties shall cease to own 100% of such economic interests;

(ix) the managing member interest in any RCP Controlled Fund GP shall cease to be directly owned and controlled 100% by a Credit Party;

(x) any "ownership change" within the meaning of Section 382 of the Internal Revenue Code occurs with respect to the Capital Stock of Holdings after the date hereof and either (a) as a result the federal income tax liability of Holdings and its subsidiaries for its calendar 2018 taxable year or any taxable year thereafter is increased (or reasonably projected to increase) by $500,000 or more compared to what it would have been had such "ownership change" not occurred or (b) the aggregate amount of such increases (and projected increases) is equal to or greater than five percent of the Aggregate Amounts Due;

(xi) (a) any Controlled Fund GP resigns or is removed from its capacity as general partner of any Controlled Fund, (b) any "for Cause" removal event (or similar event) as defined in any Controlled Fund LP Agreement occurs with respect to one or more Controlled Funds, Controlled Fund GPs or (c) any Credit Party, any Controlled Fund GP or Administrative Agent receives notice, or otherwise becomes aware, that limited partners of any Controlled Fund have scheduled a meeting of such limited partners or otherwise taken any organized action to vote for the removal of the Controlled Fund GP of any Controlled Fund for any reason (any of the events described in clauses (a), (b) and (c), a "Controlled Fund GP Event") and the Controlled Funds with respect to which one or more Controlled Fund GP Events has occurred then represent, individually or in the aggregate, greater than 10% of total Management Fee revenue of the Credit Parties (based on the most recent financial statements delivered pursuant to Section 5.1(b) or (c)) and such Controlled Fund GP Event(s) are not waived or otherwise remedied to Administrative Agent's satisfaction; or

(xii) (a) one or more events, transactions or occurrences as a result of which a majority of the RCP Principals shall for any reason cease to be actively engaged in the day-to-day management of any Credit Party or any RCP Controlled Fund GP in the roles such respective Persons serve on the Closing Date, and interim or permanent successors reasonably acceptable to Administrative Agent and the Requisite Lenders have not been appointed within 90 days thereafter ~~or~~, (b) one or more events, transactions or occurrences as a result of which both of the TrueBridge Principals shall for any reason cease to be actively engaged in the day-to-day management of TrueBridge or any TrueBridge GP in the roles such respective Persons serve on the TrueBridge Acquisition Closing Date, and interim or permanent successors reasonably acceptable to Administrative Agent and the Requisite Lenders have not been appointed within 90 days thereafter, or (c) one or more events, transactions or occurrences as a result of which the Enhanced Capital Principal shall for any reason cease to be actively engaged in the day-to-day management of ECG in the role such Enhanced Capital Principal serves on the Enhanced Capital Acquisition Closing Date, and an interim or permanent successor reasonably acceptable to Administrative Agent and the Requisite Lenders has not been appointed within 90 days thereafter.

"Chief Financial Officer" means, as applied to any Person that is an entity, any duly authorized individual natural Person holding the position of chief financial officer, treasurer, controller, or any other officer position with similar financial responsibility; provided, that the secretary or assistant secretary of such Person, or another officer of such Person satisfactory to Administrative Agent, shall have delivered an incumbency certificate to Administrative Agent as to the authority of such Authorized Officer.

"Class" means (i) with respect to Lenders, each of the following classes of Lenders: (a) Lenders having Term Loan Exposure, and (b) Lenders having Revolving Exposure, and (ii) with respect to Loans, each of the following classes of Loans: (a) Term Loans, and (b) Revolving Loans, and (iii) with respect to Commitments, each of the following classes of Commitments: (a) Term Loan Commitments, and (b) Revolving Commitments.

"Closing Date" as defined in the preamble hereto.

"Closing Date Certificate" means a certificate dated as of the Closing Date and substantially in the form of Exhibit F-1.

"Closing Date Solvency Certificate" means a certificate of the Chief Financial Officer of Holdings substantially in the form of Exhibit F-2.

"Collateral" means, collectively, all of the real, personal and mixed property (including Capital Stock) in which Liens are granted and/or purported to be granted pursuant to the Collateral Documents as security for the Obligations.

"Collateral Agent" as defined in the preamble hereto.

"Collateral Documents" means the Pledge and Security Agreement, each Controlled Fund Co-Investment Equity Pledge Agreement, any Intellectual Property Security Agreements, any Mortgages, any Deposit Account Control Agreement, any Securities Account

Control Agreement, and all other instruments, documents and agreements delivered by or on behalf of any Credit Party or any other Person pursuant to this Agreement or any of the other Credit Documents in order to grant to, or perfect in favor of, Collateral Agent, for the benefit of Secured Parties, a Lien on any real, personal or mixed property of that Credit Party as security for the Obligations.

"Collateral Grantor" means each Credit Party and each other Person that grants a Lien to Collateral Agent for the benefit of the Secured Parties as security for the Obligations.

"Collateral Questionnaire" means a collateral questionnaire and/or perfection certificate in form reasonably satisfactory to Collateral Agent that provides information with respect to the personal or mixed property of each Credit Party or prospective Credit Party and their respective Subsidiaries and controlled Affiliates.

"Commitment" means any Revolving Commitment and any Term Loan Commitment.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. 1 et seq.).

"Company" as defined in the preamble hereto.

"Compliance Certificate" means a certificate of the Chief Financial Officer of Holdings substantially in the form of Exhibit C.

"Consolidated Adjusted EBITDA" means, for any period, an amount determined for Parent and its Subsidiaries on a consolidated basis equal to (i) Consolidated Net Income, plus, in each case to the extent reducing Consolidated Net Income, the sum, without duplication, of the amounts for such period of (a) Consolidated Interest Expense, plus (b) provisions for taxes based on income, plus (c) total depreciation expense, plus (d) total amortization expense, plus (e) other non-Cash charges reducing Consolidated Net Income (excluding any such non-Cash charge to the extent that it represents an accrual or reserve for potential Cash charges in any future period or amortization of a prepaid Cash charge that was paid in a prior period), plus (f) non-recurring transaction fees, costs and expenses payable by Parent or any of its Subsidiaries in connection with (x) the transactions contemplated by this Agreement and the Related Agreements, (y) the Five Points Acquisition, the TrueBridge Acqusition and the Enhanced Capital Acquisition, and (z) a public offering by Holdings of the Capital Stock of Holdings, or the acquisition of Holdings by or merger of Holdings with and into a special purpose acquisition corporation whose Capital Stock is listed, on a national securities exchange (whether or not any such transaction under this subclause (z) is consummated), in an aggregate amount for all such fees, costs and expenses under this clause (f) not to exceed $~~5,000,000~~10,000,000 , minus (ii) the sum, without duplication of the amounts for such period of (a) other non-Cash gains increasing Consolidated Net Income for such period (excluding any such non-Cash gain to the extent it represents the reversal of an accrual or reserve for potential Cash gain in any prior period), plus (b) interest income; provided that Consolidated Adjusted EBITDA (and its component clauses, including Consolidated Net Income as used herein) shall be deemed adjusted to give effect to items paid by Holdings with proceeds of Restricted Junior

Payments made by Parent pursuant to clause (i) or clause (iii) of Section 6.5(b) to the extent the relevant payment would have reduced Consolidated Net Income if such amount were owed and paid directly by Parent; provided further that Consolidated Adjusted EBITDA (and its component clauses, including Consolidated Net Income as used herein) shall not be reduced by severance and retention bonus payments made by Holdings with proceeds of Restricted Junior Payments made by Parent pursuant to clause (ii) of Section 6.5(b).

"Consolidated Capital Expenditures" means, for any period, the aggregate of all expenditures of Parent and its Subsidiaries during such period determined on a consolidated basis that, in accordance with GAAP, are or should be included in "purchase of property and equipment" or similar items, or that should otherwise be capitalized, as reflected in the consolidated statement of cash flows of Holdings and its Subsidiaries; provided that, to the extent otherwise included therein, any expenditures for purposes of Permitted GP Co-Investments or Permitted Management Fee Tail Purchases shall be excluded for purposes of this definition.

"Consolidated Cash Interest Expense" means, for any period, Consolidated Interest Expense for such period, excluding any amount not payable in Cash (except those amounts payable but not paid with respect to such period).

"Consolidated Current Assets" means, as at any date of determination, the total assets of Parent and its Subsidiaries on a consolidated basis that are properly classified as current assets in conformity with GAAP, excluding Cash and Cash Equivalents.

"Consolidated Current Liabilities" means, as at any date of determination, the total liabilities of Parent and its Subsidiaries on a consolidated basis that are properly classified as current liabilities in conformity with GAAP, excluding the current portion of long term debt.

"Consolidated Excess Cash Flow" means, for any period, an amount (if positive) determined for Parent and its Subsidiaries on a consolidated basis equal to:

(i) the sum, without duplication, of the amounts for such period of (a) Consolidated Adjusted EBITDA, plus (b) to the extent reducing Consolidated Adjusted EBITDA, cash interest income, plus (c) the Consolidated Working Capital Adjustment; minus

(ii) the sum, without duplication, of the amounts for such period paid from Internally Generated Cash of (a) voluntary and scheduled repayments of Indebtedness for borrowed money (excluding repayments of Revolving Loans except to the extent the Revolving Commitments are permanently reduced in connection with such repayments) and scheduled payments of Capital Lease Obligations (excluding any interest expense portion thereof), plus (b) Consolidated Capital Expenditures (net of any proceeds consisting of (x) Net Asset Sale Proceeds to the extent reinvested in accordance with Section 2.12(a), (y) Net Insurance/Condemnation Proceeds to the extent reinvested in accordance with Section 2.12(b), and (z) any proceeds of related financings with respect to such expenditures), plus (c) Investments made pursuant to Section 6.7(h) and Restricted Junior Payments made pursuant to Section 6.5(b), plus (d) Consolidated Cash Interest Expense, plus (e) provisions for current taxes based on income of Parent and its Subsidiaries and payable by such Persons in cash with respect to such period, plus (f) expenditures for purposes of Permitted GP Co-Investments, plus

(g) expenditures for purposes of Permitted Management Fee Tail Purchases or Acquisitions permitted under this Agreement (a "***Permitted Acquisition***"), including cash consideration for any such Permitted Management Fee Tail Purchase or Permitted Acquisition reasonably expected to be paid by Intermediate Holdings or any of its Subsidiaries within 90 days following the last day of the relevant Fiscal Quarter pursuant to a signed letter of intent, memorandum of understanding or binding purchase agreement in effect as of the last day of such Fiscal Quarter (such amount, the "***Projected Cash Consideration***"); provided that to the extent the aggregate amount of cash consideration paid by Intermediate Holdings and its Subsidiaries for such Permitted Management Fee Tail Purchase or Permitted Acquisition during the 90 day period following the last day of such Fiscal Quarter is less than the Projected Cash Consideration, the amount of such shortfall shall be added in the calculation of Consolidated Excess Cash Flow for the immediately succeeding Fiscal Quarter, plus (h) the amount of all other net cash charges and losses (and minus all other net cash gains) excluded from Consolidated Adjusted EBITDA by virtue of the definition thereof or excluded from Consolidated Net Income for such period by virtue of clause (d) of the definition thereof. As used in this clause (ii), "scheduled repayments of Indebtedness" does not include mandatory prepayments or voluntary prepayments.

"Consolidated Fixed Charges" means, for any period, the sum, without duplication, of the amounts determined for Parent and its Subsidiaries on a consolidated basis equal to (i) Consolidated Cash Interest Expense, (ii) scheduled payments of principal (or equivalent amounts) on Consolidated Total Debt, (iii) the aggregate amount actually paid by Parent and its Subsidiaries during such period on account of Consolidated Capital Expenditures (excluding the principal amount of Indebtedness incurred in connection with such expenditures), (iv) expenditures for purposes of Permitted GP Co-Investments, (v) the aggregate amount actually paid by Parent and its Subsidiaries during such period for the purchase of Management Fee Tails, (vi) Restricted Junior Payments made by Parent during such period under Section 6.5(b) (to the extent that the payments funded with such Restricted Junior Payments would have been included in Consolidated Fixed Charges pursuant to another clause of this definition if incurred directly by Parent or any of its Subsidiaries) and (vii) the current portion of taxes provided for with respect to such period in accordance with GAAP.

"Consolidated Interest Expense" means, for any period, total interest expense (including that portion attributable to Capital Leases in accordance with GAAP and capitalized interest) of Parent and its Subsidiaries determined on a consolidated basis with respect to all outstanding Indebtedness, including all commissions, discounts and other fees and charges owed with respect to letters of credit and net costs under Interest Rate Agreements, but excluding, however, any amounts referred to in Section 2.9(d) payable on or before the Initial Funding Date.

"Consolidated Liquidity" means, at any time of determination, an amount determined for Parent and its Subsidiaries on a consolidated basis equal to the sum of (i) Qualified Cash of Parent and its Subsidiaries, plus (ii) (a) the Revolving Commitments of all of the Lenders in the aggregate, minus (b) the Total Utilization of Revolving Commitments; provided that, at any time that the conditions set forth in Section 3.2 cannot be satisfied as of such time, the amount calculated under clause (ii) of this definition shall be deemed to be zero.

"Consolidated Net Income" means, for any period, (i) the net income (or loss) of Parent and its Subsidiaries on a consolidated basis for such period taken as a single accounting period determined in conformity with GAAP, minus (ii) in each case to the extent otherwise included in such net income (or loss) and without duplication, (a) the income (or loss) of any Person that is not a Wholly-Owned Guarantor Subsidiary, (b) the income (or loss) of any Person accrued prior to the date it becomes a Credit Party or is merged into or consolidated with any Credit Party or that Person's assets are acquired by any Credit Party, (c) any after-tax gains or losses attributable to Asset Sales or returned surplus assets of any Pension Plan, and (d) (to the extent not included in clauses (a) through (c) above) any net extraordinary gains or net extraordinary losses or charges.

"Consolidated Total Debt" means, as at any date of determination, an amount determined as follows: (a) the aggregate principal amount (or other equivalent amount (which, in the case of any Earn Out Indebtedness, Seller Financing Indebtedness, or other deferred purchase price, shall be deemed to be the aggregate fixed or maximum contingent amounts of such obligations)) of all Indebtedness of Parent and its Subsidiaries of the type specified in clauses (i), (ii), (iii), (iv) and (vi) of the definition thereof, determined on a consolidated basis in accordance with GAAP, minus (b) the lesser of (i) the aggregate amount of Qualified Cash in excess of $2,000,000 at such time, and (ii) $5,000,000.

"Consolidated Working Capital" means, as at any date of determination, the difference of Consolidated Current Assets minus Consolidated Current Liabilities.

"Consolidated Working Capital Adjustment" means, for any period of determination on a consolidated basis, the amount (which may be a negative number) equal to the difference of (i) Consolidated Working Capital as of the beginning of such period minus (ii) Consolidated Working Capital as of the end of such period. In calculating the Consolidated Working Capital Adjustment there shall be excluded the effect of reclassification during such period of current assets to long term assets and current liabilities to long term liabilities and the effect of any acquisition during such period.

"Contractual Obligation" means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"Contributing Guarantors" as defined in Section 7.2.

"**Controlled Account**" means (a) any Deposit Account of a Credit Party that is subject to a Deposit Account Control Agreement, and (b) any Securities Account of a Credit Party that is subject to a Securities Account Control Agreement. For the avoidance of doubt, the SVB Cash Collateral Account shall not be a Controlled Account

"Controlled Entity"means any Credit Party's Controlled Affiliates. As used in this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Controlled Direct Fund Management Agreements" means Approved Controlled Fund Management Agreements in respect of Controlled Funds that make direct equity investments in operating portfolio companies, as compared to funds that invest in other investment funds.

"Controlled Fund" means, at any time of determination, any Person that is an investment fund controlled by, the assets of which are managed by, or the investment strategy or decisions of which are delegated to, any Credit Party or any of its Subsidiaries at such time, including any investment fund whose general partner is managed or otherwise controlled by any Credit Party or any of its Subsidiaries at such time.

"Controlled Fund Asset Manager" means, as of any time of determination, any Person (for the avoidance of doubt, not including any Controlled Fund GP) that provides asset or investment management or similar advisory services to any Controlled Fund, including, (i) as of the Closing Date after giving effect to the RCP 2 Acquisition Closing, RCP 2, (ii) as of the Initial Funding Date after giving effect to the RCP 3 Acquisition Closing, RCP 3, (iii) from and after the Five Points Acquisition Closing, Five Points, ~~and~~(iv) from and after the TrueBridge Acquisition Closing, TrueBridge, and (v) from and after the Enhanced Capital Acquisition Closing, the ECG Guarantors.

"Controlled Fund Carried Interest" means, with respect to any RCP Controlled Fund GP, all of such RCP Controlled Fund GP's right, title, and interest in and to any "carried interest" under the Controlled Fund LP Agreement of the Controlled Fund for which such RCP Controlled Fund GP acts as general partner.

"Controlled Fund Co-Investment Credit Amount" means, as at any date of determination, an amount equal to 70% of the aggregate Net Asset Value of all Controlled Fund Co-Investment Equity that, as of such date of determination, is subject to a First Priority Lien in favor of Collateral Agent securing the Obligations.

"Controlled Fund Co-Investment Equity" means, with respect to any Controlled Fund GP, such Controlled Fund GP's or any Guarantor Subsidiary's respective right, title and interest in and to any Capital Stock in the Controlled Fund for which such Controlled Fund GP acts as general partner attributed to such Controlled Fund GP's or Guarantor Subsidiary's respective capital commitments to such Controlled Fund made in connection with any Permitted GP Co-Investment.

"Controlled Fund Co-Investment Equity Pledge Agreement" means any pledge agreement providing for the granting of a Lien on any Controlled Fund Co-Investment Equity by any Person that directly owns such Controlled Fund Co-Investment Equity in favor of Collateral Agent, each such instrument to be in form and substance acceptable to Collateral Agent in its reasonable discretion.

"Controlled Fund Commitment Period" means, with respect to any Controlled Fund, the investment or commitment period during which such Controlled Fund, acting through the corresponding Controlled Fund GP, may deploy the committed capital of such Controlled Fund's limited partners pursuant to the applicable Controlled Fund LP Agreement.

“Controlled Fund GP” means, with respect to any Controlled Fund, such Controlled Fund’s general partner.

“Controlled Fund GP Agreement” means, with respect to any Controlled Fund, the limited liability agreement, limited partnership agreement or similar agreement of the Controlled Fund GP.

“Controlled Fund GP Ordinary Course Liens” means Liens of the types described in Section 6.2(b), (c), and (d), in each case to the extent incurred in the ordinary course of business of the applicable Controlled Fund GP.

“Controlled Fund LP Agreement” means the limited partnership or similar agreement of any Controlled Fund.

“Controlled Fund Management Agreement” means any management agreement, advisory agreement, sub-advisory agreement, investment advisory agreement, services agreement or similar agreement providing for management or advisory services to be provided by any Credit Party to any of its Controlled Funds.

“Controlled Fund Management Fee” means any management, advisory, or sub-advisory fee and any other similar compensation paid to Parent or any of its Subsidiaries by any Controlled Fund for management or advisory services provided by Parent or any such Subsidiary, as applicable, to such Controlled Fund or its assets pursuant to one or more enforceable Controlled Fund Management Agreements or pursuant to the Enhanced Permanent Capital Advisory Agreement, excluding any such fee or other compensation consisting of Management Fee Tails.

“Conversion/Continuation Date” means the effective date of a continuation or conversion, as the case may be, as set forth in the applicable Conversion/Continuation Notice.

“Conversion/Continuation Notice” means a Conversion/Continuation Notice substantially in the form of Exhibit A-2.

“Counterpart Agreement” means a Counterpart Agreement substantially in the form of Exhibit H delivered by a Credit Party pursuant to Section 5.10.

“Credit Date” means the date of a Credit Extension.

“Credit Document” means any of this Agreement, the Notes, if any, the Collateral Documents, the Fee Letters, the Seller Note Subordination Agreement, and all other documents, certificates, instruments or agreements executed and delivered by or on behalf of a Credit Party or any Affiliate thereof for the benefit of any Agent or any Lender or other Secured Party in connection herewith (for the avoidance of doubt, not including any Secured Hedge Agreement).

“Credit Extension” means the making of a Loan.

“Credit Party” means Company, as borrower, and each Guarantor.

"Debtor Relief Laws" means the Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the U.S., any state or territory thereof, the District of Columbia or any other applicable jurisdictions.

"Default" means a condition or event that, after notice or lapse of time or both, would reasonably be expected to constitute an Event of Default.

"Defaulting Lender" means subject to Section 2.20(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder or (ii) pay to Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified Company or Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect, (c) has failed, within three Business Days after written request by Administrative Agent or Company, to confirm in writing to Administrative Agent and Company that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by Administrative Agent and Company), or (d) has, or has a direct or indirect parent company that has (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, trustee, conservator, administrator, assignee for the benefit of creditors, or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Capital Stock in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the U.S. or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.20(b)) upon delivery of written notice of such determination to Company and each Lender.

"Default Rate" means any interest payable pursuant to Section 2.8.

"Deposit Account" means any "deposit account" as defined in Article 9 of the UCC.

"Deposit Account Control Agreement" means, with respect to a Deposit Account, an agreement in form and substance reasonably satisfactory to Collateral Agent that (i) is entered into among Collateral Agent, the financial institution or other Person at which such Deposit Account is maintained, and the Credit Party maintaining such Deposit Account, and (ii) is effective for Collateral Agent to obtain "control" (within the meaning of Articles 8 and 9 of the UCC) of such Deposit Account.

"Designated RCP Principals" means, collectively, Thomas P. Danis, Jr., Jeff P. Gehl, Charles K. Huebner, William F. Souder, Jon I. Madorsky, and David McCoy.

"Director" means any natural Person constituting the Board of Directors or an individual member thereof.

"Discounted Cash Flows" means, for any period with respect to any Qualified Management Agreement, the present value of the expected cash flows in respect of Management Fees that, under the terms of such Qualified Management Agreement, are required to be paid to any Credit Party in the future pursuant to such Qualified Management Agreement during such period, as reasonably calculated by Company using customary discounted cash flow analysis and applying a 9.00% per annum discount rate; provided that (i) such expected cash flows shall be determined giving effect to any expected fee reductions, setoffs, and other events that could be reasonably expected to reduce such expected cash flows, (ii) the calculations and projections of any such expected cash flows that are attributed to contingent Management Fees shall be based on reasonable assumptions, (iii) any calculation of expected cash flows attributed to Management Fees from Third Party Management Agreements that are based on the amount of invested capital shall assume a three-year average invested life for invested capital (except in the case of Third Party Management Agreements that are subject to annual renewal, in which case the expected cash flows attributed to Management Fees from such Third Party Management Agreements shall be limited to the then-current annual term of such Third Party Management Agreements), and (iv) any calculations of expected cash flows under this definition with respect to Controlled Funds shall be modeled in a manner consistent with the "TAXI Cash Flow Workbook" model delivered by Holdings to Administrative Agent on September 14, 2017, as updated from time to time in a manner reasonably acceptable to Administrative Agent (except in the case of Five Points Controlled Funds generating Management Fees on invested capital from years six to twelve of such Five Points Controlled Funds, which Management Fees shall be excluded from calculations of expected cash flows under this definition).

"Dispose" means, with respect to any Person, any conveyance, sale, lease (as lessor), license (as licensor), exchange, assignment, transfer or other disposition by such Person of any property or assets (whether now owned or hereafter acquired) to any other Person, in each case, whether or not the consideration therefor consists of Cash, Cash Equivalents, Securities or any other property or assets.For purposes of clarification, "Dispose" shall include (a) the sale or other disposition for value of any contracts, (b) the early termination or modification of any contract by any Person resulting in the receipt by such Person of a Cash payment or other consideration in exchange for such event (other than payments in the ordinary course for previously accrued and unpaid amounts due through the date of termination or modification) or (c) any sale of merchant accounts (or any rights thereto (including any rights to any residual payment stream with respect thereto)).

"Disqualified Capital Stock" means any Capital Stock, that, by its terms (or by the terms of any other instrument, agreement or Capital Stock into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (i) matures or is mandatorily redeemable (other than (x) solely for Capital Stock that is not otherwise Disqualified Capital Stock or (y) in the case of the Capital Stock of Intermediate Holdings, as required by Section 3.8.2(c) or Section 3.8.3 of the Intermediate Holdings LLC Agreement), pursuant to a sinking fund obligation or otherwise, (ii) is redeemable at the option of the holder or beneficial owner thereof (other than (x) solely for Capital Stock that is not otherwise Disqualified Capital Stock or (y) in the case of the Capital Stock of Intermediate Holdings, as required by Section 3.8.2(c) or Section 3.8.3 of the Intermediate Holdings LLC Agreement), in whole or in part, (iii) provides for the scheduled payments of dividends, distributions or other Restricted Junior Payments in cash (except as required by Section 4.1.2 of the Intermediate Holdings LLC Agreement in the case of the Capital Stock of Intermediate Holdings), or (iv) is or becomes convertible into or exchangeable for Indebtedness or any other obligation, instrument, agreement, or Capital Stock that would meet any of the conditions in clauses (i), (ii), or (iii) of this definition, in each case, prior to the date that is one hundred eighty days after the Latest Maturity Date.

"Dollars" and the sign **"$"** mean the lawful money of the U.S.

"Domestic Subsidiary" means any Subsidiary organized under the laws of the U.S., any state thereof or the District of Columbia.

"Earn Out Indebtedness" means any obligation or liability consisting of an earn out or similar deferred purchase price that is issued or otherwise incurred as consideration for any acquisition of any property.

"ECG" means Enhanced Capital Group, LLC, a Delaware limited liability company.

"ECG Guarantor" means Trident ECG, ECG and each Subsidiary of ECG other than any Excluded ECG Subsidiary.

"ECG Controlled Fund" means, at any time of determination, a Controlled Fund of ECG or any of its Subsidiaries at such time.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clause (a) or clause (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any other Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**ECF Percentage**" means, with respect to any Fiscal Quarter, if the Leverage Ratio as of the end of such Fiscal Quarter is (a) greater than 3.75:1.00, 85.0%, (b) less than or equal to 3.75:1.00 but greater than 2.75:1.00, 70.0%, and (c) less than or equal to 2.75:1.00, 50.0%.

"ECP" means Enhanced Capital Partners, LLC, a Delaware limited liability company.

"ECP Entity" means ECP, Enhanced Permanent Capital, LLC, and their respective Subsidiaries.

"Eligible Assignee" means (i) in the case of the Revolving Loans or Revolving Commitments, (a) any Lender with Revolving Exposure or any Affiliate (other than a Natural Person) of a Lender with Revolving Exposure, (b) a commercial bank organized under the laws of the U.S. or any state thereof, and having total assets or net worth in excess of $100,000,000, (c) a commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development or a political subdivision of any such country and that has total assets or net worth in excess of $100,000,000, provided that such bank is acting through a branch or agency located in the U.S., and (d) a finance company, insurance company, or other financial institution or fund that is engaged in making, purchasing, or otherwise investing in commercial loans in the ordinary course of its business and having (together with its Affiliates) total assets or net worth in excess of $100,000,000, provided that with respect to subclauses (b), (c), and (d) of this clause (i), Administrative Agent's consent (not to be unreasonably withheld, conditioned or delayed) shall be required for any such Person to become a Lender or participant, (ii) in the case of the Term Loans, (a) any Lender, any Affiliate of any Lender and any Related Fund (any two or more Related Funds being treated as a single Eligible Assignee for all purposes hereof), and (b) any commercial bank, insurance company, investment or mutual fund or other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) and extends credit or buys loans as one of its businesses, provided that with respect to subclause (b) of this clause (ii), Administrative Agent's consent (not to be unreasonably withheld, conditioned or delayed) shall be required for any such Person to become a Lender or participant, and (iii) any other Person (other than a Natural Person) approved by Administrative Agent; provided, (w) neither (A) Holdings nor any Affiliate of Holdings nor (B) the Equity Investors nor any of their respective Affiliates, shall, in any event, be an Eligible Assignee**,** (x) no Defaulting Lender shall be an Eligible Assignee (so long as such Person remains a Defaulting Lender), (y) no Person owning or controlling any trade obligations or Indebtedness of any Credit Party (other than the Obligations) or any Capital Stock of any Credit Party (in each case, other than any other Person approved by Administrative Agent) shall, in any event, be an Eligible Assignee, and (z) so long as no Event of Default has occurred and is continuing, no such Person shall be an Eligible Assignee (other than any Person described in clauses (i)(a) or (ii)(a)) unless approved by Company (which approval, at any time after the Initial Funding Date, shall not to be unreasonably withheld, conditioned or delayed and shall be deemed granted if Company does not provide a written response to a written request for approval within ten (10) Business Days).

"Employee Benefit Plan" means any "employee benefit plan" as defined in Section 3(3) of ERISA that is or was sponsored, maintained or contributed to by, or required to be contributed by, Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates.

"Enhanced Capital Acquisition" means the acquisition, directly and/or indirectly, by Intermediate Holdings of (i) 100% of the Capital Stock of each of Trident ECG, Trident ECP and ECG, and (ii) Capital Stock representing 49% of the voting interests and 50% of the economic interests of ECP, in each case, pursuant to and in accordance with the Enhanced Capital Acquisition Documents.

"Enhanced Capital Acquisition Agreement" means the Securities Purchase Agreement, dated as of November 19, 2020, among Intermediate Holdings, as buyer, ECG and ECP, as the companies, the sellers party thereto, Stone Point Capital LLC, as the seller representative and, solely for the limited purposes set forth therein, Holdings and the seller owners party thereto.

"Enhanced Capital Acquisition Closing" means the closing of the Enhanced Capital Acquisition.

"Enhanced Capital Acquisition Closing Date" means the date of the Enhanced Capital Acquisition Closing.

"Enhanced Capital Acquisition Closing Date Certificate" means a certificate dated as of the Enhanced Capital Acquisition Closing Date and substantially in the form of Exhibit F-7.

"Enhanced Capital Acquisition Documents" means, collectively, the Enhanced Capital Acquisition Agreement and each other document delivered in connection therewith.

"Enhanced Capital Acquisition Signing Date" means November 19, 2020.

"Enhanced Capital Acquisition Solvency Certificate" means a certificate of the Chief Financial Officer of Holdings substantially in the form of Exhibit F-6.

"Enhanced Capital Acquisition Term Loan" is defined in Section 2.1(a)(iii).

"Enhanced Capital Acquisition Term Loan Commitment" means the commitment of a Lender to make or otherwise fund an Enhanced Capital Acquisition Term Loan, and **"Enhanced Capital Acquisition Term Loan Commitments"** means such commitments of all Lenders in the aggregate. The amount of each Lender's Enhanced Capital Acquisition Term Loan Commitment, if any, is set forth on Appendix A-1 or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Enhanced Capital Acquisition Term Loan Commitments as of the Fifth Amendment Effective Date is $68,000,000.

"Enhanced Capital Acquisition Term Loan Exposure" means, with respect to any Lender, as of any time of determination, the sum of (x) the outstanding principal amount of the Enhanced Capital Acquisition Term Loans of such Lender, plus (y) the amount of such Lender's unused Enhanced Capital Acquisition Term Loan Commitments.

"Enhanced Capital Acquisition Term Loan Note" means a promissory note in the form of Exhibit B-4.

Enhanced Capital Intercompany Agreements" means, collectively, (i) that certain Promissory Note, made as of December 23, 2013, by ECP in favor of ECG and (ii) the Enhanced Permanent Capital Advisory Agreement.

"Enhanced Capital Outside Date" means the date that is five Business Days after the "Outside Date", as such term is defined in the Enhanced Capital Acquisition Agreement as in effect on the ECG Acquisition Signing Date.

"Enhanced Capital Principal" means Michael Korengold (together with his heirs, trusts, estates or any other Persons controlled by him or for his benefit).

"**Enhanced Permanent Capital Advisory Agreement**" means that certain Advisory Agreement, dated as of December 14, 2020, between ECG and Enhanced Permanent Capital LLC.

"Environmental Claim" means any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (i) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (ii) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (iii) in connection with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

"Environmental Laws" means any and all current or future foreign or domestic, federal or state (or any subdivision of either of them), statutes, ordinances, orders, rules, regulations, judgments, Governmental Authorizations, or any other requirements of Governmental Authorities relating to (i) environmental matters, including those relating to any Hazardous Materials Activity; (ii) the generation, use, storage, transportation or disposal of Hazardous Materials; or (iii) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to Holdings or any of its Subsidiaries or any Facility.

"Equity Investors" means each of the RCP Principals, the 210 Principals, the Five Points Principals, the TrueBridge Principals, the Enhanced Capital Principal, Keystone and any other Person beneficially owning or controlling Capital Stock in Intermediate Holdings.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means, as applied to any Person, (i) any corporation that is a member of a controlled group of corporations within the meaning of Section 414(b) of the Internal Revenue Code of which that Person is a member; (ii) any trade or business (whether or not incorporated) that is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Internal Revenue Code of which that Person is a member; and (iii) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Internal Revenue Code of which that Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above is a member. Any former ERISA Affiliate of Holdings or any of its Subsidiaries shall continue to be considered an ERISA Affiliate of Holdings or any such Subsidiary within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of Holdings or such Subsidiary and with respect to liabilities arising after such period for which Holdings or such Subsidiary could be liable under the Internal Revenue Code or ERISA.

"ERISA Event" means (i) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for thirty day notice to the PBGC has been waived by regulation); (ii) the failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(c) of the Internal Revenue Code) or the failure to make by its due date a required installment under Section 430(j) of the Internal Revenue Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (iii) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iv) the withdrawal by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to Holdings, any of its Subsidiaries or any of their respective Affiliates pursuant to Section 4063 or 4064 of ERISA; (v) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition that might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability on Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (vii) the withdrawal of Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is insolvent pursuant to Section 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (viii) the occurrence of an act or omission that could give rise to the imposition on Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates of fines, penalties, taxes or related charges under Chapter 43 of the Internal Revenue Code or under Section 409, Section 502(c), (i) or (l), or Section 4071 of ERISA in respect of any Employee Benefit Plan; (ix) the assertion of a material claim (other than routine claims for benefits) against any Employee Benefit Plan other than a Multiemployer Plan or the assets thereof, or against Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates in connection with any Employee Benefit Plan; (x) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Internal Revenue Code) to qualify under Section 401(a) of the Internal Revenue Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Internal Revenue Code; (xi) the imposition of a Lien pursuant to Section 430(k) of the Internal Revenue Code or pursuant to Section 303(k) of ERISA with respect to any Pension Plan; or (xii) a determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 or 432 of the Code or Sections 303, 304 or 305 of ERISA.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person).

"Event of Default" means each of the conditions or events set forth in Section 8.1.

"Exchange Act" means the Securities Exchange Act of 1934.

"**Excluded ECG Subsidiary**" means any Subsidiary of an ECG Guarantor (i) which is a Subsidiary in which the aggregate investment therein by the ECG Guarantors and any Subsidiary of the ECG Guarantors does not exceed $125,000, or when added to the ECG Guarantors' and each direct or indirect Subsidiary of the ECG Guarantors' investment in all Subsidiaries which qualify as "Excluded ECG Subsidiary" only under this clause (i) does not exceed $250,000 in the aggregate, (ii) which has less than $10,000 of assets and generates less than $10,000 of Consolidated Net Income; *provided* that if any such Subsidiary initially qualifies under this clause (ii) but later fails at any time to satisfy this clause (ii), such Subsidiary shall promptly become a Guarantor, and the Credit Parties shall comply with Section 5.10 with respect to such Subsidiary, (iii) listed as an Excluded ECG Subsidiary in Part A of Schedule 1.1 or otherwise designated an "Excluded ECG Subsidiary" in a writing signed by Administrative Agent (in its sole discretion), (iv) which is a Subsidiary of Enhanced Asset Management, LLC, or (v) which is not a Wholly-Owned Subsidiary.

"Excluded Holdings Subsidiary" means any subsidiary of Holdings that is not Parent or a Subsidiary of Parent.

"Excluded Swap Obligation" means, with respect to any Guarantor at any time, any obligation (a **"Swap Obligation"**) of such Guarantor to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act, if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is illegal at such time under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time such guarantee or grant of a security interest becomes effective with respect to such related Swap Obligation.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Lender or Administrative Agent (each such person, a "Recipient") or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment or (ii) such Lender changes its lending office, except to the extent that, pursuant to Section 2.18(b), amounts with respect to such Taxes were payable to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.18(c) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"**Existing Indebtedness**" means Indebtedness and other obligations outstanding under that certain Loan and Security Agreement, dated as of March 13, 2013, between Silicon Valley Bank and RCP 2, as such Loan and Security Agreement was joined by RCP 3 pursuant to that certain Joinder and Fifth Amendment to Loan and Security Agreement, dated as of December 29, 2016, and as such Loan and Security Agreement has otherwise been amended up to and including the Initial Funding Date. Existing Indebtedness shall not include Indebtedness arising in connection with the SVB Letter of Credit.

"Extraordinary Receipts" means any Cash received by or paid to or for the account of Holdings or any of its Subsidiaries outside of the ordinary course of such Person's business in respect of purchase price adjustments (excluding working capital adjustments), tax refunds, judgments, settlements for actual or potential litigation or similar claims, pension plan reversions, proceeds of insurance, indemnity payments, payments in respect of Earn Out Indebtedness or Seller Financing Indebtedness, and similar payments; provided, however, that "Extraordinary Receipts" shall not include (i) proceeds of any indemnity payment to the extent that no Event of Default exists at the time of receipt of such proceeds and such proceeds are promptly used to pay related third party claims and expenses (or to reimburse the applicable Credit Party or Subsidiary, as applicable, for its prior payment of such third party claims and expenses) and/or related expenses of Holdings or any of its Subsidiaries, (ii) proceeds from the sale or issuance of Capital Stock by Holdings or any of its Subsidiaries or (iii) proceeds otherwise subject to Sections 2.12(a), 2.12(b) or 2.12(d).

"Facility" means any real property (including all buildings, fixtures or other improvements located thereon) now, hereafter or heretofore owned, leased, operated or used by Holdings or any of its Subsidiaries or any of their respective predecessors or Affiliates.

"Fair Share" as defined in Section 7.2.

"Fair Share Contribution Amount" as defined in Section 7.2.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations promulgated thereunder or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code and any fiscal or regulatory legislation, rules, or official practices adopted pursuant to any such agreements.

"Federal Funds Effective Rate" means for any day, the rate per annum (expressed, as a decimal, rounded upwards, if necessary, to the next higher 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, (i) if such day is not a Business Day, the

Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average of the quotations for such day on such transactions received by Administrative Agent from major money center banks of recognized standing selected by it.

"Fee Letters" means, collectively, (a) the letter agreement dated as of the Closing Date between Company and Administrative Agent ~~and~~, (b) the letter agreement dated as of August 24, 2020 between Company, Holdings and Administrative Agent and (c) the letter agreement dated as of November 19, 2020 between Company and Administrative Agent.

"Fifth Amendment" means that certain Fifth Amendment to Credit and Guaranty Agreement, dated as of December 14, 2020, by and among Company, Holdings, Intermediate Holdings, RCP 2, RCP 3, Five Points, TrueBridge, each Lender and Administrative Agent.

"Fifth Amendment Effective Date" means the effective date of the Fifth Amendment.

"Final Closing Date" means, with respect to any Capital-Raising Stage Fund, (i) the date upon which such Capital-Raising Stage Fund consummates its single round of admitting limited partners and accepting capital commitments or (ii) the latest date upon which additional limited partners may be admitted and increases in capital commitments accepted to such Capital-Raising Stage Fund, in each case in accordance with the terms of the applicable Controlled Fund LP Agreement (in each case, with respect to each RCP Controlled Fund expressly identified in the second sentence of the definition of "Capital-Raising Stage Fund", as such Controlled Fund LP Agreement is in effect on the Initial Funding Date).

"Financial Officer Certification" means, with respect to the financial statements for which such certification is required, the certification of the Chief Financial Officer of Holdings that, as of the date of such certification, such financial statements fairly present, in all material respects, the financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

"Financial Plan" as defined in Section 5.1(i).

"First Amendment" means that certain First Amendment to Credit and Guaranty Agreement and Limited Consent, dated as of January 3, 2018, by and among Company, Holdings, RCP 2 and Administrative Agent.

"First Amendment Effective Date" means the effective date of the First Amendment.

"First Priority" means, (i) with respect to any Lien purported to be created in any Collateral not consisting of Capital Stock pursuant to any Collateral Document, that such Lien is the only Lien to which such Collateral is subject, other than any Permitted Lien, and (ii) with respect to any Lien purported to be created in any Collateral consisting of Capital Stock, that such Lien is the highest priority Lien to which such Collateral is subject, other than any non-consensual Permitted Liens for Taxes, statutory obligations, or other obligations that arise and have higher priority by operation of law.

"Fiscal Quarter" means a fiscal quarter of any Fiscal Year.

"Fiscal Year" means the fiscal year of Holdings and its Subsidiaries ending on December 31 of each calendar year.

"**Five Points**" means Five Points Capital, Inc., a North Carolina S Corporation.

"Five Points Acquisition" means the acquisition by Intermediate Holdings of 100% of the Capital Stock of Five Points in accordance with the Five Points Acquisition Documents.

"**Five Points Acquisition Agreement**" means the Sale and Purchase Agreement, dated as of January 16, 2020, among Five Points, the sellers party thereto and Intermediate Holdings.

"**Five Points Acquisition Closing**" means the closing of Intermediate Holdings' acquisition of 100% of the Capital Stock of Five Points in accordance with the Five Points Acquisition Documents.

"**Five Points Acquisition Closing Date**" means the date of the Five Points Acquisition Closing.

"**Five Points Acquisition Documents**" means, collectively, the Five Points Acquisition Agreement and each other document delivered in connection therewith.

"Five Points Controlled Fund" means, at any time of determination, a Controlled Fund of Five Points or any of its Subsidiaries at such time.

"**Five Points Principals**" means David G. Townsend, Martin P. Gilmore, Thomas H. Westbrook and Christopher N. Jones (together with their respective heirs, trusts, estates or any other Persons controlled by or for the benefit of any Five Points Principal).

"Fixed Charge Coverage Ratio" means the ratio as of the last day of (i) the first Fiscal Quarter ending after the Initial Funding Date of (a) Consolidated Adjusted EBITDA for such Fiscal Quarter, to (b) Consolidated Fixed Charges for such Fiscal Quarter, (ii) the second Fiscal Quarter ending after the Initial Funding Date of (a) Consolidated Adjusted EBITDA for the two Fiscal Quarters period ending on such date, to (b) Consolidated Fixed Charges for such two Fiscal Quarters, (iii) the third Fiscal Quarter period ending after the Initial Funding Date of (a) Consolidated Adjusted EBITDA for the three Fiscal Quarter period ending on such date, to (b) Consolidated Fixed Charges for such three Fiscal Quarter period, and (iv) any other Fiscal Quarter of (a) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period then ending, to (b) Consolidated Fixed Charges for such four-Fiscal Quarter period.

"Flood Hazard Property" means any Real Estate Asset subject to a mortgage in favor of Collateral Agent, for the benefit of Secured Parties, and located in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards.

"Flood Certificate" means a "Standard Flood Hazard Determination Form" of the Federal Emergency Management Agency and any successor Governmental Authority performing a similar function.

"Flood Program" means the National Flood Insurance Program created by the U.S. Congress pursuant to the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, the National Flood Insurance Reform Act of 1994 and the Flood Insurance Reform Act of 2004.

"Flood Zone" means areas having special flood hazards as described in the National Flood Insurance Act of 1968.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"Fourth Amendment" means that certain Fourth Amendment to Credit and Guaranty Agreement, dated as of October 2, 2020, by and among Company, Holdings, Intermediate Holdings, RCP 2, RCP 3, Five Points, each Lender and Administrative Agent.

"Fourth Amendment Effective Date" means the effective date of the Fourth Amendment.

"Fund" means any Person (other than a Natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"Funding Guarantor" as defined in Section 7.2.

"Funding Notice" means a written notice substantially in the form of Exhibit A-1.

"GAAP" means, subject to Section 1.2, U.S. generally accepted accounting principles in effect as of the date of determination thereof.

"Governmental Acts" means any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

"Governmental Authority" means any federal, state, municipal, national or other government, governmental department, commission (including NAIC), board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the U.S., the U.S., or a foreign entity or government.

"Governmental Authorization" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"Grantor" as defined in the Pledge and Security Agreement.

"Guaranteed Obligations" as defined in Section 7.1.

"Guarantor" means (a) Company, solely with respect to any Obligations of any Guarantor Subsidiary and solely to the extent that Company is not already the primary obligor in respect of such Obligations, (b) Holdings, (c) Intermediate Holdings, and (d) each Subsidiary of Parent that executes this Agreement on the Closing Date, or a Counterpart Agreement thereafter, as a guarantor, solely with respect to any Obligations of Company and the other Guarantor Subsidiaries; provided that, notwithstanding anything to the contrary in this Agreement or any other Credit Document, neither Company nor any Guarantor Subsidiary will be liable for any of Holdings' Obligations under Section 7.1.

"Guarantor Subsidiary" means each Guarantor other than Holdings.

"Guaranty" means (a) the guaranty of each Guarantor set forth in Section 7, and (b) each other guaranty of the Obligations that is made by any other Guarantor in favor of Collateral Agent for the benefit of Secured Parties.

"Hazardous Materials" means any chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority or that may or could pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of any Facility or to the indoor or outdoor environment.

"Hazardous Materials Activity" means any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"Hedge Agreement" means any Interest Rate Agreement and any other derivative or hedging contract, agreement, confirmation, or other similar transaction or arrangement that is entered into by Holdings or any of its Subsidiaries, including any commodity or equity exchange, swap, collar, cap, floor, adjustable strike cap, adjustable strike corridor, cross-currency swap or forward rate agreement, spot or forward foreign currency or commodity purchase or sale, listed or over-the-counter option or similar derivative right related to any of the foregoing, non-deliverable forward or option, foreign currency swap agreement, currency exchange rate price hedging arrangement, or other arrangement designed to protect against fluctuations in interest rates or currency exchange rates, commodity, currency, or Securities values, or any combination of the foregoing agreements or arrangements.

"Highest Lawful Rate" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Lender that are in effect as of the Closing Date or, to the extent allowed by law, under such applicable laws that may be in effect after the Closing Date and allow a higher maximum nonusurious interest rate than applicable laws in effect as of the Closing Date.

"Historical Financial Statements" means as of the Closing Date:

(i) with respect to Holdings and its Subsidiaries, (a) the audited financial statements of Holdings and its Subsidiaries for the Fiscal Year ended December 31, 2016, consisting of a consolidated balance sheet and the related consolidated statements of income, stockholders' equity and cash flows for such Fiscal Year, and (b) the unaudited financial statements of Holdings and its Subsidiaries for the Fiscal Quarters ended March 31, 2017 and June 30, 2017, consisting of consolidated balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such Fiscal Quarters; and

(ii) with respect to RCP 2 and RCP 3, (a) the audited special-purpose financial statements of RCP 2 for the Fiscal Year ended December 31, 2014, consisting of a special purpose balance sheet and the related special purpose statements of income, members' equity and cash flows for such Fiscal Year, (b) the unaudited financial statements of RCP 2 for the Fiscal Years ended December 31, 2015 and December 31, 2016, consisting of balance sheets and the related statements of profits and losses for such Fiscal Years, and (c) the unaudited combined financial statements of RCP 2 and RCP 3 for the period from January 1, 2017 through June 30, 2017, consisting of balance sheets and the related statements of profits and losses for such period.

"Holdings" as defined in the preamble hereto.

"HPS" as defined in the preamble hereto.

"Immaterial Fee-Owned Properties" means, as of any date of determination, any individual fee-owned Real Estate Asset having a fair market value less than $1,000,000; provided that, notwithstanding the foregoing, (a) if at any time Parent and its Subsidiaries own, in the aggregate, multiple fee-owned Real Estate Assets that, in the aggregate, have a fair market value in excess of $2,500,000, then Parent shall notify Administrative Agent thereof and Administrative Agent shall have the option, exercisable in its sole discretion, to designate any such Real Estate Assets as Material Real Estate Assets, and (b) any fee-owned Real Estate Asset designated as a Material Real Estate Asset pursuant to clause (iii) of the definition thereof shall not constitute "Immaterial Fee-Owned Properties".

"Increased-Cost Lender" as defined in Section 2.21.

"Indebtedness," as applied to any Person, means, without duplication, (i) all indebtedness for borrowed money; (ii) Capital Lease Obligations; (iii) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money; (iv) any obligation owed for all or any part of the deferred purchase price of property or services (excluding any such obligations incurred under ERISA and advance deposits and, except to the extent set forth in clause (xii) below, trade payables incurred or made in the ordinary course of such Person's business), including any Earn Out Indebtedness and Seller Financing

Indebtedness; (v) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person; (vi) the face amount of any letter of credit or similar instrument issued for the account of (or similar credit transaction entered into for the benefit of) that Person or as to which that Person is otherwise liable for reimbursement of drawings or is otherwise an obligor except to the extent cash-collateralized with the issuer thereof; (vii) Disqualified Capital Stock, with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price (for purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock that does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Agreement, and as if such price were based upon, or measured by, the fair market value of such Disqualified Capital Stock); (viii) the direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another; (ix) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof; (x) any liability of such Person for an obligation of another through any agreement (contingent or otherwise) (a) to purchase, repurchase or otherwise acquire such obligation or provide any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (b) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (a) or (b) of this clause (x), the primary purpose or intent thereof is as described in clause (ix) above; (xi) all obligations of such Person in respect of any exchange traded or over the counter derivative transaction, including under any Hedge Agreement, in each case whether entered into for hedging or speculative purposes or otherwise and (xii) any obligations consisting of accounts payable or other monetary liabilities that do not fall into the foregoing categories of Indebtedness but are overdue more than 180 days.

"Indemnified Liabilities" means, collectively, any and all liabilities, obligations, losses, damages (including natural resource damages), penalties, claims (including Environmental Claims), actions, judgments, suits, costs (including the costs of any investigation, study, sampling, testing, abatement, cleanup, removal, remediation or other response action necessary to remove, remediate, clean up or abate any Hazardous Materials Activity), expenses and disbursements of any kind or nature whatsoever (including attorneys' fees and any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect, special, or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations and Environmental Laws), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of any Related Matter; provided, that Indemnified Liabilities shall not be construed to include any Excluded Taxes.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document and (b) to the extent not otherwise described in (a), Other Taxes. **“Indemnitee”** means, each of any Agent and any Lender, and each of their respective affiliates, officers, partners, members, Directors, trustees, employees, agents and sub-agents.

“Initial Funding Date” means the date on which the initial funding of Loans occurs in accordance with this Agreement.

“Initial Funding Date Certificate” means a certificate dated as of the Initial Funding Date and substantially in the form of Exhibit F-3.

“Initial Funding Date Solvency Certificate” means a certificate of the Chief Financial Officer of Holdings substantially in the form of Exhibit F-4.

“Installment” as defined in Section 2.10(a).

“Installment Date” as defined in Section 2.10(a).

“**Insurance/Condemnation Reinvestment Amounts**” as defined in Section 2.12(b).

“**Insurance/Condemnation Reinvestment Period**” as defined in Section 2.12(b).

“Intellectual Property” as defined in the Pledge and Security Agreement.

“Intellectual Property Asset” means, at any time of determination, any interest (including any fee, license or other interest) then owned by any Credit Party in any Intellectual Property.

“Intellectual Property Security Agreement” as defined in the Pledge and Security Agreement.

“Intercompany Note and Subordination” means a “global” intercompany promissory note and subordination that evidences and subordinates certain Indebtedness and other monetary liabilities owed among Credit Parties and their Subsidiaries in substantially in the form of Exhibit L.

“Interest Payment Date” means with respect to (i) any Base Rate Loan, (a) the last Business Day of each month, commencing on the first such date to occur after the Closing Date, and (b) the final maturity date of such Loan; and (ii) any LIBO Rate Loan, the last day of each Interest Period applicable to such Loan; provided, in the case of each Interest Period of longer than three months “Interest Payment Date” shall also include each date that is three months, or an integral multiple thereof, after the commencement of such Interest Period.

“Interest Period” means, in connection with a LIBO Rate Loan, an interest period of one-, two-, three- or six-months, as selected by Company in the applicable Funding Notice or Conversion/Continuation Notice, (i) initially, commencing on the Credit Date or

Conversion/Continuation Date thereof, as the case may be; and (ii) thereafter, commencing on (and including) the day on which the immediately preceding Interest Period expires; provided, (a) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day unless no further Business Day occurs in such month, in which case such Interest Period shall expire on the immediately preceding Business Day; (b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clauses (c) and (d), of this definition, end on the last Business Day of a calendar month; (c) no Interest Period with respect to any portion of any Term Loans shall extend beyond the Term Loan Maturity Date; and (d) no Interest Period with respect to any portion of the Revolving Loans shall extend beyond the Revolving Commitment Termination Date. Notwithstanding the foregoing, the initial Interest Period for the TrueBridge Acquisition Term Loans shall be the six-month period ending March 31, 2021.

"Interest Rate Agreement" means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is (i) for the purpose of hedging the interest rate exposure associated with Holdings' and its Subsidiaries' operations and (ii) in form and substance reasonably satisfactory to Administrative Agent.

"Interest Rate Determination Date" means, with respect to any Interest Period, the date that is two Business Days prior to the first day of such Interest Period.

"**Intermediate Holdings**" means P10 Intermediate Holdings, LLC, a Delaware limited liability company.

"**Intermediate Holdings LLC Agreement**" means the ~~Second~~Third Amended and Restated Limited Liability Company Agreement of Intermediate Holdings, as in effect on and as of the ~~TrueBridge~~ Enhanced Capital Acquisition Closing Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

"Internally Generated Cash" means, with respect to any period, any cash of Holdings or any Subsidiary that does not constitute Net Asset Sale Proceeds or Net Insurance/Condemnation Proceeds and was not generated from an incurrence of Indebtedness, an issuance of Capital Stock or a capital contribution.

"Investment" means (i) any direct or indirect purchase or other acquisition by Holdings or any of its Subsidiaries of, or of a beneficial interest in, any of the Securities of any other Person, including the establishment or other creation of a Subsidiary or any other interest in the Securities any Person; (ii) any direct or indirect redemption, retirement, purchase or other acquisition for value, by any Subsidiary of Holdings from any Person, of any Capital Stock of such Person; and (iii) any direct or indirect loan, advance (other than advances to employees for customary moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business and consistent with past practice) or capital contributions by Holdings or any of its Subsidiaries to any other Person, including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales of inventory to that other Person in the ordinary course of business. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment.

"Investment Adviser" as defined in the Investment Advisers Act.

"Investment Advisers Act" means the Investment Advisers Act of 1940 (15 U.S.C. § 80b-1 through 15 U.S.C. § 80b-21) and any rules or regulations promulgated thereunder.

"Investment Policies" means the Credit Parties' written investment policies.

"Joint Venture" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form; provided, in no event shall any Wholly-Owned Subsidiary of any Person be considered to be a "Joint Venture" to which such Person is a party.

"Keystone" means Keystone Capital XXX, LLC or one of its affiliates.

"Latest Maturity Date" means, as of any time of determination, the latest possible maturity or expiration date applicable to any Loan or Commitment hereunder at such time, in each case as extended in accordance with this Agreement from time to time, as the case may be.

"Lender" means each financial institution listed on the signature pages hereto as a Lender, and any other Person that becomes a party hereto pursuant to an Assignment Agreement.

"Lender Counterparty" means each Lender, each Agent, and each of their respective Affiliates, in each case that is a counterparty to a Hedge Agreement (including any Person that is a Lender (and any Affiliate thereof) as of the Closing Date but subsequently, whether before or after entering into such Hedge Agreement, ceases to be an Agent or a Lender or any Affiliate of an Agent or a Lender, as the case may be); provided, that at any time a Lender is a Defaulting Lender and such Lender or its Affiliate enters into a Hedge Agreement, such Lender or Affiliate shall be deemed not to be a Lender Counterparty for purposes of such Hedge Agreement so long as such Lender is a Defaulting Lender.

"Leverage Incurrence Multiple" means, as of any date of determination, 5.00.

"Leverage Ratio" means, as of any date of determination, the ratio of (i) Consolidated Total Debt as of such date, to (ii) Annualized Consolidated Adjusted EBITDA for the Fiscal Quarter ending on such date (or if such date of determination is not the last day of a Fiscal Quarter in respect of which financial statements and a compliance certificate are being delivered, for the most recently concluded Fiscal Quarter for which financial statements have previously been or were required to be delivered).

"LIBO Rate Loan" means a Loan bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Lien" means (i) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing, and (ii) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

"Limited Consent" means that certain Limited Consent, dated as of January 16, 2020, by and among Company, Holdings, Intermediate Holdings, Administrative Agent and the Requisite Lenders.

"Limited Consent Effective Date" means the effective date of the Limited Consent.

"Loan" means any Term Loan or Revolving Loan.

"Management Fee" means any management, advisory, or sub-advisory fee and any other similar compensation paid to Parent or any of its Subsidiaries by any Controlled Fund or any counterparty to any Third Party Management Agreement, or, in the case of the Enhanced Permanent Capital Advisory Agreement, by Enhanced Permanent Capital, LLC, in each case for management or advisory services provided by Parent or any such Subsidiary, as applicable, to such Controlled Fund or other counterparty or its assets pursuant to one or more enforceable Qualified Management Agreements.

"Management Fee Tail" means any enforceable right, title, and interest in and to future cash flows in respect of Management Fees contracted for by any Person under any enforceable management agreement, advisory agreement, sub-advisory agreement, investment advisory agreement or similar agreement providing for management or advisory services to be provided by any Person on terms and conditions that are in all material respects consistent with, and in any event are not materially less favorable to the relevant asset or investment manager or any of the Lenders than, the terms and conditions of Controlled Fund Management Agreements as in effect on the Closing Date.

"Margin Stock" as defined in Regulation U.

"Material Adverse Effect" means a material adverse effect on (i) the business, results of operations, assets or financial condition of Parent and its Subsidiaries taken as a whole; (ii) the ability of any Credit Party to fully and timely perform its Obligations; (iii) the legality, validity, binding effect, or enforceability against a Credit Party of a Credit Document to which it is a party; (iv) the validity, perfection or priority of a Lien in favor of Collateral Agent for the benefit of Secured Parties on the Collateral, taken as a whole; or (v) the rights, remedies and benefits available to, or conferred upon, any Agent, any Lender or any other Secured Party under any Credit Document.

"Material Contract" means any and all contracts or other arrangements to which Parent or any of its Subsidiaries is a party (other than the Credit Documents) or to which RCP 3 is a party (including prior to the RCP 3 Acquisition Closing) (i) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect, (ii) under which any of Parent and its Subsidiaries, collectively, have aggregate payment obligations in excess of $500,000 per annum owing to a single counterparty or any of its Affiliates, (iii) under which a single counterparty or any of its Affiliates, collectively, have aggregate payment obligations in excess of $500,000 per annum owing to Parent or any of its Subsidiaries, (iv) consisting of Controlled Fund LP Agreements, Controlled Fund GP Agreements, Controlled Fund Management Agreements, RCP 3 Controlled Fund LP Agreements, RCP 3 Controlled Fund GP Agreements or RCP 3 Controlled Fund Management Agreements, (v) consisting of that certain letter agreement re: Sale and Purchase of Five Points Capital, Inc. executed concurrently with the Five Points Acquisition Closing by Intermediate Holdings, the sellers under the Five Points Acquisition Agreement and each signatory identified as a "GP Entity" on the signature page thereto (vi) consisting of that certain letter agreement re: Sale and Purchase of TrueBridge Capital Partners, LLC executed concurrently with the TrueBridge Acquisition Closing by Intermediate Holdings and the sellers under the TrueBridge Acquisition Agreement, (vii) consisting of that certain Contribution and Exchange Agreement, dated October 2, 2020, between TrueBridge and TrueBridge CI Partner, LLC, ~~and~~(viii) consisting of that certain Distribution Agreement, dated October 2, 2020, among TrueBridge and the sellers under the TrueBridge Acquisition Agreement, and (ix) consisting of the Enhanced Capital Intercompany Agreements.

"Material Indebtedness" means Indebtedness (other than the Obligations) of any one or more of Holdings and its Subsidiaries with an individual principal amount (or Net Mark-to-Market Exposure) of $500,000 or more or, solely for purposes of Section 8.1(b), that, collectively with any other Indebtedness in respect of which any relevant default or other specified event has occurred, has an aggregate principal amount of $500,000 or more.

"Material Real Estate Asset" means any and all fee-owned Real Estate Assets other than any Immaterial Fee-Owned Properties.

"Maximum Credit Amount" means, at any time of determination, an amount equal to the product of (a) the Annualized Consolidated Adjusted EBITDA as of the last day of the most recently ended Fiscal Quarter for which financial statements have been or were required to be delivered pursuant to Section 5.1(b) multiplied by (b) the Leverage Incurrence Multiple in effect at such time.

"Moody's" means Moody's Investors Service, Inc.

"Mortgage" means a mortgage, deed of trust, or similar instrument providing for the granting of a Lien on any Real Property by the applicable Credit Party in favor of Collateral Agent, any such instrument to be in form and substance acceptable to Collateral Agent in its reasonable discretion.

"Mortgaged Real Estate Documents" means, with respect to each Material Real Estate Asset that is required to be subject to a Mortgage pursuant to this Agreement:

(i) one or more fully executed and notarized Mortgages encumbering such Material Real Estate Asset, in each case in proper form for recording in all appropriate places in all applicable jurisdictions;

(ii) (a) ALTA mortgagee title insurance policies or, solely to the extent that Collateral Agent in its sole discretion waives the requirement for a policy to be issued, unconditional commitments therefor, in each case issued by one or more title companies reasonably satisfactory to Collateral Agent with respect to each Material Real Estate Asset (each, a "**Title Policy**"), each such Title Policy to be in amounts not less than the fair market value of each Material Real Estate Asset, together with a title report issued by a title company with respect thereto and dated not more than thirty days prior to the date of the applicable Mortgage, (b) copies of all documents listed as exceptions to title or otherwise referred to therein, each in form and substance reasonably satisfactory to Collateral Agent, and (c) evidence satisfactory to Collateral Agent that such Credit Party has paid to the title company or to the appropriate Governmental Authorities all expenses and premiums of the title company and all other sums required in connection with the issuance of each Title Policy and all recording and stamp taxes (including mortgage recording and intangible taxes) payable in connection with recording the Mortgages for each such Material Real Estate Asset in the appropriate real estate records;

(iii) (A) a completed Flood Certificate with respect to each such Material Real Estate Asset, which Flood Certificate shall (x) be addressed to Collateral Agent and (y) otherwise comply with the Flood Program and be in form and substance satisfactory to Collateral Agent in its sole discretion; (B) if the Flood Certificate indicates that such Material Real Estate Asset is located in a Flood Zone, Parent's written acknowledgment of receipt of written notification from Collateral Agent (x) as to the existence of such Material Real Estate Asset in a Flood Zone and (y) as to whether the community in which such Material Real Estate Asset is located is participating in the Flood Program; and (C) if such Material Real Estate Asset is located in a Flood Zone and is located in a community that participates in the Flood Program, evidence that Parent has obtained a policy of flood insurance that is in compliance with all applicable requirements of the Flood Program or, solely to the extent agreed to by Collateral Agent in its sole discretion, excluded any structures existing in such Flood Zone from any such Mortgage in a manner satisfactory to Collateral Agent in its sole discretion;

(iv) ALTA surveys of such Material Real Estate Asset, certified to Collateral Agent and dated not more than thirty days prior to the date of the applicable Mortgage and otherwise in form and substance satisfactory to Collateral Agent in its sole discretion;

(v) an opinion of counsel (which counsel shall be reasonably satisfactory to Collateral Agent) in the state in which such Material Real Estate Asset is located with respect to the enforceability of the form(s) of Mortgage to be recorded in such state and such other matters as Collateral Agent may reasonably request, in form and substance reasonably satisfactory to Collateral Agent; and

(vi) reports and other information, in each case in form, scope and substance satisfactory to Administrative Agent in its sole discretion, regarding environmental matters relating to such Material Real Estate Asset, including any Phase I Report requested by Collateral Agent with respect to such Material Real Estate Asset.

"Multi Draw Commitment Period" means the time period commencing on the Closing Date through and including the Multi Draw Commitment Termination Date.

"Multi Draw Commitment Termination Date" means the earliest to occur of (i) the date the Multi Draw Commitments are permanently reduced to zero pursuant to Section 2.10(c) or 2.11(c), (ii) the date of the termination of the Multi Draw Commitments pursuant to Section 8.1, (iii) January 31, 2018, solely if the Initial Funding Date does not occur on or prior to such date, and (iv) July 31, 2019.

"Multi Draw Term Loan" is defined in Section 2.1(a)(i).

"Multi Draw Term Loan Commitment" means the commitment of a Lender to make or otherwise fund a Multi Draw Term Loan, and **"Multi Draw Term Loan Commitments"** means such commitments of all Lenders in the aggregate. The amount of each Lender's Multi Draw Term Loan Commitment, if any, is set forth on Appendix A-1 or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Multi Draw Term Loan Commitments as of the Closing Date was $125,000,000.

"Multi Draw Term Loan Exposure" means, with respect to any Lender, as of any time of determination, the sum of (x) the outstanding principal amount of the Multi Draw Term Loans of such Lender, plus (y) the amount of such Lender's unused Multi Draw Term Loan Commitments.

"Multi Draw Term Loan Note" means a promissory note in the form of Exhibit B-1.

"Multiemployer Plan" means any Employee Benefit Plan that is a "multiemployer plan" as defined in Section 3(37) of ERISA.

"NAIC" means The National Association of Insurance Commissioners, and any successor thereto.

"Narrative Report" means, with respect to the financial statements for which such narrative report is required, a narrative report describing the operations of Holdings and its Subsidiaries in the form prepared for presentation to senior management thereof for the applicable month, Fiscal Quarter or Fiscal Year and for the period from the beginning of the then current Fiscal Year to the end of such period to which such financial statements relate with comparison to and variances from the immediately preceding period and budget.

"Natural Person" means a natural Person or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person.

"Net Asset Sale Proceeds" means, with respect to any Asset Sale, an amount equal to: (i) Cash payments received by Holdings or any of its Subsidiaries from such Asset Sale (including any Cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise (including by way of a milestone payment, as applicable) with respect thereto, but only as and when so received), minus (ii) any bona fide direct costs incurred in connection with such Asset Sale to the extent paid or payable to non-Affiliates, including (a) income or gains taxes payable by the seller (or an Affiliate thereof) as a result of any gain recognized in connection with such Asset Sale during the tax period the sale occurs, (b) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Loans) that is secured by a Lien on the stock or assets in question and that is required to be repaid under the terms thereof as a result of such Asset Sale, and (c) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of such Asset Sale undertaken by Holdings or any of its Subsidiaries in connection with such Asset Sale; provided that upon release of any such reserve, the amount released shall be considered Net Asset Sale Proceeds.

"Net Asset Value" means, as of any date of determination with respect to any Controlled Fund GP's Controlled Fund Co-Investment Equity in any Controlled Fund, the pro rata share of the most recently reported total net asset value of such Controlled Fund that is allocable to such Controlled Fund Co-Investment Equity, as determined by reference to regular periodic reporting provided to all limited partners of such Controlled Fund, copies of which have been provided by Parent to Administrative Agent.

"Net Insurance/Condemnation Proceeds" means an amount equal to: (i) any Cash payments or proceeds received by Parent or any of its Subsidiaries (a) under any casualty, business interruption or "key man" insurance policies in respect of any covered loss thereunder, or (b) as a result of the taking of any assets of Parent or any of its Subsidiaries by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (ii) (a) any actual and reasonable costs incurred by Parent or any of its Subsidiaries in connection with the adjustment or settlement of any claims of Parent or such Subsidiary in respect thereof, and (b) any bona fide direct costs incurred in connection with any sale of such assets as referred to in clause (i)(b) of this definition to the extent paid or payable to non-Affiliates, including income taxes payable as a result of any gain recognized in connection therewith.

"Net Mark-to-Market Exposure" of a Person means, as of any time of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Hedge Agreements or other Indebtedness of the type described in clause (xi) of the definition thereof. As used in this definition, "unrealized losses" means the fair market value of the cost to such Person of replacing such Hedge Agreement or such other Indebtedness as of the date of determination (assuming the Hedge Agreement or such other Indebtedness were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Hedge Agreement or such other Indebtedness as of the time of determination (assuming such Hedge Agreement or such other Indebtedness were to be terminated as of that time).

"NOLs" as defined in Section 4.12(b).

"Non-Consenting Lender" as defined in Section 2.21.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Non-Guarantor Agreement” means an agreement among (i) a Controlled Fund of RCP 2 or RCP 3, (ii) the related RCP Controlled Fund GP, (iii) the holder(s) of the voting interest in such RCP Controlled Fund GP, (iv) the Designated RCP Principals and certain others holders of the economic interests in such RCP Controlled Fund GP from time to time party thereto, (v) RCP 2 or RCP 3, as applicable, as the investment manager for such Controlled Fund, (vi) Company and (vii) Collateral Agent, in in form and substance reasonably satisfactory to Administrative Agent.

“Non-U.S. Lender” as defined in Section 2.18(c).

“Note” means a Multi Draw Term Loan Note, a TrueBridge Acquisition Term Loan Note, an Enhanced Capital Acquisition Term Loan Note or a Revolving Loan Note.

“Notice” means a Funding Notice or a Conversion/Continuation Notice.

“Obligations” means all obligations (whether now existing or hereafter arising, absolute or contingent, joint , several, or independent) of every nature of each Credit Party from time to time owed to the Agents (including former Agents), the Lenders, Lender Counterparties or any of them under any Credit Document or Secured Hedge Agreement, whether for principal, interest (including interest that, but for the filing of a petition in bankruptcy with respect to such Credit Party, would have accrued on any Obligation, whether or not a claim is allowed against such Credit Party for such interest in the related bankruptcy proceeding), payments for early termination of Secured Hedge Agreements, fees, expenses, indemnification or otherwise, in each case excluding, with respect to any Guarantor, Excluded Swap Obligations with respect to such Guarantor.

“Obligee Guarantor” as defined in Section 7.7.

“OFAC” means the Office of Foreign Assets Control of the U.S. Department of the Treasury and any successor Governmental Authority.

“Organizational Documents” means (i) with respect to any corporation or company, its certificate, memorandum, or articles of incorporation or organization, and its by-laws, (ii) with respect to any limited partnership, its certificate or declaration of limited partnership and its partnership agreement, (iii) with respect to any general partnership, its partnership agreement, and (iv) with respect to any limited liability company, its articles of organization and its operating agreement. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such “Organizational Document” shall only be to a document of a type customarily certified by such governmental official.

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

"Other Taxes" means any and all present or future stamp or documentary Taxes or any other excise or property Taxes, charges or similar levies (and interest, fines, penalties and additions related thereto) arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document.

"Paid in Full" and **"Payment in Full"** mean, with respect to any or all of the Obligations or Guaranteed Obligations, as the context requires, that each of the following events has occurred, as applicable: (a) the indefeasible payment or repayment in full in immediately available funds of (i) the principal amount of all outstanding Loans, (ii) all accrued and unpaid interest, fees, premiums or other charges owing in respect of any Loan or Commitment or otherwise under any Credit Document, and (iii) all accrued and unpaid costs and expenses payable by any Credit Party to any Agent or Lender pursuant to any Credit Document, whether or not demand has been made therefor, including any and all indemnification and reimbursement claims that have been asserted by any such Person prior to such time, (b) the indefeasible payment or repayment in full in immediately available funds or all other outstanding Obligations or Guaranteed Obligations other than unasserted contingent indemnification and contingent reimbursement obligations, (c) the termination of all of the Commitments, and (d) the termination, expiration, Cash Collateralization, novation, unwinding, or rollover of all Secured Hedge Agreements to the satisfaction of the applicable Lender Counterparties in their respective sole discretion.

"**Parent**" means, prior to the Five Points Acquisition Closing, Company, and from and after the Five Points Acquisition Closing, Intermediate Holdings.

"Participant Register" as defined in Section 10.6(h)(i).

"PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, that is subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA.

"Permitted GP Co-Investments" means Investments made by Parent or any Guarantor Subsidiary for purposes of funding any Controlled Fund GP's or Guarantor Subsidiary's obligations to co-invest in any Controlled Fund pursuant to any Controlled Fund LP Agreement; provided, that (i) no Default or Event of Default is continuing at the time of such Investment or would occur as a result thereof, (ii) to the extent that the amount of such Investments, individually or in the aggregate, exceeds $7,500,000, any

Investments in excess of such aggregate amount are included in the Collateral pursuant to a Controlled Fund Co-Investment Equity Pledge Agreement and (iii) after giving effect to the entry into the capital commitment for such Investment, Parent and its Subsidiaries shall be in compliance on a pro forma basis with the financial covenants set forth in Section 6.8 as of the most recent period for which financial statements have been required to be delivered pursuant to Section 5.1(b) or (c).

"Permitted Liens" means each of the Liens permitted pursuant to Section 6.2.

"Permitted Management Fee Tail Purchases" as defined in Section 6.9(e).

"Person" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations (including any division or series of any of the foregoing), whether or not legal entities, and Governmental Authorities.

"Phase I Report" means, with respect to any Facility, a report that (i) conforms to the ASTM Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, E 1527, (ii) was conducted no more than six months prior to the date such report is required to be delivered hereunder, by one or more environmental consulting firms reasonably satisfactory to Administrative Agent, (iii) includes an assessment of asbestos-containing materials at such Facility, (iv) is accompanied by (a) an estimate of the reasonable worst-case cost of investigating and remediating any Hazardous Materials Activity identified in the Phase I Report as giving rise to an actual or potential material violation of any Environmental Law or as presenting a material risk of giving rise to a material Environmental Claim, and (b) a current compliance audit setting forth an assessment of Holdings', its Subsidiaries' and such Facility's current and past compliance with Environmental Laws and an estimate of the cost of rectifying any non-compliance with current Environmental Laws identified therein and the cost of compliance with reasonably anticipated future Environmental Laws identified therein.

"Platform" as defined in Section 5.1(t).

"Pledge and Security Agreement" means the Pledge and Security Agreement, dated as of January 3, 2018, among Company, each Guarantor and Collateral Agent.

"Prime Rate" means the rate of interest quoted in the print edition of *The Wall Street Journal*, Money Rates Section as the Prime Rate (currently defined as the base rate on corporate loans posted by at least 75% of the nation's thirty largest banks), as in effect from time to time, or, if such source or rate is unavailable, any replacement or successor source or rate as determined by Administrative Agent. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. Administrative Agent or any other Lender may make commercial loans or other loans at rates of interest at, above or below the Prime Rate.

"Principal Office" means, for Administrative Agent, such Person's "Principal Office" as set forth on Appendix B, or such other office or office of a third party or sub-agent, as appropriate, as such Person may from time to time designate in writing to Company, Administrative Agent and each Lender; provided, however, that for the purpose of making any payment on the Obligations or any other amount due hereunder or any other Credit Document, the Principal Office of Administrative Agent shall be 40 West 57th Street, New York, NY 10019 (or such other location or account as Administrative Agent may from time to time designate in writing to Company and each Lender).

"Private Lenders" means Lenders that wish to receive Private-Side Information.

"Private-Side Information" means any information with respect to Holdings and its Subsidiaries that is not Public-Side Information.

"Pro Rata Share" means (i) with respect to the Multi Draw Term Loans extended by any Lender under Section 2.1(a)(i), the percentage obtained by dividing (a) the Multi Draw Term Loan Exposure of that Lender, by (b) the aggregate Multi Draw Term Loan Exposure of all Lenders, (ii) with respect to the funding of any TrueBridge Acquisition Term Loan by any Lender under Section 2.1(a)(ii), the percentage obtained by dividing (a) the amount of the TrueBridge Acquisition Term Loan Exposure of that Lender, by (b) the aggregate amount of TrueBridge Acquisition Term Loan Exposure of all Lenders, (iii) with respect to the funding of any Enhanced Capital Acquisition Term Loan by any Lender under Section 2.1(a)(iii), the percentage obtained by dividing (a) the amount of the Enhanced Capital Acquisition Term Loan Exposure of that Lender, by (b) the aggregate amount of Enhanced Capital Acquisition Term Loan Exposure of all Lenders, (iv) with respect to all payments, computations and other matters not described in clauses (i) ~~and~~through (~~ii~~iii) above relating to the Term Loan of any Lender, the percentage obtained by dividing (a) the Term Loan Exposure of that Lender, by (b) the aggregate Term Loan Exposure of all Lenders; and (~~iv~~v) with respect to all payments, computations and other matters relating to the Revolving Commitment or Revolving Loans of any Lender, the percentage obtained by dividing (a) the Revolving Exposure of that Lender, by (b) the aggregate Revolving Exposure of all Lenders. For all other purposes with respect to each Lender, "Pro Rata Share" means the percentage obtained by dividing (A) an amount equal to the sum of the Term Loan Exposure and the Revolving Exposure of that Lender, by (B) an amount equal to the sum of the aggregate Term Loan Exposure and the aggregate Revolving Exposure of all Lenders.

"Projections" as defined in Section 4.8.

"Public Lenders" means Lenders that do not wish to receive Private-Side Information.

"Public-Side Information" means information that is either (x) of a type that would be made publicly available if Holdings or any of its Subsidiaries were issuing securities pursuant to a public offering or (y) not material non-public information (for purposes of U.S. federal, state or other applicable securities laws).

"Qualified Cash" means, as at any date of determination, the aggregate balance sheet amount of Cash that is unrestricted (or restricted in favor of Collateral Agent) and is or would be included on a consolidated balance sheet of Parent and its Subsidiaries as of such time in accordance with GAAP that (i) is free and clear of all Liens other than Liens in favor of Collateral Agent for the benefit of Secured Parties and non-consensual Permitted Liens, (ii) may be applied to payment of the Obligations without violating any law, contract, or other agreement, and (iii) is in Controlled Accounts.

"Qualified ECP Guarantor" means, in respect of any Swap Obligation, each Credit Party that has total assets exceeding $10,000,000 at the time such Swap Obligation is incurred.

"Qualified Management Agreement" means each Approved Controlled Fund Management Agreement and each Third Party Management Agreement.

"RCP 2" means RCP Advisors 2, LLC, a Delaware limited liability company.

"RCP 2 Acquisition Agreement" means the Contribution and Exchange Agreement, dated as of October 5, 2017, among Holdings and the RCP Sellers.

"RCP 2 Acquisition Closing" means the closing of Company's acquisition of 100% of the Capital Stock of RCP 2 on or about October 5, 2017 in accordance with the RCP 2 Acquisition Agreement and the RCP 2 Equity Contribution Agreement.

"RCP 2 Equity Contribution Agreement" means the Equity Contribution Agreement, dated as of October 5, 2017, among Holdings and Company pursuant to which Holdings contributed to Company 100% of the Capital Stock of RCP 2 and withdrew as a member of RCP 2.

"RCP 3" as defined in the recitals hereto.

"RCP 3 Acquisition Agreement" means the Membership Interest Purchase Agreement, dated as of October 5, 2017, among Holdings and the RCP Sellers.

"RCP 3 Acquisition Closing" means the closing of Company's acquisition of 100% of the Capital Stock of RCP 3 on the Initial Funding Date in accordance with the RCP 3 Acquisition Agreement and the RCP 3 Equity Contribution Agreement.

"RCP 3 Controlled Fund" means at any time of determination prior to the RCP 3 Acquisition Closing, any Person that is an investment fund controlled by RCP 3 or any of its Subsidiaries at such time, including any investment fund whose general partner is managed or otherwise controlled by RCP 3 or any of its Subsidiaries at such time.

"RCP 3 Controlled Fund GP" means, with respect to any RCP 3 Controlled Fund, such RCP 3 Controlled Fund's general partner.

"RCP 3 Controlled Fund GP Agreement" means, with respect to any RCP 3 Controlled Fund, the limited liability agreement or similar agreement of the RCP 3 Controlled Fund GP.

"RCP 3 Controlled Fund LP Agreement" means the limited partnership or similar agreement of any RCP 3 Controlled Fund.

"RCP 3 Controlled Fund Management Agreement" means any management agreement, advisory agreement, sub-advisory agreement, investment advisory agreement or similar agreement providing for management or advisory services to be provided by RCP 3 to any RCP 3 Controlled Fund.

"RCP 3 Equity Contribution Agreement" means the Equity Contribution Agreement, to be entered into as of the Initial Funding Date, among Holdings and Company pursuant to which Holdings shall contribute to Company 100% of the Capital Stock of RCP 3 and withdraw as a member of RCP 3.

"RCP Acquisition Agreements" means, collectively, the RCP 2 Acquisition Agreement and the RCP 3 Acquisition Agreement.

"RCP Acquisition Documents" means the RCP Acquisition Agreements, the RCP 2 Equity Contribution Agreement, the RCP 3 Equity Contribution Agreement and each other document delivered in connection with or pursuant to the RCP Acquisition Agreements, the RCP 2 Acquisition Closing, and the RCP 3 Acquisition Closing.

"RCP Controlled Fund" means any Controlled Fund for which RCP 2, RCP 3 or any other Controlled Fund Asset Manager that is a Subsidiary of Company acts as the investment or asset manager.

"RCP Controlled Fund GP" means any general partner of an RCP Controlled Fund.

"RCP Principals" means each or any of Thomas P. Danis, Jr., Jeff P. Gehl, Charles K. Huebner, William F. Souder, Jon I. Madorsky, Alex Abell, Nell Blatherwick, Michael Feinglass, David McCoy, and Andrew Nelson (together with their respective heirs, trusts, estates or any other Persons controlled by or for the benefit of any RCP Principal).

"RCP Sellers" means, collectively, Alex Abell, Nell Blatherwick, Thomas P. Danis, Jr., as the trustee of Thomas P. Danis, Jr. Revocable Living Trust dated March 10, 2003, as amended, Michael Feinglass, Jeff P. Gehl, as trustee of the Jeff P. Gehl Living Trust dated January 25, 2011, Charles K. Huebner, as trustee of the Charles K. Huebner Trust dated January 16, 2001, Jon I. Madorsky, as trustee of the Jon I. Madorsky Revocable Trust dated December 1, 2008, David McCoy, Andrew Nelson and William F. Souder.

"Real Estate Asset" means, at any time of determination, any interest (fee, leasehold or otherwise) then owned by any Credit Party in any real property.

"Register" as defined in Section 2.5(b).

"Regulation D" means Regulation D of the Board of Governors and all official rulings and interpretations thereunder or thereof.

"Regulation FD" means Regulation FD as promulgated by the U.S. Securities and Exchange Commission under the Securities Act and Exchange Act and all official rulings and interpretations thereunder or thereof.

"Regulation T" means Regulation T of the Board of Governors and all official rulings and interpretations thereunder or thereof.

"Regulation U" means Regulation U of the Board of Governors and all official rulings and interpretations thereunder or thereof.

"Regulation X" means Regulation X of the Board of Governors and all official rulings and interpretations thereunder or thereof.

"Related Agreements" means, collectively, the RCP Acquisition Documents and the Subordinated Seller Notes.

"Related Fund" means any Fund that is managed, advised, or administered by (a) a Lender, (b) an Affiliate of a Lender, or (c) an entity or affiliate of an entity that manages, administers, or advises a Lender.

"Related Matter" means (i) this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby (including the Lenders' agreement to make Credit Extensions, any syndication of the credit facilities provided for herein, or the use or intended use of the proceeds thereof), any amendments, waivers, or consents with respect to any provision of this Agreement or any of the other Credit Documents, or any enforcement of any of the Credit Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty) or any other act or omission or event occurring in connection therewith); (ii) the commitment letter, if any (and any related fee, engagement, or proposal letter), delivered by any Agent, or any Lender to Holdings, Company, any Equity Investor, or any their respective affiliates with respect to the transactions contemplated by this Agreement; or (iii) any Environmental Claim or any Hazardous Materials Activity relating to or arising from, directly or indirectly, any past or present activity, operation, land ownership, or practice of Holdings or any of its Subsidiaries

"Release" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

"Replacement Lender" as defined in Section 2.21.

"Required Prepayment Date" as defined in Section 2.13(c).

"Requisite Class Lenders" means, at any time of determination for any Class of Lenders, Loans, and/or Commitments, as applicable, Lenders of such Class holding more than 50% of the aggregate Voting Power Determinants of such Class of Loans and Commitments held by all Lenders; provided that (i) the amount of Voting Power Determinants of any Defaulting Lender shall be disregarded for purposes of this definition (including clause (ii) of this proviso), and (ii) to the extent the total number of Lenders (treating all Lenders that are Affiliates as a single Lender) of any Class is greater than one, solely for purposes of any requested consent, waiver, amendment, or other modification requiring the affirmative vote of "Requisite Class Lenders" (but, for the avoidance of doubt, not for the purpose of exercising or enforcing any rights and remedies available under any Credit Document or applicable law), "Requisite Class Lenders" shall also include at least two (treating all Lenders that are Affiliates as a single Lender) Lenders of such Class.

"Requisite Lenders" means one or more Lenders having or holding Term Loan Exposure and/or Revolving Exposure and representing more than 50% of the aggregate Voting Power Determinants of all Lenders; provided that (i) the amount of Voting Power Determinants of any Defaulting Lender shall be disregarded for purposes of this definition (including clause (ii) of this proviso), and (ii) to the extent the total number of Lenders (treating all Lenders that are Affiliates as a single Lender) is greater than one, solely for purposes of any requested consent, waiver, amendment, or other modification requiring the affirmative vote of "Requisite Lenders" (but, for the avoidance of doubt, not for the purpose of exercising or enforcing any rights and remedies available under any Credit Document or applicable law), "Requisite Lenders" shall also include at least two (treating all Lenders that are Affiliates as a single Lender) Lenders.

"Restricted Junior Payment" means (i) any dividend, other distribution, or payment of liquidation preference, direct or indirect, on account of any shares of any class of Capital Stock of Parent or any of its Subsidiaries now or hereafter outstanding, except a dividend or distribution payable solely in the relevant class of Capital Stock (other than any Disqualified Capital Stock) to the holders of that class; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of Capital Stock of Parent or any of its Subsidiaries (or any direct or indirect parent thereof) now or hereafter outstanding; (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Capital Stock of Parent or any of its Subsidiaries (or any direct or indirect parent thereof) now or hereafter outstanding; (iv) management or similar fees payable by Parent or any of its Subsidiaries to any Equity Investor or any of its Affiliates (other than Parent or any of its Subsidiaries); and (v) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in-substance or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Indebtedness or any Earn Out Indebtedness or Seller Financing Indebtedness.

"**Retained Employees**" means the Five Points Principals and the other employees identified on Schedule 8.7 to the Five Points Acquisition Agreement.

"Revolving Commitment" means the commitment of a Lender to make or otherwise fund any Revolving Loan, and **"Revolving Commitments"** means such commitments of all Lenders in the aggregate. The amount of each Lender's Revolving Commitment, if any, is set forth on Appendix A-2 or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Revolving Commitments as of the Closing Date is $5,000,000.

"Revolving Commitment Period" means the period from the Closing Date to but excluding the Revolving Commitment Termination Date.

"Revolving Commitment Termination Date" means the earliest to occur of (i) the first anniversary of the Closing Date; (ii) the date the Revolving Commitments are permanently reduced to zero pursuant to Section 2.11(b) or 2.13; (iii) the date of the termination of the Revolving Commitments pursuant to Section 8.1; and (iv) the Multi Draw Commitment Termination Date.

"Revolving Exposure" means, with respect to any Lender as of any time of determination, (i) prior to the termination of the Revolving Commitments, that Lender's Revolving Commitment; and (ii) after the termination of the Revolving Commitments, the aggregate outstanding principal amount of the Revolving Loans of that Lender.

"Revolving Lender" means a Lender having a Revolving Commitment.

"Revolving Loan" means a Loan made by a Lender to Company pursuant to Section 2.2(a).

"Revolving Loan Note" means a promissory note in the form of Exhibit B-2.

"S&P" means S&P Global Ratings.

"Sanctioned Country" means, at any time, a country, territory or region that is, or whose government is, the subject or target of any Sanctions, including, as of the Closing Date, the Crimea region of Ukraine, Cuba, Iran, North Korea, Sudan, and Syria.

"Sanctioned Person" means, at any time, any Person with whom dealings are restricted or prohibited under Sanctions, including (i) any Person listed in any Sanctions-related list of designated Persons maintained by the U.S. (including by OFAC, the U.S. Department of the Treasury, or the U.S. Department of State), or by the United Nations Security Council, the European Union or any EU member state, Her Majesty's Treasury of the United Kingdom or any other relevant sanctions authority, (ii) any Person located, operating, organized or resident in a Sanctioned Country or (iii) any Person owned or controlled, directly or indirectly, by any such Person described in clause (i) or (ii) of this definition.

"Sanctions" means sanctions or trade embargoes enacted, imposed, administered or enforced from time to time by (i) the U.S. government, including those administered by OFAC, U.S. Department of State, or U.S. Department of Commerce, (ii) the United Nations Security Council, the European Union or any of its member states, Her Majesty's Treasury of the United Kingdom, or (iii) any other relevant sanctions authority.

"Secured Hedge Agreement" means, at any time of determination, any and all Hedge Agreements between any of the Credit Parties and any Lender Counterparty consisting of Interest Rate Agreements, in each case that the relevant Credit Parties or Lender Counterparties have provided Administrative Agent and Collateral Agent written notice and copies of.

"Secured Parties" as defined in the Pledge and Security Agreement.

"Securities" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing, including any Capital Stock and any Hedge Agreements or other derivatives.

"Securities Account" means any "securities account" as defined in Article 8 of the UCC and any "commodity account" as defined in Article 9 of the UCC.

"Securities Account Control Agreement" means, with respect to a Securities Account, an agreement in form and substance reasonably satisfactory to Collateral Agent that (i) is entered into among Collateral Agent, the Securities Intermediary at which the applicable Securities Account is maintained, and the Credit Party having rights in or to the underlying financial assets credited to or maintained in such Securities Account, and (ii) is effective for Collateral Agent to obtain "control" (within the meaning of Articles 8 and 9 of the UCC) of such Securities Account.

"Securities Act" means the Securities Act of 1933.

"Securities Intermediary" means any "securities intermediary" or "commodity intermediary" as such terms are defined in the UCC.

"Seller Financing Indebtedness" means any obligation or liability consisting of fixed deferred purchase price, installment payments, or promissory notes that, in each case, is issued or otherwise incurred as consideration for any acquisition of any property.

"Seller Note Subordination Agreement" means the Seller Note Subordination Agreement to be executed by certain of the RCP Sellers, Administrative Agent, and Collateral Agent on the Initial Funding Date in form and substance reasonably satisfactory to Administrative Agent and Collateral Agent.

"Solvent" means, with respect to any Credit Party, that as of the date of determination, both (i) (a) the sum of such Credit Party's debt (including contingent liabilities) does not exceed the present fair saleable value of such Credit Party's present assets; (b) such Credit Party's capital is not unreasonably small in relation to its business as contemplated on relevant certification or representation date and reflected in the Projections or with respect to any transaction contemplated or to be undertaken after the relevant certification or representation date; and (c) such Person has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (ii) such Person is "solvent" within the meaning given that term and similar terms under the Bankruptcy Code and other applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under FASB Accounting Standards Codification Topic 450-20). **"Solvency"** shall have a corresponding meaning.

"Specified Representations" means the representations and warranties of each of the applicable Credit Parties (including ~~TrueBridge, in its capacity as a Guarantor~~the ECG Guarantors upon giving effect to the Counterpart Agreement executed by ~~TrueBridge~~the ECG Guarantors on the ~~TrueBridge~~Enhanced Capital Acquisition Closing Date) set forth in Sections 4.1(a), 4.1(b), 4.3, 4.4(a), 4.4(b), 4.4(c), 4.6, 4.17(a), 4.18, 4.22 and 4.26 (in the case of the representations and warranties of each of the applicable Credit Parties set forth in Sections 4.1(b), 4.3 and 4.6, solely with respect such Credit Party's execution, delivery and performance of the ~~Fourth~~Fifth Amendment and the other Credit Documents to be executed by such Credit Party on or about the ~~Fourth~~Fifth Amendment Effective Date or the ~~TrueBridge~~Enhanced Capital Acquisition Closing Date) and in the first two sentences of Section 3(b) of the Pledge and Security Agreement.

"Subject Transaction" as defined in Section 6.8(d).

"Subordinated Indebtedness" means all Indebtedness in respect of the Subordinated Seller Notes and any other Indebtedness that is contractually subordinated in payment or lien ranking to the Obligations.

"Subordinated Seller Notes" means, collectively, the secured promissory notes of Holdings issued in favor of certain of the RCP Sellers pursuant to the RCP Acquisition Agreements.

"Subordination Agreement" means, with respect to any Subordinated Indebtedness, the corresponding subordination or intercreditor agreement, if any, among Administrative Agent and/or Collateral Agent, on the one hand, and the creditor or creditors (or their respective agents) in respect of such Subordinated Indebtedness, on the other hand.

"Subscription Lines of Credit" means any credit facility whereby the applicable lender agrees to make revolving loans or other revolving advances to one or more Controlled Funds, which loans or advances are used by such Controlled Funds for the funding of investments pending receipt of capital contributions and other purposes in the ordinary course of business; provided, however, that such credit facility does not prohibit or restrict the payment of Management Fees unless, and only so long as, a payment or bankruptcy default or an event of default has occurred and is continuing under such credit facility.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election or appointment of the Person or Persons (whether Directors, managers, trustees, general partners or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, (i) in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding, and (ii) notwithstanding the foregoing, for all purposes this Agreement and each other Credit Document, in each case unless expressly stated otherwise in such provision, (x) any of Parent's subsidiaries that is a Controlled Fund GP or a Controlled Fund (and a subsidiary of any Controlled Fund GP or Controlled Fund) shall be deemed not to be a Subsidiary of Parent or any other Credit Party, ~~and~~ (y) any Excluded Holdings Subsidiary shall be deemed not to be a Subsidiary of Holdings or any other Credit Party, and (z) any ECP Entity shall be deemed not to be a Subsidiary of Holdings or any other Credit Party.

"SVB Letter of Credit" means that certain standby letter of credit, dated as of December 6, 2017, issued by Silicon Valley Bank to Institutional Capital LLC, c/o New York Life Investment Management LLC, as beneficiary, for the account of RCP 3 in a face amount of $755,760 and any extension, renewal or replacement thereof in a face amount not exceeding $755,760.

"SVB Cash Collateral Account" means a segregated deposit account or segregated securities account maintained by Company or one of its Affiliates at Silicon Valley Bank and which cash collateralizes the SVB Letter of Credit.

"Swap Obligation" as defined in "Excluded Swap Obligation".

"Synthetic Lease" means, as applied to any Person, (a) any lease (including leases that may be terminated by the lessee at any time) of any property by that Person as lessee (i) that is accounted for as an operating lease under GAAP and (ii) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, and (b) any (i) synthetic, off-balance sheet or tax retention lease, or (ii) agreement for the use or possession of property, in each case under this clause (b), creating obligations that do not appear on the balance sheet of such Person but that, upon the application of any Debtor Relief Laws to such Person, would be characterized as indebtedness of such Person (without regard to accounting treatment).

"Tax" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding (together with interest, penalties and other additions thereto) of any nature and whatever called, imposed, levied, collected, withheld or assessed by any Governmental Authority.

"Term Loan" means a Multi Draw Term Loan ~~or~~, a TrueBridge Acquisition Term Loan or an Enhanced Capital Acquisition Term Loan, and "**Term Loans**" means, collectively, the Multi Draw Term Loans ~~and~~, the TrueBridge Acquisition Term Loans and the Enhanced Capital Acquisition Term Loans.

"Term Loan Commitment" means a Multi Draw Term Loan Commitment ~~or~~, a TrueBridge Acquisition Term Loan Commitment or an Enhanced Capital Acquisition Term Loan Commitment, and "**Term Loan Commitments**" means, collectively, the Multi Draw Term Loan Commitments ~~and~~, the TrueBridge Acquisition Term Loan Commitments and the Enhanced Capital Acquisition Term Loan Commitments.

"Term Loan Exposure" means, with respect to any Lender, as of any time of determination, the sum of (x) the outstanding principal amount of the Term Loans of such Lender, plus (y) the amount of such Lender's unused Term Loan Commitments.

"Term Loan Maturity Date" means the earlier of (i) the fifth anniversary of the Closing Date, and (ii) the date that all Term Loans shall become due and payable in full hereunder, whether by acceleration or otherwise.

"Terminated Lender" as defined in Section 2.21.

"Third Party Management Agreement" means any management agreement, advisory agreement, sub-advisory agreement, investment advisory agreement, consulting agreement, research services agreement or similar agreement providing for management, advisory, consulting or research services to be provided by any Credit Party to any investment fund or other investment vehicle or other third-party client that is not a Controlled Fund.

"Title Policy" as defined in the definition of Mortgaged Real Estate Documents.

"Total Utilization of Revolving Commitments" means, as at any time of determination, the aggregate principal amount of all outstanding Revolving Loans.

"Transaction Costs" means the fees, costs and expenses payable by Holdings, Company or any of Company's Subsidiaries to the extent paid or payable to non-Affiliates on or before the Initial Funding Date in connection with the transactions contemplated by the Credit Documents and the Related Agreements.

"Trident ECG" means Trident ECG Holdings, Inc., a Delaware corporation.

"Trident ECP" means Trident ECP Holdings, Inc., a Delaware corporation.

"TrueBridge" means TrueBridge Capital Partners LLC, a Delaware limited liability company.

"TrueBridge Acquisition" means the acquisition by Intermediate Holdings of 100% of the Capital Stock of TrueBridge in accordance with the TrueBridge Acquisition Documents.

"TrueBridge Acquisition Agreement" means the Sale and Purchase Agreement, dated as of August 24, 2020, among TrueBridge, the sellers party thereto, Intermediate Holdings and Holdings (solely for purposes of Section 11.11 thereof).

"TrueBridge Acquisition Closing" means the closing of the TrueBridge Acquisition.

"TrueBridge Acquisition Closing Date" means the date of the TrueBridge Acquisition Closing.

"TrueBridge Acquisition Closing Date Certificate" means a certificate dated as of the TrueBridge Acquisition Closing Date and substantially in the form of Exhibit J.

"TrueBridge Acquisition Documents" means, collectively, the TrueBridge Acquisition Agreement and each other document delivered in connection therewith.

"TrueBridge Acquisition Signing Date" means August 24, 2020.

"TrueBridge Acquisition Solvency Certificate" means a certificate of the Chief Financial Officer of Holdings substantially in the form of Exhibit F-5.

"TrueBridge Acquisition Term Loan" is defined in Section 2.1(a)(ii).

"TrueBridge Acquisition Term Loan Commitment" means the commitment of a Lender to make or otherwise fund a TrueBridge Acquisition Term Loan, and **"TrueBridge Acquisition Term Loan Commitments"** means such commitments of all Lenders in the aggregate. The amount of each Lender's TrueBridge Acquisition Term Loan Commitment, if any, is set forth on Appendix A-1 or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the TrueBridge Acquisition Term Loan Commitments as of the Fourth Amendment Effective Date is $91,350,000.

"TrueBridge Acquisition Term Loan Exposure" means, with respect to any Lender, as of any time of determination, the sum of (x) the outstanding principal amount of the TrueBridge Acquisition Term Loans of such Lender, plus (y) the amount of such Lender's unused TrueBridge Acquisition Term Loan Commitments.

"TrueBridge Acquisition Term Loan Note" means a promissory note in the form of Exhibit B-3.

"TrueBridge Controlled Fund" means, at any time of determination, a Controlled Fund of TrueBridge or any of its Subsidiaries at such time.

"TrueBridge GP" means, with respect to any TrueBridge Controlled Fund, such Controlled Fund's general partner.

"TrueBridge Outside Date" means the "Outside Date", as such term is defined in, and as such date may be extended in accordance with, the TrueBridge Acquisition Agreement as in effect on the TrueBridge Acquisition Signing Date.

"TrueBridge Principals" means Edwin Poston and Mel Williams (together with their respective heirs, trusts, estates or any other Persons controlled by or for the benefit of any TrueBridge Principal).

"Type of Loan" means with respect to either Term Loans or Revolving Loans, a Base Rate Loan or a LIBO Rate Loan.

"UCC" means the Uniform Commercial Code (or any similar or equivalent statute or law) as in effect in any applicable jurisdiction.

"U.S." means the United States of America.

"U.S. Lender" as defined in Section 2.18(c).

"U.S. Tax Compliance Certificate" means a certificate substantially in the form of one of Exhibits E-1, E-2, E-3 or E-4, as applicable.

"Voting Power Determinants" means, collectively, Term Loan Exposure and/or Revolving Exposure.

"Waivable Mandatory Prepayment" as defined in Section 2.13(c).

"WARN"as defined in Section 4.19.

"Weighted Average Yield" means, with respect to any Loan on any date of determination, the weighted average yield to maturity, in each case, based on the interest rate applicable to such Loan on such date and giving effect to all upfront or similar fees or original issue discount payable with respect to such Loan.

"Wholly-Owned" means, in reference to any Subsidiary of a specified Person, that 100% of the Capital Stock of such Subsidiary (other than (x) Directors' qualifying shares and (y) shares issued to foreign nationals to the extent required by applicable Law) is owned, directly or indirectly, by such Person and/or one or more of such specified Person's other Subsidiaries that also qualify as Wholly-Owned Subsidiaries under this definition.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 Accounting Terms, Financials Statements, Calculations, Etc. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other information required to be delivered by Holdings to Lenders pursuant to Section 5.1(a), 5.1(b) and 5.1(c) shall be prepared in accordance with GAAP as in effect at the time of such preparation; provided that, if Company notifies Administrative Agent that Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application of such change in GAAP on the operation of such provision (or if Administrative Agent notifies Company that the Requisite Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith (it being agreed that the Requisite Lenders shall be under no obligation to amend such provision). Subject to the foregoing, calculations in connection with the definitions, covenants and other provisions hereof shall utilize accounting principles and policies in conformity with those used to prepare the Historical Financial Statements. For purposes of determining pro forma compliance with any financial covenant as of any date prior to the initial periodic date on which such financial covenant is to be tested hereunder, the level of any such financial covenant shall be deemed to be the covenant level for such initial test date. Notwithstanding anything to the contrary in this Agreement, (i) for purposes of "annualizing" any calculation of Consolidated Adjusted EBITDA under this Agreement, no add-backs that are in the nature of "one-time" or "non-recurring" items or that are otherwise made in respect of transactions, events, or circumstances that are not expected to recur in future periods may be "annualized" unless approved by Administrative Agent in its reasonable discretion and (ii) for purposes of determining compliance with any basket, incremental feature, test, or condition under any provision of this Agreement or any other Credit Document, no Credit Party may retroactively divide, classify, re-classify or otherwise deem or treat a historical transaction as having occurred in reliance on a basket or exception that was not available at the time of such historical transaction or if and to the extent that such basket or exception was relied upon for any later transaction. When used herein, the term "financial statements" shall be construed to include all notes and schedules thereto. Whenever the terms "Company" or "Parent" are used in respect of a financial covenant or a related definition, such term shall be construed to mean "Parent and its Subsidiaries on a consolidated basis" unless the context clearly requires otherwise. Except as otherwise provided therein, this Section 1.2 shall apply equally to each other Credit Document as if fully set forth therein, *mutatis mutandis*.

1.3 Interpretation, Etc. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. Any requirement for a referenced agreement, instrument, certificate or other document to be in "substantially" the form of an Appendix, Schedule, or Exhibit hereto means that such referenced document shall be in the form of such Appendix, Schedule, or Exhibit with such modifications to such form as are approved by Administrative Agent, and, in the case of any Collateral Document, Collateral Agent, in each case in such Agent's sole discretion. The words "hereof", "hereunder", "hereby", and words of similar import used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The use herein of the words "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The use herein of the words "continuing", "continuance", "existing", or any words of similar import or derivatives of any such words in reference to any Event of Default means that such Event of Default has not been expressly waived. The word "will" shall be construed as having the same meaning and effect as the word "shall". The words "assets" and "property" shall be construed as having the same meaning and effect and to refer to any and all tangible and intangible assets and properties of any relevant Person or Persons. The terms lease and license shall be construed to include sub-lease and sub-license. Whenever the context may require, any pronoun shall be construed to include the corresponding masculine, feminine, and neuter forms. References to Persons include their respective permitted successors and assigns. Except as otherwise expressly provided herein, references to statutes, legislative acts, laws, regulations, and rules shall be deemed to refer to such statutes, acts, laws, regulations, and rules as in effect from time to time, including any amendments of the same and any successor statutes, acts, laws, regulations, and rules, unless any such reference is expressly limited to refer to any statute, act, law, regulation, or rule "as in effect on" a specified date. Except as otherwise expressly provided herein, any reference in or to this Agreement, any other Credit Document, or any other agreement, instrument, or other document shall be construed to refer to the referenced agreement, instrument, or document as assigned, amended, restated, supplemented, or otherwise modified from time to time, in each case in accordance with the express terms of this Agreement and any other relevant Credit Document unless such reference is expressly limited to refer to such agreement, instrument, or other document "as in effect on" a specified date. Except as otherwise provided therein, this Section 1.3 shall apply equally to each other Credit Document as if fully set forth therein, *mutatis mutandis*.

1.4 Divisions. For all purposes under the Credit Documents, in connection with any division, plan of division or establishment of any series under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Capital Stock at such time and (c) each division and series of any Person shall be treated as a separate Person hereunder.

SECTION 2 LOANS

2.1 Term Loans.

(a) Loan Commitments.

(i) Multi Draw Term Loan Commitments. Subject to the terms and conditions hereof, including Sections 3.2(a) and 3.2(b), each Lender severally agrees to make at any time on and after the Initial Funding Date and prior to the Multi Draw Commitment Termination Date one or more term loans (each, a **"Multi Draw Term Loan"**) to Company in an aggregate amount not to exceed such Lender's Multi Draw Term Loan Commitment immediately prior to giving effect to any such Multi Draw Term Loan. Company may make one or more borrowings of the Multi Draw Term Loan Commitment, which borrowings may only occur during the Multi Draw Commitment Period. Any amount borrowed under this Section 2.1(a)(i) and subsequently repaid or prepaid may not be reborrowed. Subject to Sections 2.10(a) and 2.12, all amounts owed hereunder with respect to the Multi Draw Term Loans shall be paid in full no later than the Term Loan Maturity Date. Each Lender's Multi Draw Term Loan Commitment shall automatically and permanently be reduced by the amount of each Multi Draw Term Loan made hereunder. The Multi Draw Commitment Termination Date occurred, and the unfunded amount of all Multi Draw Term Loan Commitments terminated, on June 12, 2019, and the aggregate original principal amount of Multi Draw Term Loans made prior to the Multi Draw Commitment Termination Date was $114,750,000, of which $104,389,104 is outstanding as of the ~~Fourth~~Fifth Amendment Effective Date.

(ii) TrueBridge Acquisition Term Loan Commitments. Subject to the terms and conditions hereof, including Section 3.2(c), each Lender severally agrees to make on the TrueBridge Acquisition Closing Date a single term loan (each, a

"TrueBridge Acquisition Term Loan") to Company in an aggregate amount not to exceed such Lender's TrueBridge Acquisition Term Loan Commitment immediately prior to giving effect to such TrueBridge Acquisition Term Loan. Any amount borrowed under this Section 2.1(a)(ii) and subsequently repaid or prepaid may not be reborrowed. Subject to Sections 2.10(a) and 2.12, all amounts owed hereunder with respect to the TrueBridge Acquisition Term Loans shall be paid in full no later than the Term Loan Maturity Date. Each Lender's TrueBridge Acquisition Term Loan Commitment shall automatically and permanently be reduced to zero upon such Lender making its TrueBridge Acquisition Term Loan on the TrueBridge Acquisition Closing Date.

(iii) Enhanced Capital Acquisition Term Loan Commitments. Subject to the terms and conditions hereof, including Section 3.2(d), each Lender severally agrees to make on the Enhanced Capital Acquisition Closing Date a single term loan (each, an "**Enhanced Capital Acquisition Term Loan**") to Company in an aggregate amount not to exceed such Lender's Enhanced Capital Acquisition Term Loan Commitment immediately prior to giving effect to such Enhanced Capital Acquisition Term Loan. Any amount borrowed under this Section 2.1(a)(iii) and subsequently repaid or prepaid may not be reborrowed. Subject to Sections 2.10(a) and 2.12, all amounts owed hereunder with respect to the Enhanced Capital Acquisition Term Loans shall be paid in full no later than the Term Loan Maturity Date. Each Lender's Enhanced Capital Acquisition Term Loan Commitment shall automatically and permanently be reduced to zero upon such Lender making its Enhanced Capital Acquisition Term Loan on the Enhanced Capital Acquisition Closing Date.

(b) Borrowing Mechanics for Term Loans.

(i) Whenever Company desires that Lenders make Term Loans, Company shall deliver to Administrative Agent a fully executed and delivered Funding Notice no later than 12:00 p.m. (New York City time) at least five Business Days in advance of the proposed Credit Date in the case of a LIBO Rate Loan, and at least one Business Day in advance of the proposed Credit Date in the case of a Term Loan that is a Base Rate Loan. Except as otherwise provided herein, a Funding Notice for a Term Loan that is a LIBO Rate Loan shall be irrevocable on and after the related Interest Rate Determination Date, and Company shall be bound to make a borrowing in accordance therewith; provided, however, that (x) the Funding Notice for the TrueBridge Acquisition Term Loan may be conditioned on the occurrence of the TrueBridge Acquisition Closing occurring on the TrueBridge Acquisition Closing Date and (y) the Funding Notice for the Enhanced Capital Acquisition Term Loan may be conditioned on the occurrence of the ~~TrueBridge~~Enhanced Capital Acquisition Closing occurring on the ~~TrueBridge~~Enhanced Capital Acquisition Closing Date. Promptly upon receipt by Administrative Agent of any such Funding Notice, Administrative Agent shall notify each Lender of the proposed borrowing.

(ii) Each Lender shall make its Term Loan available to Administrative Agent not later than 12:00 p.m. (New York City time) on the applicable Credit Date, by wire transfer of same day funds in Dollars, at Administrative Agent's Principal Office.

Upon satisfaction or waiver of the conditions precedent specified herein and receipt of all requested Loan funds, Administrative Agent shall make the proceeds of the relevant Term Loans available to Company on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Loans received by Administrative Agent from Lenders to be credited to the account of Company at the Principal Office designated by Administrative Agent or to such other account as may be designated in writing to Administrative Agent by Company.

(c) Drawings under the Term Loan Commitments (i) shall be made in an aggregate minimum amount of $5,000,000 and integral multiples of $250,000 in excess of that amount (or, in the case of the TrueBridge Acquisition Term Loan Commitments or the Enhanced Capital Acquisition Term Loan Commitments, respectively, the full amount of the TrueBridge Acquisition Term Loan Commitments or the Enhanced Capital Acquisition Term Loan Commitments), and (ii) may not be requested more than once per Fiscal Quarter.

2.2 Revolving Loans.

(a) Revolving Commitments. Subject to the terms and conditions hereof, including Section 3.2, each Lender severally agrees to make Revolving Loans to Company at any time on and after the Initial Funding Date and prior to the Revolving Commitment Termination Date in an aggregate amount up to but not exceeding such Lender's Revolving Commitment; provided, that after giving effect to the making of any Revolving Loans in no event shall the Total Utilization of Revolving Commitments exceed the Revolving Commitments then in effect. Amounts borrowed pursuant to this Section 2.2(a) may, on and after the Initial Funding Date, be repaid and reborrowed during the remainder of the Revolving Commitment Period. Each Lender's Revolving Commitment shall expire on the Revolving Commitment Termination Date and all Revolving Loans and all other amounts owed hereunder with respect to the Revolving Loans and the Revolving Commitments shall be paid in full no later than such date.

(b) Borrowing Mechanics for Revolving Loans.

(i) Revolving Loans shall be made in an aggregate minimum amount of $1,000,000 and integral multiples of $100,000 in excess of that amount.

(ii) Subject to Section 3.2(b), whenever Company desires that Lenders make Revolving Loans, Company shall deliver to Administrative Agent a fully executed and delivered Funding Notice no later than 12:00 p.m. (New York City time) at least five Business Days in advance of the proposed Credit Date. Except as otherwise provided herein, a Funding Notice for a Revolving Loan that is a LIBO Rate Loan shall be irrevocable on and after the related Interest Rate Determination Date, and Company shall be bound to make a borrowing in accordance therewith.

(iii) Notice of receipt of each Funding Notice in respect of Revolving Loans, together with the amount of each Lender's Pro Rata Share thereof, if any, together with the applicable interest rate, will be provided by Administrative Agent to each applicable Lender with reasonable promptness.

(iv) Each Lender shall make the amount of its Revolving Loan available to Administrative Agent not later than 12:00 p.m. (New York City time) on the applicable Credit Date by wire transfer of same day funds in Dollars, at Administrative Agent's Principal Office. Except as provided herein, upon satisfaction or waiver of the conditions precedent specified herein and receipt of all requested Loan funds, Administrative Agent shall make the proceeds of such Revolving Loans available to Company on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Revolving Loans received by Administrative Agent from Lenders to be credited to the account of Company at Administrative Agent's Principal Office or such other account as may be designated in writing to Administrative Agent by Company.

2.3 Pro Rata Shares; Availability of Funds.

(a) Pro Rata Shares. All Loans shall be made, and all participations purchased, by Lenders simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby nor shall any Term Loan Commitment or any Revolving Commitment of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby.

(b) Availability of Funds. Unless Administrative Agent shall have been notified by any Lender prior to the applicable Credit Date that such Lender does not intend to make available to Administrative Agent the amount of such Lender's Loan requested on such Credit Date, Administrative Agent may assume that such Lender has made such amount available to Administrative Agent on such Credit Date and Administrative Agent may, in its sole discretion, but shall not be obligated to, make available to Company a corresponding amount on such Credit Date. If such corresponding amount is not in fact made available to Administrative Agent by such Lender, Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest thereon, for each day from such Credit Date until the date such amount is paid to Administrative Agent, at the customary rate set by Administrative Agent for the correction of errors among banks for three Business Days and thereafter at the Base Rate. In the event that (i) Administrative Agent declines to make a requested amount available to Company until such time as all applicable Lenders have made payment to Administrative Agent, (ii) a Lender fails to fund to Administrative Agent all or any portion of the Loans required to be funded by such Lender hereunder prior to the time specified in this Agreement, and (iii) such Lender's failure results in Administrative Agent failing to make a corresponding amount available to Company on the Credit Date, at Administrative Agent's option, such Lender shall not receive interest hereunder with respect to the requested amount of such Lender's Loans for the period commencing with the time specified in this Agreement for receipt of payment by Company through and including the time of Company's receipt of the requested amount. If such Lender does not pay such corresponding amount forthwith upon Administrative Agent's demand therefor, Administrative Agent shall promptly notify Company and Company shall immediately pay such corresponding amount to Administrative Agent together with interest thereon, for each day from such Credit Date until the date such amount is paid to Administrative Agent, at the rate payable hereunder for Base Rate Loans for such Class of Loans. Nothing in this Section 2.3(b) shall be deemed to relieve any Lender from its obligation to fulfill its Multi Draw Commitments and Revolving Commitments hereunder or to prejudice any rights that Company may have against any Lender as a result of any default by such Lender hereunder.

2.4 Use of Proceeds. The proceeds of Multi Draw Term Loans and the Revolving Loans, if any, made on the Initial Funding Date shall be applied by Company to fund the repayment in full of the Existing Indebtedness, payments required in connection with RCP 3 Acquisition Closing (including by making Restricted Junior Payments to Holdings to permit Holdings to make such payments), payments in respect of the Subordinated Seller Notes (including by making Restricted Junior Payments to Holdings to permit Holdings to make such payments) and payment of fees and expenses related to the transactions contemplated by this Agreement and the Related Agreements. The proceeds of the Revolving Loans made after the Initial Funding Date may be used by Company for working capital and general corporate purposes of Company and its Subsidiaries permitted pursuant to this Agreement, except that such proceeds shall not be used for purposes of any Permitted Management Fee Tail Purchases, any Permitted GP Co-Investments, or any transaction expressly required to be funded with Internally Generated Cash under the terms of this Agreement. The proceeds of the Multi Draw Term Loans made after the Initial Funding Date shall be applied by Company for working capital and general corporate purposes of Company and its Subsidiaries permitted pursuant to this Agreement, including Permitted Management Fee Tail Purchases in accordance with Section 6.9(c), Permitted GP Co-Investments in accordance with Section 6.7(h), other Investments permitted under this Agreement, and permitted payments of the Subordinated Seller Notes in accordance with this Agreement and the Seller Note Subordination Agreement, but excluding any transaction expressly required to be funded with Internally Generated Cash under the terms of this Agreement. Notwithstanding anything to the contrary in this Agreement, no Credit Extension or proceeds thereof may be used in any manner that conflicts with Section 4.18(b) or Section 4.26(a). The proceeds of the TrueBridge Acquisition Term Loans made on the TrueBridge Acquisition Closing Date shall be used by Company to make a distribution to Intermediate Holdings, which shall use the proceeds of such distribution to (i) pay a portion of the cash consideration payable by Intermediate Holdings in order to consummate the TrueBridge Acquisition; and (ii) pay or cause to be paid fees and expenses relating to the Fourth Amendment and the TrueBridge Acquisition. The proceeds of the Enhanced Capital Acquisition Term Loans made on the Enhanced Capital Acquisition Closing Date shall be used by Company to make a distribution to Intermediate Holdings, which shall use the proceeds of such distribution to (i) repay all of the existing indebtedness of, and terminate all existing commitments available to ECG under that certain Loan and Security Agreement, dated as of June 28, 2019, among ECG, the lenders party thereto and Solar Capital, Ltd., as agent, (ii) pay a portion of the cash consideration payable by Intermediate Holdings in order to consummate the Enhanced Capital Acquisition; and (iii) pay or cause to be paid fees and expenses relating to the Fifth Amendment and the Enhanced Capital Acquisition.

2.5 Evidence of Debt; Register; Lenders' Books and Records; Notes.

(a) Lenders' Evidence of Debt. Each Lender shall maintain on its internal records an account or accounts evidencing the Obligations of Company to such Lender, including the amounts of the Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on Company, absent manifest error; provided, that the failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Revolving Commitments or Company's Obligations in respect of any applicable Loans; and provided further, in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern.

(b) Register. Administrative Agent (or its agent or sub-agent appointed by it) shall maintain at one of its offices a register for the recordation of the names and addresses of Lenders and the Revolving Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the **"Register"**). The Register shall be available for inspection by Company or any Lender (with respect to (i) any entry relating to such Lender's Loans, and (ii) the identity of the other Lenders (but not any information with respect to such other Lenders' Loans)) at any reasonable time and from time to time upon reasonable prior written notice. Administrative Agent shall record, or shall cause to be recorded, in the Register the Revolving Commitments and the Loans in accordance with the provisions of Section 10.6, and each repayment or prepayment in respect of the principal amount of the Loans, and any such recordation shall be conclusive and binding on Company and each Lender, absent manifest error; provided, failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Revolving Commitments or Company's Obligations in respect of any Loan. Company hereby designates Administrative Agent to serve as Company's non-fiduciary agent solely for purposes of maintaining the Register as provided in this Section 2.5, and Company hereby agrees that, to the extent Administrative Agent serves in such capacity, Administrative Agent and its officers, Directors, employees, agents, sub-agents, and affiliates shall constitute "Indemnitees."

(c) Notes. If so requested by any Lender by written notice to Company (with a copy to Administrative Agent) at least two Business Days prior to the Closing Date, or at any time thereafter, Company shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 10.6) on the Closing Date (or, if such notice is delivered after the Closing Date, promptly after Company's receipt of such notice) a Note or Notes to evidence such Lender's Term Loans or Revolving Loans, as the case may be.

2.6 Interest on Loans.

(a) Except as otherwise set forth herein, each Class of Loans shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof as follows:

(i) if a Base Rate Loan, at the Base Rate plus the Applicable Margin; or

(ii) if a LIBO Rate Loan, at the Adjusted LIBO Rate plus the Applicable Margin;

(b) The basis for determining the rate of interest with respect to any Loan, and the Interest Period with respect to any LIBO Rate Loan, shall be selected by Company and notified to Administrative Agent and Lenders pursuant to the applicable Funding Notice or Conversion/Continuation Notice, as the case may be.

(c) In connection with LIBO Rate Loans there shall be no more than five Interest Periods outstanding at any time. In the event Company fails to specify between a Base Rate Loan or a LIBO Rate Loan in the applicable Funding Notice or Conversion/Continuation Notice, such Loan (if outstanding as a LIBO Rate Loan) will be automatically converted into a Base Rate Loan on the last day of the then-current Interest Period for such Loan (or if outstanding as a Base Rate Loan will remain as, or (if not then outstanding) will be made as, a Base Rate Loan). In the event Company fails to specify an Interest Period for any LIBO Rate Loan in the applicable Funding Notice or Conversion/Continuation Notice, Company shall be deemed to have selected an Interest Period of one month. Promptly after 10:00 a.m. (New York City time) on each Interest Rate Determination Date, Administrative Agent shall determine (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) the interest rate that shall apply to the LIBO Rate Loans for which an interest rate is then being determined for the applicable Interest Period and will promptly give notice thereof to Company and each Lender.

(d) Interest payable pursuant to Section 2.6(a) shall be computed on the basis of (i) in the case of LIBOR Rate Loans, a 360-day year, or (ii) in the case of Base Rate Loans, a 365-day year, or a 366-day year, as the case may be, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Loan, the date of the making of such Loan or the first day of an Interest Period applicable to such Loan or, with respect to a Term Loan, the last Interest Payment Date with respect to such Term Loan, or with respect to a Base Rate Loan being converted from a LIBO Rate Loan, the date of conversion of such LIBO Rate Loan to such Base Rate Loan, as the case may be, shall be included, and the date of payment of such Loan or the expiration date of an Interest Period applicable to such Loan or, with respect to a Base Rate Loan being converted to a LIBO Rate Loan, the date of conversion of such Base Rate Loan to such LIBO Rate Loan, as the case may be, shall be excluded; provided, if a Loan is repaid on the same day on which it is made, one day’s interest shall be paid on that Loan.

(e) Except as otherwise set forth herein, interest on each Loan (i) shall accrue on a daily basis and shall be payable in arrears on each Interest Payment Date with respect to interest accrued on and to each such Interest Payment Date; (ii) shall accrue on a daily basis and shall be payable in arrears upon any prepayment of that Loan, whether voluntary or mandatory, to the extent accrued on the amount being prepaid; and (iii) shall accrue on a daily basis and shall be payable in arrears at maturity of the Loans, including final maturity of the Loans.

2.7 Conversion/Continuation.

(a) Subject to Section 2.16 and so long as no Default or Event of Default shall have occurred and then be continuing, Company shall have the option:

(i) to convert at any time all or any part of any Term Loan or Revolving Loan equal to $1,000,000 and integral multiples of $100,000 in excess of that amount from one Type of Loan to another Type of Loan; provided, a LIBO Rate Loan may only be converted on the expiration of the Interest Period applicable to such LIBO Rate Loan unless Company shall pay all amounts due under Section 2.16 in connection with any such conversion; or

(ii) upon the expiration of any Interest Period applicable to any LIBO Rate Loan, to continue all or any portion of such Loan equal to $1,000,000 and integral multiples of $100,000 in excess of that amount as a LIBO Rate Loan.

(b) Subject to Section 3.2(b), Company shall deliver a Conversion/Continuation Notice to Administrative Agent no later than 10:00 a.m. (New York City time) at least one Business Day in advance of the proposed conversion date (in the case of a conversion to a Base Rate Loan) and at least three Business Days in advance of the proposed conversion/continuation date (in the case of a conversion to, or a continuation of, a LIBO Rate Loan). Except as otherwise provided herein, a Conversion/Continuation Notice for conversion to, or continuation of, any LIBO Rate Loans shall be irrevocable on and after the related Interest Rate Determination Date, and Company shall be bound to effect a conversion or continuation in accordance therewith. If on any day a Loan is outstanding with respect to which a Funding Notice or Conversion/Continuation Notice has not been delivered to Administrative Agent in accordance with the terms hereof specifying the applicable basis for determining the rate of interest, then, for that day, such Loan shall be a Base Rate Loan.

2.8 Default Interest. If (i) upon the occurrence and during the continuance of an Event of Default (other than an Event of Default arising under Section 8.1(f) or (g)), the Requisite Lenders so elect, or (ii) an Event of Default has occurred and is continuing under Section 8.1(f) or (g), then, in each case, the principal amount of all Loans outstanding and, to the extent permitted by applicable law, any overdue interest payments on the Loans or any fees or other amounts owed hereunder which were not paid when due, shall thereafter bear interest (including post-petition interest in any proceeding under any Debtor Relief Laws) payable on demand at a rate that is two percent per annum in excess of the interest rate otherwise payable hereunder with respect to the applicable Loans (or, in the case of any such overdue fees and other amounts, at a rate that is two percent per annum in excess of the interest rate otherwise payable hereunder for Base Rate Loans); provided, any LIBO Rate Loans will automatically be converted to Base Rate Loans upon the expiration of the Interest Period in effect at the time any such increase in the interest rate is effective, and thereupon shall become Base Rate Loans and shall thereafter bear interest payable upon demand at a rate that is two percent per annum in excess of the interest rate otherwise payable hereunder for Base Rate Loans. Payment or acceptance of (i) the increased rates of interest provided for in this Section 2.8 or (ii) any amount of interest that is less than the amount due, in each case is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Administrative Agent or any Lender.

2.9 Fees.

(a) Company agrees to pay to Lenders having Multi Draw Term Loan Commitments a commitment fee equal to (x) any unused portion of their respective Multi Draw Term Loan Commitments, times (y) 0.50% per annum, which fee shall be payable monthly in arrears on the last Business Day of each month during the Multi Draw Commitment Period commencing on the first such date to occur after the Closing Date, and on the Multi Draw Commitment Termination Date.

(b) Company agrees to pay to Lenders having Revolving Loan Commitments a commitment fee equal to (x) any unused portion of their respective Revolving Loan Commitments, times (y) 0.50% per annum, which fee shall be payable monthly in arrears on the last day of each month during the Revolving Commitment Period commencing on the first such date to occur after the Closing Date, and on the Revolving Commitment Termination Date.

(c) All fees referred to in Section 2.9(a) and 2.9(b) shall be (i) calculated on the basis of a three hundred sixty-day year and the actual number of days elapsed, and (ii) paid to Administrative Agent as set forth in Section 2.14(a) and upon receipt, Administrative Agent shall promptly distribute to each Lender its Pro Rata Share thereof.

(d) In addition to any of the foregoing fees, Company agrees to pay to Agents such other fees in the amounts and at the times separately agreed upon, including the fees set forth in the Fee Letters.

2.10 Scheduled Payments/Commitment Reductions.

(a) <u>Scheduled Term Loan Installments</u>. The principal amounts of the Term Loans shall be repaid in consecutive quarterly installments and at final maturity (each such payment, an **"Installment"**) on the last Business Day of each Fiscal Quarter (each, an **"Installment Date"**), commencing with the first Fiscal Quarter ending after the Initial Funding Date, in an amount equal to the product of (x) 0.75% <u>multiplied</u> by (y) the aggregate original stated principal amount of all Term Loans made under this Agreement prior to such Installment Date (without reducing any such Installment to reflect payments of the outstanding principal of any Term Loan after the initial funding thereof). Notwithstanding the foregoing, the Term Loans, together with all other amounts owed hereunder with respect thereto, shall, in any event, be paid in full no later than the Term Loan Maturity Date.

(b) <u>Scheduled Repayment of Revolving Loans</u>. The Revolving Loans, together with all other amounts owed hereunder with respect thereto, shall, in any event, be paid in full no later than the Revolving Commitment Termination Date.

(c) <u>Scheduled Reductions and Terminations</u>.

(i) The Revolving Commitments shall be, without further action by any party, terminated in full on the Revolving Commitment Termination Date.

(ii) Any unfunded Multi Draw Term Loan Commitments shall be, without further action by any party, terminated in full at the end of the Multi Draw Term Loan Commitment Period.

(iii) Any unfunded TrueBridge Acquisition Term Loan Commitments shall be, without further action by any party, terminated in full on the earlier of (A) the TrueBridge Acquisition Closing Date (after giving effect to the funding of any TrueBridge Acquisition Term Loans on the TrueBridge Acquisition Closing Date) and (B) the TrueBridge Outside Date.

(iv) Any unfunded Enhanced Capital Acquisition Term Loan Commitments shall be, without further action by any party, terminated in full on the earlier of (A) the Enhanced Capital Acquisition Closing Date (after giving effect to the funding of any Enhanced Capital Acquisition Term Loans on the Enhanced Capital Acquisition Closing Date) and (B) the Enhanced Capital Outside Date.

2.11 Voluntary Prepayments.

(a)(i) Any time and from time to time, Company may prepay any Loans on any Business Day in whole or in part (together with any amounts due pursuant to Section 2.16(c) or any other Credit Document) in an aggregate minimum amount of $1,000,000 and integral multiples of $100,000 in excess of that amount.

(ii) All such prepayments shall be made:

(1) upon not less than one Business Day's prior written notice in the case of Base Rate Loans; and

(2) upon not less than three Business Days' prior written notice in the case of LIBO Rate Loans,

in each case given to Administrative Agent by 12:00 p.m. (New York City time) on the date required in writing to Administrative Agent (and Administrative Agent will promptly transmit such written notice for Term Loans or Revolving Loans, as the case may be, to each Lender). Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein. Any such voluntary prepayment shall be applied as specified in Section 2.13(a) with respect to Revolving Loans and Section 2.13(b) with respect to Term Loans. Any voluntary prepayment made by Company pursuant to this Section 2.11 shall be accompanied by a payment of all accrued and unpaid interest on the principal amount of the Loans being prepaid.

(b) Voluntary Commitment Reductions.

(i) Company may, upon not less than three Business Days' prior written notice to Administrative Agent (which original written notice Administrative Agent will promptly transmit to each applicable Lender), at any time and from time to time terminate in whole or permanently reduce in part (i) the Revolving Commitments in an amount up to the amount by which the Revolving Commitments exceed the Total Utilization of Revolving Commitments at the time of such proposed termination or reduction, or (ii) any unused portion of the Term Loan Commitments; provided, any such partial reduction of the Revolving Commitments or the Term Loan Commitments shall be in an aggregate minimum amount of $1,000,000 and integral multiples of $100,000 in excess of that amount.

(ii) Company's notice to Administrative Agent shall be irrevocable (unless otherwise agreed to by Administrative Agent in its sole discretion) and shall designate the date (which shall be a Business Day) of such termination or reduction and the amount of any partial reduction, and such termination or reduction of the relevant Commitments shall be effective on the date specified in Company's notice and shall reduce the relevant Commitment of each Lender proportionately to its Pro Rata Share thereof.

2.12 Mandatory Prepayments/Commitment Reductions.

(a) Asset Sales. No later than the first Business Day following the date of receipt by any Credit Party or any of its Subsidiaries of any Net Asset Sale Proceeds to the extent in excess of $250,000 in the aggregate in any trailing twelve month period, Company shall prepay the Loans as set forth in Section 2.13(b) in an aggregate amount equal to such Net Asset Sale Proceeds; provided, that so long as no Default or Event of Default shall have occurred and be continuing, upon delivery of a written notice to Administrative Agent, Company shall have the option, directly or through one or more Subsidiaries, to invest Net Asset Sale Proceeds (the "**Asset Sale Reinvestment Amounts**") in assets useful in the business of Company and its Subsidiaries within (x) one hundred eighty days following receipt of such Net Asset Sale Proceeds, or (y) three hundred sixty days following receipt of such Net Asset Sale Proceeds if a contractual commitment to reinvest such Net Asset Sale Proceeds is entered into within one hundred eighty days following receipt of such Net Asset Sale Proceeds (such period to reinvest, as applicable, the **"Asset Sale Reinvestment Period"**). In the event that the Asset Sale Reinvestment Amounts are not reinvested by Company prior to the earlier of (i) expiration of the applicable Asset Sale Reinvestment Period, and (ii) the date of the occurrence of an Event of Default, then, at such time, an Event of Default shall be deemed to have occurred and be continuing under this Section 2.12(a) until a prepayment is made (or any such escrow is applied by Administrative Agent as a prepayment) in an amount equal to such Net Asset Sale Proceeds that have not been so reinvested.

(b) Insurance/Condemnation Proceeds. No later than the first Business Day following the date of receipt by any Credit Party or any of its Subsidiaries, or Administrative Agent as loss payee, of any Net Insurance/Condemnation Proceeds to the extent in excess of $250,000 in the aggregate in any trailing twelve month period, Company shall prepay the Loans as set forth in Section 2.13(b) in an aggregate amount equal to such Net Insurance/Condemnation Proceeds; provided, so long as no Default or Event of Default shall have occurred and be continuing, Company shall have the option, directly or through one or more of its Subsidiaries, to invest such Net Insurance/Condemnation Proceeds within one hundred eighty days of receipt thereof (the **"Insurance/Condemnation Reinvestment Period"**) in assets useful in the business of Company and its Subsidiaries, which investment may include the repair, restoration or replacement of the relevant assets in respect of which such Net Insurance/Condemnation

Proceeds were received. In the event that such net Insurance/Condemnation Proceeds are not reinvested by Company prior to the earlier of (i) the expiration of the applicable Insurance/Condemnation Reinvestment Period, and (ii) the occurrence of an Event of Default, then, at such time, an Event of Default shall be deemed to have occurred and be continuing under this Section 2.12(b) until a prepayment is made (or any such escrow is applied by Administrative Agent as a prepayment) in an amount equal to such Net Insurance/Condemnation Proceeds that have not been so reinvested.

(c) [Reserved].

(d) Issuance of Debt. On the date of receipt by any Credit Party or any of its Subsidiaries of any Cash proceeds from the incurrence of any Indebtedness of Holdings or any of its Subsidiaries, excluding any Cash proceeds received with respect to any Indebtedness permitted to be incurred pursuant to Section 6.1, Company shall prepay the Loans and/or the Revolving Commitments shall be permanently reduced as set forth in Section 2.13(b) in an aggregate amount equal to 100% of such proceeds, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, in each case, paid to non-Affiliates, including reasonable legal fees and expenses.

(e) Consolidated Excess Cash Flow. In the event that there shall be Consolidated Excess Cash Flow for any Fiscal Quarter (commencing with the Fiscal Quarter ending March 31, 2018), Company shall, no later than forty-five days after the end of such Fiscal Quarter, prepay the Loans and/or the Revolving Commitments shall be permanently reduced as set forth in Section 2.13(b) in an aggregate amount equal to (A) if the Asset Coverage Ratio as of the last day of such Fiscal Quarter is less than or equal to 1.10:1.00, 100% of Consolidated Excess Cash Flow for such Fiscal Quarter and (B) if the Asset Coverage Ratio as of the last day of such Fiscal Quarter is greater than 1.10:1.00, the ECF Percentage of Consolidated Excess Cash Flow for such Fiscal Quarter. Any amounts prepaid pursuant to this Section 2.12(e) with respect to any Fiscal Quarter in excess of the amounts required pursuant to the immediately preceding sentence shall be treated as voluntary prepayments made pursuant to Section 2.11(a).

(f) Revolving Loans. Company shall immediately prepay the Revolving Loans to the extent necessary so that the Total Utilization of Revolving Commitments shall not at any time exceed the Revolving Commitments then in effect.

(g) [Reserved].

(h) Extraordinary Receipts. On the date of receipt by Holdings or any of its Subsidiaries of any Extraordinary Receipts in excess of $500,000 in the aggregate in any trailing twelve month period, Company shall prepay Loans and/or Revolving Commitments shall be reduced as set forth in Section 2.13(b) in the amount of such excess Extraordinary Receipts.

(i) Prepayment Certificate. Concurrently with any prepayment of the Loans and/or reduction of the Revolving Commitments pursuant to Sections 2.12(a) through 2.12(h), Company shall deliver to Administrative Agent a certificate of an Authorized Officer demonstrating the calculation of the amount of the applicable net proceeds or Consolidated Excess Cash Flow and compensation owing to Lenders under the Credit Documents, if any, as the case may be. In the event that Company shall subsequently determine that the actual amount received exceeded the amount set forth in such certificate, Company shall promptly make an additional prepayment of the Loans and/or the Revolving Commitments shall be permanently reduced in an amount equal to such excess, and Company shall concurrently therewith deliver to Administrative Agent a certificate of an Authorized Officer demonstrating the derivation of such excess.

2.13 Application of Prepayments/Reductions.

(a) Application of Voluntary Prepayments of Revolving Loans. Any prepayment of any Revolving Loan pursuant to Section 2.11 shall be applied to repay outstanding Revolving Loans to the full extent thereof.

(b) Application of Prepayments by Type of Loans. Any voluntary prepayments of Term Loans pursuant to Section 2.11 and any mandatory prepayment of any Loan pursuant to Section 2.12 shall be applied as follows:

first, to the payment of all fees other than any premium, and all expenses specified in Section 10.2, in each case to the full extent thereof;

second, to the payment of any accrued interest at the Default Rate, if any;

third, to the payment of any accrued interest (other than Default Rate interest);

fourth, to the payment of the applicable premium, if any, on any Loan or Commitment;

fifth, except in connection with any Waivable Mandatory Prepayment as provided in Section 2.13(c), to prepay Term Loans on a pro rata basis (in accordance with the respective outstanding principal amounts thereof) and shall be further applied in inverse order of maturity to reduce the remaining scheduled Installments of principal of the Term Loans and to further permanently reduce the Term Loan Commitments by the amount of such prepayment; and

sixth, to prepay the Revolving Loans to the full extent thereof and to further permanently reduce the Revolving Commitments by the amount of such prepayment; and

seventh, to any remaining Obligations then due and payable.

(c) Waivable Mandatory Prepayment. Anything contained herein to the contrary notwithstanding, in the event Company is required to make any mandatory prepayment (a **"Waivable Mandatory Prepayment"**) of the Term Loans, not less than two Business Days prior to the date (the **"Required Prepayment Date"**) on which Company is required to make such Waivable Mandatory Prepayment, Company shall notify Administrative Agent and Lenders of the amount of such prepayment and each Lender's option to elect not to receive its Pro Rata Share of such Waivable Mandatory Prepayment. Each such Lender may exercise such option by giving written notice to Company and Administrative Agent of its election to do so on or before the first Business Day prior to the Required Prepayment Date (it being understood that any Lender that does not notify Company and Administrative Agent of its election to exercise such option on or before the first Business Day prior to the Required Prepayment Date shall be deemed to have elected, as of such date, not to exercise such option). On the Required Prepayment Date, Company shall pay to Administrative Agent the amount of the Waivable Mandatory Prepayment, which amount shall be applied (i) in an amount equal to that portion of the Waivable Mandatory Prepayment payable to those Lenders that have elected not to exercise such option, to prepay the Term Loans of such Lenders (which prepayment shall be applied to the scheduled Installments of principal of the Term Loans in accordance with Section 2.13(b)), and (ii) to the extent of any excess, to Company for working capital and general corporate purposes.

(d) Application of Prepayments of Loans to Base Rate Loans and LIBO Rate Loans. Considering each Class of Loans being prepaid separately, any prepayment thereof shall be applied first to Base Rate Loans to the full extent thereof before application to LIBO Rate Loans, in each case in a manner that minimizes the amount of any payments required to be made by Company pursuant to Section 2.16(c).

2.14 General Provisions Regarding Payments.

(a) All payments by Company of principal, interest, fees and other Obligations shall be made in Dollars in immediately available funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition, and delivered to Administrative Agent not later than 2:00 p.m. (New York City time) on the date due by wire transfer to an account designated by Administrative Agent from time to time that is maintained by Administrative Agent or its Affiliates for the account of the Lenders or Administrative Agent. For purposes of computing interest and fees, funds received by Administrative Agent after that time on such due date may, in Administrative Agent’s discretion, be deemed to have been paid by Company on the next succeeding Business Day.

(b) All payments in respect of the principal amount of any Loan (other than voluntary prepayments of Revolving Loans) shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid, and all such payments (and, in any event, any payment received in respect of any Loan on a date when interest or premium is due and payable with respect to such Loan) shall be applied to the payment of interest and premium then due and payable before application to principal.

(c) Administrative Agent (or its agent or sub-agent appointed by it) shall promptly distribute to each Lender at such address as such Lender shall indicate in writing, such Lender’s applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due thereto, including all fees payable with respect thereto, to the extent received by Administrative Agent.

(d) Notwithstanding the foregoing provisions hereof, if any Conversion/Continuation Notice is withdrawn as to any Affected Lender or if any Affected Lender makes Base Rate Loans in lieu of its Pro Rata Share of any LIBO Rate Loans, Administrative Agent shall give effect thereto in apportioning payments received thereafter.

(e) Subject to the provisos set forth in the definition of "Interest Period," whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder or of the commitment fees hereunder.

(f) Administrative Agent may deem any payment by or on behalf of Company hereunder that is not made in same day funds prior to 2:00 p.m. (New York City time) to be a non-conforming payment. Any such payment shall not be deemed to have been received by Administrative Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. Administrative Agent shall give prompt notice to Company and each applicable Lender (which may be by email) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 8.1(a). Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the Default Rate from the date such amount was due and payable until the date such amount is paid in full.

(g) If an Event of Default shall have occurred and not otherwise been waived, and the Obligations have become due and payable in full hereunder, whether by acceleration, maturity or otherwise, all payments or proceeds received by any Agent hereunder or under any Collateral Document in respect of any of the Obligations, including all proceeds received by any Agent in respect of any sale, any collection from, or other realization upon all or any part of the Collateral, shall be applied in full or in part as follows: first, to the payment of all costs and expenses of such sale, collection or other realization, including reasonable compensation to each Agent and its agents and counsel, and all other expenses, liabilities and advances made or incurred by any Agent in connection therewith, and all amounts for which any Agent is entitled to indemnification hereunder or under any Collateral Document (in its capacity as an Agent and not as a Lender) and all advances made by any Agent under any Collateral Document for the account of the applicable Collateral Grantor, and to the payment of all costs and expenses paid or incurred by any Agent in connection with the exercise of any right or remedy hereunder or under any Collateral Document, all in accordance with the terms hereof or thereof; second, to the extent of any excess of such proceeds, to the payment of all other Obligations for the ratable benefit of the Lenders and the Lender Counterparties; and third, to the extent of any excess of such proceeds, to the payment to or upon the order of such Collateral Grantor or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

2.15 Ratable Sharing. Lenders hereby agree among themselves that, except as otherwise provided in the Fee Letters, if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Loans made and applied in accordance with the terms hereof), through the exercise of any right of set-off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Credit Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Lender hereunder or under the other Credit Documents (collectively, the **"Aggregate Amounts Due"**to such Lender) that is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment shall (a) notify Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in proportion to the Aggregate Amounts Due to them; provided, if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of Company or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. Company expressly consents to the foregoing arrangement and agrees that any holder of a participation so purchased may exercise any and all rights of banker's lien, consolidation, set-off or counterclaim with respect to any and all monies owing by Company to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder. The provisions of this Section 2.15 shall not be construed to apply to (a) any payment made by any Credit Party pursuant to and in accordance with the express terms of any Credit Document (including the application of funds arising from the existence of a Defaulting Lender) or (b) any payment obtained by any Lender as consideration for the assignment or sale of a participation in any of its Loans or other Obligations owed to it.

2.16 Making or Maintaining LIBO Rate Loans.

(a) Inability to Determine Applicable Interest Rate. In the event that Administrative Agent determines (which determination shall be final and conclusive and binding upon all parties hereto), on any Interest Rate Determination Date with respect to any LIBO Rate Loans, that by reason of circumstances affecting the London interbank market adequate and fair means do not exist for ascertaining the interest rate applicable to such LIBO Rate Loans on the basis provided for in the definition of Adjusted LIBO Rate, Administrative Agent will reasonably promptly give notice to Company and each Lender of such determination, whereupon (i) no Loans may be made as, or converted to, LIBO Rate Loans until such time as Administrative Agent notifies Company and Lenders that the circumstances giving rise to such notice no longer exist, and (ii) any Funding Notice or Conversion/Continuation Notice given by Company with respect to the Loans in respect of which such determination was made shall be deemed to be rescinded by Company.

(b) Illegality or Impracticability of LIBO Rate Loans. In the event that on any date any Lender shall have determined (which determination shall be final and conclusive and binding upon all parties hereto but shall be made only after consultation with Administrative Agent) that the making, maintaining, converting to, or continuation of its LIBO Rate Loans (i) has become unlawful as a result of compliance by such Lender in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or (ii) has become impracticable, as a result of contingencies occurring after the date hereof that materially and adversely affect the London interbank market or the position of such Lender in that market, then, and in any such event, such Lender shall be an **"Affected Lender"** and such Affected Lender shall on that day give written or telephonic (promptly confirmed in writing) notice to Company and Administrative Agent of such determination (which notice Administrative Agent shall promptly transmit to each other Lender). Thereafter (1) the obligation of the Affected Lender to make Loans as, or to convert Loans to, LIBO Rate Loans shall be suspended until such notice shall be withdrawn by the Affected Lender, (2) to the extent such determination by the Affected Lender relates to a LIBO Rate Loan then being requested by Company pursuant to a Funding Notice or a Conversion/Continuation Notice, the Affected Lender shall make such Loan as (or continue such Loan as or convert such Loan to, as the case may be) a Base Rate Loan, (3) the Affected Lender's obligation to maintain its outstanding LIBO Rate Loans (the **"Affected Loans"**) shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law, and (4) the Affected Loans shall automatically convert into Base Rate Loans on the date of such termination. Notwithstanding the foregoing, to the extent a determination by an Affected Lender as described above relates to a LIBO Rate Loan then being requested by Company pursuant to a Funding Notice or a Conversion/Continuation Notice, Company shall have the option, subject to the provisions of Section 2.16(c), to rescind such Funding Notice or Conversion/Continuation Notice as to all Lenders by giving written or telephonic (promptly confirmed in writing) notice to Administrative Agent of such rescission on the date on which the Affected Lender gives notice of its determination as described above (which notice of rescission Administrative Agent shall promptly transmit to each other Lender).

(c) Compensation for Breakage or Non-Commencement of Interest Periods. Company shall compensate each Lender, upon written request by such Lender (which request shall set forth the basis for requesting such amounts), for all reasonable losses, expenses and liabilities (including any interest paid or calculated to be due and payable by such Lender to lenders of funds borrowed by it to make or carry its LIBO Rate Loans and any loss, expense or liability sustained by such Lender in connection with the liquidation or re-employment of such funds but excluding loss of anticipated profits) which such Lender may sustain: (i) if for any reason (other than a default by such Lender) a borrowing of any LIBO Rate Loan does not occur on a date specified therefor in a Funding Notice or a telephonic request for borrowing, or a conversion to or continuation of any LIBO Rate Loan does not occur on a date specified therefor in a Conversion/Continuation Notice or a telephonic request for conversion or continuation; (ii) if any prepayment or other principal payment of, or any conversion of, any of its LIBO Rate Loans occurs on any day other than the last day of an Interest Period applicable to that Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise); or (iii) if any prepayment of any of its LIBO Rate Loans is not made on any date specified in a notice of prepayment given by Company.

(d) Booking of LIBO Rate Loans. Any Lender may make, carry or transfer LIBO Rate Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Lender.

2.17 Increased Costs; Capital Adequacy.

(a) Compensation For Increased Costs and Taxes. Subject to the provisions of Section 2.18 (which shall be controlling with respect to the matters covered thereby), in the event that any Lender shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any Change in Law: (i) subjects such Lender or any company controlling such Lender to any additional Tax (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes) with respect to this Agreement or any of the other Credit Documents or any of its obligations hereunder or thereunder or any payments to such Lender (or its applicable lending office) of principal, interest, fees or any other amount payable hereunder; (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, liquidity, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender (other than any such reserve or other requirements with respect to LIBO Rate Loans that are reflected in the definition of Adjusted LIBO Rate) or any company controlling such Lender; or (iii) imposes any other condition (other than with respect to a Tax matter) on or affecting such Lender (or its applicable lending office) or any company controlling such Lender or such Lender's obligations hereunder or the London interbank market; and the result of any of the foregoing is to increase the cost to such Lender of agreeing to make, making or maintaining Loans hereunder or to reduce any amount received or receivable by such Lender (or its applicable lending office) with respect thereto; then, in any such case, Company shall promptly pay to such Lender, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its sole discretion shall determine) as may be necessary to compensate such Lender for any such increased cost or reduction in amounts received or receivable hereunder. Such Lender shall deliver to Company (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this Section 2.17(a), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(b) Capital Adequacy and Liquidity Adjustment. In the event that any Lender shall have determined (which determination shall, absent manifest error be final and conclusive and binding upon all parties hereto) that (A) any Change in Law regarding capital adequacy or liquidity, or (B) compliance by any Lender (or its applicable lending office) or any company controlling such Lender with any Change in Law regarding capital adequacy or liquidity, has or would have the effect of reducing the rate of return on the capital of such Lender or any company controlling such Lender as a consequence of, or with reference to, such Lender's Loans or Revolving Commitments, or participations therein or other obligations hereunder with respect to the Loans to a level below that which such Lender or such controlling company could have achieved but for such Change in Law (taking into consideration the policies of such Lender or such controlling company with regard to capital adequacy and liquidity), then from time to time, within five Business Days after receipt by Company from such Lender of the statement referred to in the next sentence, Company shall pay to such Lender such additional amount or amounts as will compensate such Lender or such controlling company on an after-tax basis for such reduction. Such Lender shall deliver to Company (with a copy to Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to Lender under this Section 2.17(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(c) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.17 shall not constitute a waiver of such Lender's right to demand such compensation; provided that Company shall not be required to compensate a Lender pursuant to this Section 2.17 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies Company of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

2.18 Taxes; Withholding, Etc.

(a) Payments to Be Free and Clear. All sums payable by or on behalf of any Credit Party hereunder and under the other Credit Documents shall (except to the extent required by law) be paid free and clear of, and without any deduction or withholding on account of, any Tax.

(b) Withholding of Taxes. If any Credit Party or any other Person (acting as a withholding agent) is (in such withholding agent's reasonable good faith discretion) required by law to make any deduction or withholding on account of any such Tax from any sum paid or payable by any Credit Party to Administrative Agent or any Lender) under any of the Credit Documents, then the applicable Credit Party or such other Person acting as a withholding agent shall be entitled to make such deduction or withholding and (i) the applicable Credit Party or other Person acting as a withholding agent shall notify Administrative Agent of the requirement to withhold; (ii) Company or such other Person (acting as a withholding agent) shall pay or cause to be paid any such Tax before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Credit Party) for its own account or (if that liability is imposed on Administrative Agent or such Lender, as the case may be) on behalf of and in the name of Administrative Agent or such Lender; (iii) if the Tax withheld or paid is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment (including such deductions and withholdings applicable to additional sums payable under this Section 2.18(b)(iii)), Administrative Agent or such Lender, as the case may be, receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made; and (iv) within thirty days after the due date of payment of any Tax that it is required by clause (ii) above to pay, Company shall deliver to Administrative Agent evidence reasonably satisfactory to the other affected parties of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

(c) Evidence of Exemption From U.S. Withholding Tax.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to Company and Administrative Agent, at the time or times reasonably requested by Company or Administrative Agent, such properly completed and executed documentation reasonably requested by Company or Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any

Lender, if reasonably requested by Company or Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by Company or Administrative Agent as will enable Company or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation expressly set forth in Section 2.18(c)(ii)(1), (3) and (4)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(1) Each Lender that is not a "United States person" (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code) for U.S. federal income tax purposes (a **"Non-U.S. Lender"**) shall, to the extent such Lender is legally entitled to do so, deliver to Administrative Agent for transmission to Company, on or prior to the Closing Date (in the case of each Lender listed on the signature pages hereof on the Closing Date) or on or prior to the date of the Assignment Agreement pursuant to which it becomes a Lender (in the case of each other Lender), and at such other times as may be necessary in the determination of Company or Administrative Agent (each in the reasonable exercise of its discretion), (i) two copies of Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8ECI, W-8EXP and/or W-8IMY (or, in each case, any successor forms), properly completed and duly executed by such Lender, and such other documentation required under the Internal Revenue Code and reasonably requested by Company to establish that such Lender is not subject to (or is subject to a reduced rate of) deduction or withholding of U.S. federal income tax with respect to any payments to such Lender of principal, interest, fees or other amounts payable under any of the Credit Documents, or (ii) if such Lender is not a "bank" or other Person described in Section 881(c)(3) of the Internal Revenue Code, an applicable U.S. Tax Compliance Certificate together with two copies of Internal Revenue Service Form W-8BEN, W-8BEN-E or W-8IMY (or, in each case, any successor form), properly completed and duly executed by such Lender.

(2) Any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to Company and Administrative Agent (in such number of copies as shall be required by the recipient) on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Company or Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Company or Administrative Agent to determine the withholding or deduction required to be made.

(3) Each Lender that is a “United States person” (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code) for U.S. federal income tax purposes (a **“U.S. Lender”**) shall deliver to Administrative Agent and Company on or prior to the Closing Date (or, if later, on or prior to the date on which such Lender becomes a party to this Agreement) two copies of Internal Revenue Service Form W-9 (or any successor form), properly completed and duly executed by such Lender, certifying that such U.S. Lender is entitled to an exemption from U.S. backup withholding tax, or otherwise prove that it is entitled to such an exemption.

(4) Each Lender required to deliver any forms, certificates or other evidence with respect to U.S. federal income tax withholding matters pursuant to this Section 2.18(c) hereby agrees, from time to time after the initial delivery by such Lender of such forms, certificates or other evidence, whenever a lapse in time or change in circumstances renders such forms, certificates or other evidence obsolete or inaccurate in any material respect, that such Lender shall promptly deliver to Administrative Agent for transmission to Company two new copies of Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8ECI, W-8EXP, W-8IMY, and/or W-9 (or, in any case, any successor form), or an applicable U.S. Tax Compliance Certificate and two copies of Internal Revenue Service Form W-8BEN, W-8BEN-E, or W-8IMY (or, in each case, any successor form), as the case may be, properly completed and duly executed by such Lender, and such other documentation required under the Internal Revenue Code and reasonably requested by Company to confirm or establish that such Lender is not subject to deduction or withholding of U.S. federal income tax with respect to payments to such Lender under the Credit Documents, or notify Administrative Agent and Company of its inability to deliver any such forms, certificates or other evidence.

(d) FATCA. If a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to Company and Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Company or Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by Company or Administrative Agent as may be necessary for Company and Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (d), “FATCA” shall include any amendments made to FATCA after the date hereof.

(e) Payment of Other Taxes by Company. Without limiting the provisions of Section 2.18(b), Company shall timely pay all Other Taxes to the relevant Governmental Authorities in accordance with applicable law. Company shall deliver to Administrative Agent official receipts or other evidence of such payment reasonably satisfactory to Administrative Agent in respect of any Other Taxes payable hereunder promptly after payment of such Other Taxes.

(f) Indemnification by Credit Parties. Credit Parties shall jointly and severally indemnify Administrative Agent and any Lender for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by Administrative Agent or any Lender or required to be withheld or deducted from a payment to Administrative Agent or any Lender and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Credit Party shall be conclusive absent manifest error. Such payment shall be due within ten days of such Credit Party's receipt of such certificate.

(g) Indemnification by the Lenders. Each Lender shall severally indemnify Administrative Agent for (i) Taxes for which additional amounts are required to be paid pursuant to Section 2.18(b) arising in connection with payments made under this Agreement or any other Credit Document and Other Taxes (including any such Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.18) attributable to such Lender (but only to the extent that Company has not already indemnified Administrative Agent therefor and without limiting the obligation of Company to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.6(h)(i) relating to the maintenance of a Participant Register and (iii) any Taxes on overall net income attributable to such Lender, in each case, that are payable or paid by Administrative Agent in connection with any Credit Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Administrative Agent shall be conclusive absent manifest error. Such payment shall be due within ten days of such Lender's receipt of such certificate. Each Lender hereby authorizes Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by Administrative Agent to such Lender from any other source against any amount due to Administrative Agent under this paragraph (d).

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.18 (including additional amounts pursuant to this Section 2.18), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.18 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 2.18, such Credit Party shall deliver to Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Administrative Agent.

(j) Defined Terms. For purposes of this Section 2.18, the term "applicable law" includes FATCA.

(k) Survival. Each party's obligations under this Section 2.18 shall survive the resignation or replacement of Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

2.19 Obligation to Mitigate. Each Lender agrees that, if such Lender requests payment under Section 2.16, 2.17 or 2.18, then such Lender will, to the extent not inconsistent with the internal policies of such Lender and any applicable legal or regulatory restrictions, use reasonable efforts to make, issue, fund or maintain its Credit Extensions, including any Affected Loans, through another office of such Lender if, as a result thereof, the additional amounts payable to such Lender pursuant to Section 2.16, 2.17 or 2.18, as the case may be, in the future would be eliminated or reduced and if, as determined by such Lender in its sole discretion, the making, issuing, funding or maintaining of such Revolving Commitments or Loans through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Revolving Commitments or Loans or the interests of such Lender; provided, such Lender will not be obligated to utilize such other office pursuant to this Section 2.19 unless Company agrees to pay all incremental expenses incurred by such Lender as a result of utilizing such other office as described above. A certificate as to the amount of any such expenses payable by Company pursuant to this Section 2.19 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Lender to Company (with a copy to Administrative Agent) shall be conclusive absent manifest error.

2.20 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise) or received by Administrative Agent from a Defaulting Lender pursuant to

Section 10.4 shall be applied at such time or times as may be determined by Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to Administrative Agent hereunder; *second*, as Company may request (so long as no Default or Event of Default shall have occurred and be continuing), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Administrative Agent; *third*, if so determined by Administrative Agent and Company, to be held in a Deposit Account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default shall have occurred and be continuing, to the payment of any amounts owing to Company as a result of any judgment of a court of competent jurisdiction obtained by Company against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 3.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the applicable Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.20(a)(i) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(ii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee pursuant to Section 2.9 for any period during which that Lender is a Defaulting Lender (and Company shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) With respect to any fees not required to be paid to any Defaulting Lender pursuant to clause (A) above, Company shall not be required to pay the remaining amount of any such fee.

(b) Defaulting Lender Cure. If Company and Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the applicable Commitments, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Company while that Lender was a Defaulting Lender; and provided further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

(c) Lender Counterparties. So long as any Lender is a Defaulting Lender, such Lender shall not be a Lender Counterparty with respect to any Secured Hedge Agreement entered into while such Lender was a Defaulting Lender.

2.21 Removal or Replacement of a Lender. Anything contained herein to the contrary notwithstanding, in the event that: (a) (i) any Lender (an **"Increased-Cost Lender"**) shall give notice to Company that such Lender is an Affected Lender or that such Lender is entitled to receive payments under Section 2.16, 2.17 or 2.18, (ii) the circumstances that have caused such Lender to be an Affected Lender or that entitle such Lender to receive such payments shall remain in effect, and (iii) such Lender shall fail to withdraw such notice within five Business Days after Company's request for such withdrawal; or (b) (i) any Lender shall become and continue to be a Defaulting Lender, and (ii) such Defaulting Lender shall fail to cure the default 'pursuant to Section 2.20(b) within five Business Days after Company's or Administrative Agent's request that it cure such default; or (c) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 10.5(b), the consent of Administrative Agent shall have been obtained but the consent of one or more of such other Lenders (each a **"Non-Consenting Lender"**) whose consent is required shall not have been obtained; then, with respect to each such Increased-Cost Lender, Defaulting Lender or Non-Consenting Lender (the **"Terminated Lender"**), Administrative Agent may (which, in the case of an Increased-Cost Lender, only after receiving written request from Company to remove such Increased-Cost Lender), by giving written notice to Company and any Terminated Lender of its election to do so, elect to cause such Terminated Lender (and such Terminated Lender hereby irrevocably agrees) to assign its outstanding Loans and its Revolving Commitments, if any, in full to one or more Eligible Assignees (each a **"Replacement Lender"**) in accordance with the provisions of Section 10.6 and such Terminated Lender shall pay the fees, if any, payable in connection with any such assignment from an Increased-Cost Lender, a Non-Consenting Lender, or a Defaulting Lender; provided, (1) on the date of such assignment, the Replacement Lender shall pay to Terminated Lender an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Terminated Lender, (B) an amount equal to all unreimbursed drawings that have been funded by such Terminated Lender, together with all then unpaid interest with respect thereto at such time and (C) an amount equal to all accrued, but theretofore unpaid fees owing to such Terminated Lender pursuant to Section 2.9; (2) on the date of such assignment, Company shall pay any amounts payable to such Terminated Lender pursuant to Section 2.16, 2.17 or 2.18 or under any other Credit Document, in each case as if such assignment was a prepayment, including any premium or other amount that would be payable pursuant to the Fee Letters in connection with a voluntary prepayment or otherwise; (3) such assignment does not conflict with applicable law, and (4) in the event such Terminated Lender is a Non-Consenting Lender, each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such Terminated Lender was a Non-Consenting Lender. Upon the prepayment of all amounts owing to any Terminated Lender and the termination of such Terminated Lender's Revolving Commitments, if any, such Terminated Lender shall no longer constitute a "Lender" for purposes hereof; provided, any rights of such Terminated Lender to indemnification hereunder shall survive as to such Terminated Lender. Each Lender agrees that if Administrative Agent exercises its option hereunder to cause an assignment by such Lender as a Non-Consenting Lender or Terminated Lender, such Lender shall, promptly after receipt of written notice of such election, execute and deliver all documentation necessary to effectuate such assignment in accordance with Section 10.6. In the event that a Lender does not comply with the requirements of the immediately preceding sentence within one Business Day after receipt of such notice, each Lender hereby authorizes and directs Administrative Agent to execute and deliver such documentation as may be required to give effect to an assignment in accordance with Section 10.6 on behalf of a Non-Consenting Lender or Terminated Lender and any such documentation so executed by Administrative Agent shall be effective for purposes of documenting an assignment pursuant to Section 10.6.

SECTION 3 CONDITIONS PRECEDENT

3.1 Closing Date. The Commitments of each of the Lenders are subject to the satisfaction, or waiver in accordance with Section 10.5, of the following conditions on or before the Closing Date (in each case, except to the extent required to be satisfied as a condition precedent to the initial funding of any Loan in accordance with Section 3.2(a)):

(a) Closing Date Credit Documents. Administrative Agent shall have received sufficient copies of this Agreement, the Notes, if any are requested, and the Fee Letter dated the Closing Date, in each case as Administrative Agent shall request and originally executed and delivered by each applicable Credit Party and each other Person party thereto.

(b) Organizational Documents; Incumbency. Administrative Agent shall have received (i) copies of each Organizational Document of each Credit Party, RCP 3, each Controlled Fund GP, each Controlled Fund, each RCP 3 Controlled Fund GP, and each RCP 3 Controlled Fund, in each case certified by an Authorized Officer of such Person and, with respect to Organizational Documents filed with any Governmental Authority, certified by such Governmental Authority as of the Closing Date or a recent date prior thereto (including any amendments or other modifications to such Organizational Documents that will be effective upon or promptly following the RCP 2 Acquisition Closing); (ii) signature and incumbency certificates of the officers of each Credit Party executing any Credit Documents to which it is a party; (iii) resolutions of the Board of Directors of each Credit Party approving and authorizing the execution, delivery and performance of this Agreement, the other Credit Documents and the Related Agreements, in each case to which it is a party or by which it or its assets may be bound as of the Closing Date, certified as of the Closing Date by an appropriate Authorized Officer as being in full force and effect without modification or amendment; and (iv) a good standing certificate from the applicable Governmental Authority of such Credit Party's jurisdiction of incorporation, organization or formation, dated a recent date prior to the Closing Date.

(c) Organizational and Capital Structure. The organizational structure and capital structure of Holdings and its Subsidiaries, after giving effect to any transactions contemplated by any of the Related Agreements to occur on or prior to the Closing Date, shall be as set forth on Schedule 4.2.

(d) Amendments to RCP 2 Organizational Documents. The Organizational Documents of each Credit Party shall be in form and substance satisfactory to Administrative Agent in its sole discretion, and, without limiting the foregoing, (i) the Organizational Documents of Company and RCP 2 shall each have been amended, restated, supplemented, or otherwise modified to the extent necessary to, among other things, (x) split the Capital Stock of RCP 2 into one class of Capital Stock with ordinary voting rights and no economic rights and another class of Capital Stock with all economic rights and limited voting rights, and (y) add separateness, independent manager, and third party beneficiary provisions, and (ii) Article XIV (titled Protection of Tax Benefits) of Holdings' Certificate of Incorporation as presently in effect shall be in effect.

(e) Related Agreements; Consummation of RCP 2 Acquisition Closing.

(i) (1) The Related Agreements shall each be in form and substance satisfactory to Administrative Agent in its sole discretion and shall have become effective in accordance with their respective terms, (2) prior to or concurrently with the effectiveness of this Agreement, (x) all conditions to the RCP 2 Acquisition Closing set forth in the RCP 2 Acquisition Agreement shall have been satisfied or the fulfillment of any such conditions shall have been waived, which waiver, if material to the Lenders, shall be only with the consent of Administrative Agent, such consent not to be unreasonably withheld and (y) Holdings shall have contributed 100% of the Capital Stock of RCP 2 to Company pursuant to the RCP 2 Equity Contribution Agreement, and (3) the aggregate cash consideration to be paid to the RCP Principals and their respective Affiliates in connection with the RCP 2 Acquisition Closing from and after the closing date of the RCP 2 Acquisition Closing through but excluding the Initial Funding Date shall not exceed $5,100,000.

(ii) Administrative Agent shall have received a fully executed or conformed copy of each Related Agreement and any documents executed in connection therewith on or prior to the Closing Date (including all exhibits, schedules, annexes or other attachments thereto, any amendment, restatement, supplement or other modification thereof, and any related side letter). On the Closing Date, each Related Agreement executed and delivered on or prior to such date shall be in full force and effect and shall include terms and provisions reasonably satisfactory to Administrative Agent. No provision of any Related Agreement shall have been modified or waived in any respect determined by Administrative Agent to be material, in each case without the consent of Administrative Agent.

(f) Transaction Costs. On or prior to the Closing Date, Company shall have delivered to Administrative Agent Company's reasonable best estimate of the Transaction Costs incurred through the Closing Date (other than fees payable to any Agent).

(g) Governmental Authorizations and Consents. Each Credit Party shall have obtained all Governmental Authorizations and all consents of other Persons, in each case that are necessary or advisable in connection with the transactions contemplated by the Credit Documents and the Related Agreements to occur on or prior to the Closing Date (including the entering into of the Credit Documents and the Related Agreements), and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to Administrative Agent. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Credit Documents or the Related Agreements to occur on or prior to the Closing Date or the financing thereof, and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(h) Financial Statements; Projections. Lenders shall have received from Holdings (i) the Historical Financial Statements, (ii) pro forma consolidated balance sheets of Company and its Subsidiaries (A) as at the Closing Date reflecting the consummation of the RCP 2 Acquisition Closing, the related financings and the other transactions contemplated by the Credit Documents or the Related Agreements to occur on or prior to the Closing Date, and (B) as at the expected Initial Funding Date reflecting the consummation of the RCP 3 Acquisition Closing, the related financings and the other transactions contemplated by the Credit Documents or the Related Agreements to occur on or prior to the Initial Funding Date, each which pro forma financial statements shall be in form and substance satisfactory to Administrative Agent, (iii) pro forma consolidated income statements of Company and its Subsidiaries (A) as at the Closing Date reflecting the consummation of the RCP 2 Acquisition Closing, the related financings and the other transactions contemplated by the Credit Documents or the Related Agreements to occur on or prior to the Closing Date, and (B) as at the Initial Funding Date, reflecting the consummation of the RCP 3 Acquisition Closing, the related financings and the other transactions contemplated by the Credit Documents or the Related Agreements to occur on or prior to the Initial Funding Date, and (iv) the Projections.

(i) Closing Date Collateral Questionnaire. A Collateral Questionnaire dated the Closing Date and executed by Authorized Officers of Holdings, RCP 2, and RCP 3, together with all attachments contemplated thereby.

(j) [Reserved].

(k) Fees. Company shall have paid to each Agent the fees referred to in Section 2.9. to the extent due and payable on or prior to the Closing Date.

(l) Closing Date Solvency Certificate. On the Closing Date, Administrative Agent shall have received a Closing Date Solvency Certificate dated as of the Closing Date and addressed to Administrative Agent and Lenders, with respect to the Solvency of Holdings and its Subsidiaries on a consolidated basis after giving effect to the consummation of the transactions contemplated by the Related Agreements to occur on or prior to the Closing Date.

(m) Closing Date Certificate. Holdings and Company shall have delivered to Administrative Agent an originally executed Closing Date Certificate, together with all attachments thereto.

(n) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding, hearing, or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or Governmental Authority that, in the reasonable opinion of Administrative Agent, singly or in the aggregate, materially impairs the transactions contemplated by the Related Agreements, the financing thereof or any of the other transactions contemplated by the Credit Documents or the Related Agreements, or that could have a Material Adverse Effect.

(o) Due Diligence. Administrative Agent and each Lender shall have completed, to its satisfaction, all legal, tax, environmental, business and other due diligence with respect to the business, assets, liabilities, operations and condition (financial or otherwise) of the Credit Parties in scope and determination satisfactory to Administrative Agent and Requisite Lenders in their respective discretion (including satisfactory review of all Material Contracts), and, other than changes occurring in the ordinary course of business, no information or materials are or should have been available to the Credit Parties as of the Closing Date that are materially inconsistent with the material previously provided to Administrative Agent and Requisite Lenders for their respective due diligence review of the Credit Parties.

(p) Accountings, Earnings, and Tax Due Diligence Reports. Administrative Agent shall have received and reviewed third party accounting, quality of earnings, and tax due diligence reports, in each case in form, scope and substance satisfactory to Administrative Agent and performed by one or more firms acceptable to Administrative Agent.

(q) No Material Adverse Change. Since December 31, 2014, no event, circumstance or change shall have occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, excluding any Material Adverse Effect occurring with respect to Holdings prior to its emergence from bankruptcy on May 4, 2017.

(r) Completion of Proceedings. All partnership, corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incidental thereto not previously found acceptable by Administrative Agent and its counsel shall be satisfactory in form and substance to Administrative Agent and such counsel, and Administrative Agent, and such counsel shall have received all such counterpart originals or certified copies of such documents as Administrative Agent may reasonably request.

(s) KYC Documentation. At least ten days prior to the Closing Date, the Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including the PATRIOT Act, which shall include, for the avoidance of doubt, a duly executed IRS Form W-9 or other applicable tax form.

(t) Limited Partner Consents. On or prior to the Closing Date, all requisite limited partner consents shall have been obtained under all Controlled Fund Management Agreements and all Controlled Fund LP Agreements to the extent required under the terms and conditions thereof or otherwise pursuant to the Investment Advisers Act as a result of any of the transactions contemplated to occur on or prior to the Closing Date under the Credit Documents or any Related Agreement, including the RCP 2 Acquisition Closing and the RCP 3 Acquisition Closing.

Each Lender, by delivering its signature page to this Agreement on or prior to the Closing Date, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by any Agent, Requisite Lenders or Lenders, as applicable on or prior to the Closing Date.

3.2 Conditions to Initial Funding Date and Each Credit Extension.

(a) Conditions Precedent to Initial Funding Date. The obligation of each Lender to make the initial Loans under this Agreement is subject to the satisfaction, or waiver in accordance with Section 10.5, of the following conditions precedent:

(i) Consummation of RCP 3 Acquisition Closing.

(1) (A) Prior to or concurrently with the making of the initial Loans under this Agreement, (x) all conditions to the RCP 3 Acquisition Closing set forth in the RCP 3 Acquisition Agreement shall have been satisfied or the fulfillment of any such conditions shall have been waived, which waiver, if material to the Lenders, shall be only with the consent of Administrative Agent, such consent not to be unreasonably withheld and (y) Holdings shall have contributed 100% of the Capital Stock of RCP 3 to Company pursuant to the RCP 3 Equity Contribution Agreement, and (B) the aggregate cash consideration paid to the RCP Principals and their respective Affiliates in connection with the RCP 3 Acquisition Closing shall not exceed $40,000,000.

(2) Administrative Agent shall have received a fully executed or conformed copy of each Related Agreement and any documents executed in connection therewith on or prior to the Initial Funding Date and not previously delivered to Administrative Agent on or prior to the Closing Date (including all exhibits, schedules, annexes or other attachments thereto, any amendment, restatement, supplement or other modification thereof, and any related side letter). No provision of any Related Agreement shall have been modified or waived in any respect material to the Lenders, in each case without the consent of Administrative Agent, such consent not to be unreasonably withheld.

(ii) Registration of RCP 2 and RCP 3 as Investment Advisers. Each of RCP 2 and RCP 3 shall have been duly registered as an Investment Adviser or as an associated person of a registered Investment Adviser, as applicable, under and in compliance with the Investment Advisers Act, and, before and after giving effect to the RCP 3 Acquisition Closing, neither RCP 2 nor RCP 3 shall be in violation of any registration, reporting, notice, or other requirement under the Investment Advisers Act or under any other applicable law, regulations, or Governmental Authorizations applicable to Investment Advisers.

(iii) Existing Indebtedness. On the Initial Funding Date, Holdings and its Subsidiaries shall have, prior to or substantially concurrently with the funding of the initial Loans under this Agreement, (i) repaid in full all Existing Indebtedness (which repayment may be with the proceeds of such initial Loans), (ii) terminated any commitments to lend or make other extensions of credit thereunder, (iii) delivered to Administrative Agent all documents or instruments necessary to release all Liens securing Existing Indebtedness or other obligations of Holdings and its Subsidiaries thereunder being repaid on the Initial Funding Date, and (iv) made arrangements reasonably satisfactory to Administrative Agent with respect to the cancellation of any letters of credit outstanding thereunder, if applicable.

(iv) Amendments to RCP 3 Organizational Documents. The Organizational Documents of RCP 3 shall be in form and substance satisfactory to Administrative Agent in its sole discretion, and, without limiting the foregoing, the Organizational Documents of RCP 3 shall have been amended, restated, supplemented, or otherwise modified to the extent necessary to, among other things, (x) split the Capital Stock of RCP 3 into one class of Capital Stock with ordinary voting rights and no economic rights and another class of Capital Stock with all economic rights and limited voting rights, and (y) add separateness, independent manager, and third party beneficiary provisions (it being agreed that the form of Amended and Restated Limited Liability Company Agreement of RCP 3 attached as Exhibit C to the RCP 3 Acquisition Agreement as in effect on the Closing Date is satisfactory to Administrative Agent).

(v) RCP 3 Governmental Authorizations and Consents. Each Credit Party and RCP 3 shall have obtained all Governmental Authorizations and all consents of other Persons, in each case that are necessary or advisable in connection with the transactions contemplated by the Credit Documents to occur on or prior to the Initial Funding Date (including the RCP 3 Closing and RCP 3's entering into of the Credit Documents), and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to Administrative Agent. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Credit Documents to occur on or prior to the Initial Funding Date or the financing thereof, and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(vi) RCP 3 Organizational Documents; Incumbency. Administrative Agent shall have received (i) copies of each Organizational Document of RCP 3, each RCP 3 Controlled Fund GP, and each RCP 3 Controlled Fund, in each case certified by an Authorized Officer of RCP 3 as of the Initial Funding Date and, with respect Organizational Documents filed with any Governmental Authority, certified by such Governmental Authority as of the Initial Funding Date or a recent date prior thereto (including any amendments or other modifications to such Organizational Documents that will be effective upon or promptly following the RCP 3 Acquisition Closing); (ii) signature and incumbency certificates of the officers of RCP 3 executing any Credit Documents to which it is a party; (iii) resolutions of the Board of Directors of RCP 3 (including the making of the representations and warranties herein) approving and authorizing the execution, delivery and performance of this Agreement, the other Credit Documents, in each case to which it is a party or by which it or its assets may be bound as of the Initial Funding Date, certified as of the Initial Funding Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment; and (iv) a good standing certificate from the applicable Governmental Authority of RCP 3's jurisdiction of incorporation, organization or formation, dated a recent date prior to the Initial Funding Date.

(vii) Guaranty and Collateral Requirements. Concurrently with the RCP 3 Acquisition Closing, (A)(1) RCP 3 shall become a Guarantor hereunder by executing and delivering to Administrative Agent and Collateral Agent a Counterpart Agreement, and (2) RCP 3 and each RCP 3 Controlled Fund GP shall take all such actions and execute and deliver, or cause to be executed and delivered, such documents, instruments, agreements, and certificates corresponding to those described in Sections 3.1(b) and 3.1(s), (B) each Credit Party shall execute and deliver to Collateral Agent the Pledge and Security Agreement, (C) Collateral Agent shall have received a Non-Guarantor Agreement with respect to each Controlled Fund (other than RCP SBO Fund, LP and any Capital-Raising Stage Fund) and each RCP 3 Controlled Fund (other than any Capital-Raising Stage Fund) executed and delivered by (I) such Controlled Fund or RCP 3 Controlled Fund, (II) the related Controlled Fund GP or RCP 3 Controlled Fund GP, (III) the holder(s) of the voting interest in such Controlled Fund GP or RCP 3 Controlled Fund GP, (IV) the Designated RCP Principals, other than Jon I. Madorsky (and, to the extent the Designated RCP Principals do not hold at least 66.67% of the economic interests in such Controlled Fund GP, such additional members of such Controlled Fund GP that, together with the Designated RCP Principals, hold at least 66.67% of the economic interests in such Controlled Fund GP), (V) RCP 2 or RCP 3, as applicable, as the investment manager for such Controlled Fund or RCP 3 Controlled Fund GP, and (VI) Company; and (D) each of the parties to the Seller Note Subordination Agreement shall execute and deliver to Collateral Agent the Seller Note Subordination Agreement.

(viii) [Reserved].

(ix) [Reserved].

(x) Personal Property Collateral. In order to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid, perfected First Priority security interest in the personal property Collateral, each of the following shall have delivered to Collateral Agent:

(1) evidence reasonably satisfactory to Collateral Agent of the compliance by each Credit Party or other Collateral Grantor, as applicable, of their collateral grant and perfection obligations required to be satisfied on or prior to the Initial Funding Date under the Pledge and Security Agreement and the other Collateral Documents (including their obligations thereunder to authorize or execute, as the case may be, and deliver UCC financing statements, originals of securities, instruments and chattel paper and any agreements governing deposit and/or securities accounts as provided therein) contemplated to be delivered on the Initial Funding Date;

(2) an updated Collateral Questionnaire dated the Initial Funding Date and executed by Authorized Officers of Holdings, Company, RCP 2, and RCP 3, together with all attachments contemplated thereby;

(3) fully executed and, as appropriate, notarized Intellectual Property Security Agreements, in proper form for filing or recording in all appropriate places in all applicable jurisdictions;

(4) the original Intercompany Note and Subordination, executed by Holdings, Company, and each Subsidiary of Company, together with an endorsement in blank executed by each such party;

(5) to the extent the Capital Stock of Company, RCP 2 or RCP 3 is represented by certificates, the original certificates evidencing 100% of the Capital Stock of such Credit Party, and related powers or instruments of transfer executed in blank, as applicable;

(6) [Reserved]; and

(7) Deposit Account Control Agreements and, as applicable, Securities Account Control Agreements, executed by the relevant Credit Parties, to the extent required by Section 6.18.

(xi) Evidence of Insurance. Collateral Agent shall have received a certificate from the applicable Credit Party's insurance broker or other evidence reasonably acceptable to it that all insurance required to be maintained pursuant to Section 5.5 is in full force and effect, together with endorsements naming Collateral Agent, for the benefit of Secured Parties, as additional insured and loss payee thereunder to the extent required under Section 5.5.

(xii) Opinions of Counsel to Credit Parties. Agents, Lenders and their respective counsel shall have received originally executed copies of the favorable written opinions of counsel for Credit Parties (which counsel shall be reasonably satisfactory to Collateral Agent) with respect to the creation and perfection of the security interests in favor of Collateral Agent in such Collateral, and such other matters governed by the laws of each relevant jurisdiction as Collateral Agent may reasonably request, in each case dated as of the Initial Funding Date and in form and substance reasonably satisfactory to Administrative Agent (and each Credit Party hereby instructs such counsel to address such opinions to Agents and Lenders);

(xiii) Initial Funding Date Solvency Certificate. On the Initial Funding Date, Administrative Agent shall have received an Initial Funding Date Solvency Certificate with respect to the Solvency of (x) Holdings and its Subsidiaries on a consolidated basis and (y) Company and its Subsidiaries on a consolidated basis, in each case after giving effect to the consummation of the transactions contemplated by the Related Agreements to occur on or prior to the Initial Funding Date.

(xiv) [Reserved].

(xv) Financial Statements; Projections. Company shall have delivered (A) updates of the pro forma financial statements required on the Closing Date pursuant to Section 3.1(h)(ii), (iii), and (iv) and (B) monthly financial statements and accompanying information of the type described in Section 5.1(a) for each month ending after the Closing Date and at least 30 days prior to the Initial Funding Date.

(xvi) Minimum EBITDA. Company shall demonstrate in form and substance reasonably satisfactory to Administrative Agent that Company shall have trailing twelve month Consolidated Adjusted EBITDA on a pro forma basis of at least $12,000,000, with any adjustments not expressly provided for in this Agreement to be reasonably satisfactory to Administrative Agent.

(xvii) Minimum Liquidity. Company shall demonstrate in form and substance reasonably satisfactory to Administrative Agent that on the Initial Funding Date immediately after giving effect to any transactions to occur on or prior to the Initial Funding Date, including the payment of all Transaction Costs required to be paid in Cash at or prior to such time, the Credit Parties shall have at least $1,000,000 of Consolidated Liquidity.

(xviii) Maximum Leverage Ratio. Company shall demonstrate in form and substance reasonably satisfactory to Administrative Agent that on the Initial Funding Date and immediately after giving effect to any transactions occurring on or prior to the Initial Funding Date, including the payment of all Transaction Costs required to be paid in Cash on or prior to the Initial Funding Date, the Leverage Ratio on a pro forma basis (calculated using Annualized Consolidated Adjusted EBITDA for the Fiscal Quarter ending December 31, 2017) shall not be greater than 5.00:1.00.

(xix) Fees. Company shall have paid to each Agent the fees, if any, payable on or before the Initial Funding Date referred to in Section 2.9 and all expenses payable pursuant to Section 10.2 that have accrued to the Initial Funding Date.

(xx) Initial Funding. The initial Multi Draw Term Loans made to Company on the Initial Funding Date shall be in an aggregate stated principal amount of at least $51,000,000, and the Initial Funding Date shall be after January 1, 2018 and on or before January 31, 2018.

(xxi) [Reserved].

(xxii) Initial Funding Date Certificate. Holdings and Company shall have delivered to Administrative Agent an originally executed Initial Funding Date Certificate, together with all attachments thereto.

Each Lender, by funding a Loan on the Initial Funding Date, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by any Agent, Requisite Lenders or Lenders, as applicable or prior to the Initial Funding Date.

(b) Conditions Precedent to each Credit Extension (excluding TrueBridge Acquisition Term Loans and Enhanced Capital Acquisition Term Loans). The obligation of each Lender to make any Loan (other than TrueBridge Acquisition Term Loans and Enhanced Capital Acquisition Term Loans) on any Credit Date, including the Initial Funding Date, are subject to the satisfaction, or waiver in accordance with Section 10.5, of the following conditions precedent:

(i) Administrative Agent shall have received a fully executed and delivered Funding Notice.

(ii) After making the Credit Extensions requested on such Credit Date, (x) the Total Utilization of Revolving Commitments shall not exceed the Revolving Commitments then in effect and (y) with respect to any Credit Extension consisting of a Multi Draw Term Loan, Availability would be $0 or greater;

(iii) As of such Credit Date, the representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects on and as of that Credit Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date; provided that, in each case, such materiality qualifier shall not apply to any representations and warranties that already are qualified or modified by materiality in the text thereof.

(iv) As of such Credit Date, no event shall have occurred and be continuing or would result from the consummation of the applicable Credit Extension that constitutes an Event of Default or a Default.

(v) As of such Credit Date, the Leverage Ratio determined as of such date after giving effect to the contemplated Credit Extension shall not exceed the Leverage Incurrence Multiple in effect at such time.

(vi) With respect to any Credit Extension the use of proceeds of which is intended to finance the initial funding of a Permitted GP Co-Investment (but not any subsequent fundings under the same commitment) or any Permitted Management Fee Tail Purchase, Administrative Agent shall have received evidence that such transaction is a Permitted GP Co-Investment or a Permitted Management Fee Tail Purchase, as the case may be, and all documentation related thereto shall be in form and substance satisfactory to Administrative Agent in its reasonable discretion.

(c) Conditions Precedent to TrueBridge Acquisition Term Loans. The obligation of each Lender to make a TrueBridge Acquisition Term Loan on the TrueBridge Acquisition Closing Date is subject to the satisfaction, or waiver in accordance with Section 10.5, of the following conditions precedent:

(i) Funding Notice. Administrative Agent shall have received a fully executed and delivered Funding Notice for the TrueBridge Acquisition Term Loans to be funded on the TrueBridge Acquisition Closing Date.

(ii) TrueBridge Acquisition Closing. The TrueBridge Acquisition Closing shall be consummated no later than the TrueBridge Outside Closing Date substantially simultaneously with the funding of the TrueBridge Acquisition Term Loans in all material respects in accordance with applicable law and on the terms in the TrueBridge Acquisition Agreement, without any amendment, modification or waiver thereof or any consent thereunder after the TrueBridge Acquisition Signing Date, in each case, which is materially adverse to the Lenders or Administrative Agent without the prior written consent of Administrative Agent (such consent not to be unreasonably withheld, delayed, denied or conditioned); provided that (A) any amendment or modification that would reduce below 85% the minimum Consenting Percentage (as defined in the TrueBridge Acquisition Agreement as in effect on the TrueBridge Acquisition Signing Date) required to be obtained as a condition to the TrueBridge Acquisition Closing or that would alter the manner in which the Consenting Percentage is determined under the TrueBridge Acquisition Agreement (as defined in the TrueBridge Acquisition Agreement as in effect on the TrueBridge Acquisition Signing Date) which alteration would reasonably be expected to be adverse to Intermediate Holdings, shall, in each case, be deemed to be a modification which is materially adverse to the Lenders and Administrative Agent, and (B) any amendment or modification providing for a reduction in the aggregate cash consideration for the acquisition of the Capital Stock of TrueBridge of not more than 10% from that provided for in the TrueBridge Acquisition Agreement as in effect on the TrueBridge Acquisition Signing Date shall be deemed not to be a modification that is materially adverse to the Lenders or Administrative Agent, but only if the amount (if any) by which the reduced aggregate cash consideration is less than $91,350,000 is allocated to reduce the amount of the TrueBridge Acquisition Term Loans to be funded on the TrueBridge Acquisition Closing Date on a dollar-for-dollar basis;

(iii) Existing Indebtedness. After giving effect to the funding of the TrueBridge Acquisition Term Loans and the TrueBridge Acquisition Closing and the other transactions contemplated thereby, Parent and its subsidiaries shall have outstanding no Indebtedness, other than Indebtedness permitted under Section 6.1;

(iv) TrueBridge Financial Statements. Administrative Agent shall have received (A) the audited financial statements, prepared in accordance with GAAP, for each fund managed or controlled by TrueBridge (each, a **"TrueBridge Fund"**) for the three most recently completed fiscal years ended at least 180 days prior to TrueBridge Acquisition Closing Date (other than, with respect to any TrueBridge Fund, any prior fiscal year for which audited financial statements were not produced for such TrueBridge Fund) (it being acknowledged that such audited financial statements with respect to the fiscal year ended December 31, 2019 and any relevant prior fiscal year have been received by Administrative Agent), (B) a copy of a quality of earnings report with respect to TrueBridge and its subsidiaries prepared at the direction of Holdings or Intermediate Holdings (it being acknowledged that such quality of earnings report has been received by Administrative Agent), and (C) a copy of all financial statements of TrueBridge and the TrueBridge Funds delivered to Intermediate Holdings pursuant to Section 8.3(b) of the TrueBridge Acquisition Agreement.

(v) KYC Documentation. Administrative Agent shall have received, at least five business days prior to the TrueBridge Acquisition Closing Date, all documentation and other information about Holdings, Company and the Guarantors required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act that has been reasonably requested by Administrative Agent in writing at least ten business days prior to the TrueBridge Acquisition Closing Date.

(vi) Fees and Expenses. Company shall have paid all fees required to be paid pursuant to the Fee Letters and reasonable (and reasonably documented) out of pocket expenses required to be paid on the TrueBridge Acquisition Closing Date, to the extent invoiced in reasonable detail at least two business days prior to the TrueBridge Acquisition Closing Date.

(vii) Organizational Documents; Authorization; Incumbency. Administrative Agent shall have received (A) copies of each Organizational Document of each Credit Party and of TrueBridge, certified by an Authorized Officer of such Person as of the TrueBridge Acquisition Closing Date and, with respect to Organizational Documents filed with any Governmental Authority, certified by such Governmental Authority as of the TrueBridge Acquisition Closing Date or a recent date prior thereto (including any amendments or other modifications to such Organizational Documents that will be effective upon or promptly following the TrueBridge Acquisition Closing); (B) signature and incumbency certificates of the officers of such Person executing any Credit Documents to which it is or will become a party on the TrueBridge Acquisition Closing Date; (C) resolutions of the Board of Directors of such Person (including the making of the representations and warranties herein) approving and authorizing the execution, delivery and performance of the Fourth Amendment (in the case of each Credit Party) and each of the other Credit Documents to be executed by such Person on the TrueBridge Acquisition Closing Date, certified as of the TrueBridge Acquisition Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment; and (D) a good standing certificate from the applicable Governmental Authority of such Person's jurisdiction of incorporation, organization or formation, dated a recent date prior to the TrueBridge Acquisition Closing Date.

(viii) TrueBridge Counterpart Agreement. TrueBridge shall have become a Guarantor hereunder and a Grantor under the Pledge and Security Agreement by executing and delivering to Administrative Agent and Collateral Agent a Counterpart Agreement.

(ix) Collateral Requirements. Collateral Agent shall have received (A) a supplement to the Collateral Questionnaire, dated as of the TrueBridge Acquisition Closing Date (and after giving effect to the TrueBridge Acquisition Closing) with respect to TrueBridge and its assets and Equity Interests, executed by an Authorized Officer of Intermediate Holdings; (B) the results of a search of the Uniform Commercial Code (or equivalent), tax, pending litigation and judgment, United States Patent and Trademark Office and United States Copyright Office filings made with respect to the Credit Parties in the jurisdictions contemplated by the Collateral Questionnaire (including the supplements thereto); (C) an Intellectual Property Security Agreement, executed by TrueBridge and in proper form for filing or recording in all appropriate places in all applicable jurisdictions; and (D) a counterpart signature page to the Intercompany Note and Subordination duly executed by TrueBridge.

(x) [Reserved].

(xi) Opinions of Counsel. Agents, Lenders and their respective counsel shall have received favorable written opinions of (A) Gibson, Dunn & Crutcher LLP, special New York counsel for the Credit Parties and TrueBridge, and (B) Womble Bond Dickinson (US) LLP, special North Carolina counsel for Five Points, each in form and substance reasonably satisfactory to Administrative Agent.

(xii) TrueBridge Acquisition Closing Date Certificate. Administrative Agent shall have received the TrueBridge Acquisition Closing Date Certificate, duly executed by an Authorized Officer of Intermediate Holdings and an Authorized Officer of TrueBridge.

(xiii) TrueBridge Acquisition Solvency Certificate. Administrative Agent shall have received TrueBridge Acquisition Solvency Certificate, duly executed by the Chief Financial Officer of Holdings, with respect to the Solvency of (x) Holdings and its Subsidiaries on a consolidated basis and (y) TrueBridge and its subsidiaries on a consolidated basis, in each case, after giving effect to the funding of the TrueBridge Acquisition Term Loans and the consummation of the TrueBridge Acquisition Closing and the other transactions contemplated thereby.

(xiv) Specified Acquisition Agreement Representations. The representations and warranties made by or with respect to TrueBridge and its subsidiaries in the TrueBridge Acquisition Agreement (giving effect to materiality qualifiers contained in the TrueBridge Acquisition Agreement) as are material to the interests of the Lenders shall be true and correct (but only to the extent that Parent has the right (taking into account any applicable cure provisions) not to consummate the acquisition, or to terminate its obligations, in accordance with the terms of the TrueBridge Acquisition Agreement as a result of a failure of such representations and warranties in the TrueBridge Acquisition Agreement to be true and correct).

(xv) Specified Representations. The Specified Representations shall be true in all material respects (or in all respects if already qualified by materiality) as of the TrueBridge Acquisition Closing Date (except in the case of any Specified Representation which expressly relates to a given date or period, such representation and warranty shall be true in all materials respects (or in all respects if already qualified by materiality) as of the respective date or for the respective period, as the case may be).

(xvi) No Company Group Material Adverse Effect. During the period from TrueBridge Acquisition Signing Date to the TrueBridge Acquisition Closing Date, there shall not have been any Company Group Material Adverse Effect (under and as defined in the TrueBridge Acquisition Agreement as in effect on the TrueBridge Acquisition Signing Date).

(xvii) Restructuring of TrueBridge GPs. The restructuring contemplated by Section 8.10 of the TrueBridge Acquisition Agreement (as in effect on the TrueBridge Acquisition Signing Date) shall have been completed to the reasonable satisfaction of Administrative Agent.

(xviii) TrueBridge shall have received a written consent (which may include a consent provided by electronic mail) from First Republic Bank, as the lender under the existing Subscription Lines of Credit, to TrueBridge becoming a Credit Party, which written consent shall be in form and substance reasonably satisfactory to Administrative Agent.

(d) Conditions Precedent to Enhanced Capital Acquisition Term Loans. The obligation of each Lender to make an Enhanced Capital Acquisition Term Loan on the Enhanced Capital Acquisition Closing Date is subject to the satisfaction, or waiver in accordance with Section 10.5, of the following conditions precedent:

(i) Funding Notice. Administrative Agent shall have received a fully executed and delivered Funding Notice for the Enhanced Capital Acquisition Term Loans to be funded on the Enhanced Capital Acquisition Closing Date.

(ii) Enhanced Capital Acquisition Closing. The Enhanced Capital Acquisition Closing shall be consummated no later than the Enhanced Capital Outside Date substantially simultaneously with the funding of the Enhanced Capital Acquisition Term Loans in all material respects in accordance with applicable law and on the terms in the Enhanced Capital Acquisition Agreement, without any amendment, modification or waiver thereof or any consent thereunder, in each case, which is materially adverse to the Lenders or Administrative Agent without the prior written consent of Administrative Agent (such consent not to be unreasonably withheld, delayed, denied or conditioned); provided that any amendment or modification providing for a reduction in the aggregate cash consideration for the Enhanced Capital Acquisition of not more than 10% from that provided for in the Enhanced Capital Acquisition Agreement as in effect on the Enhanced Capital Acquisition Signing Date shall be deemed not to be a modification that is materially adverse to the Lenders or Administrative Agent, but only if the amount (if any) by which the aggregate cash consideration is reduced is allocated to reduce the amount of the Enhanced Capital Acquisition Term Loans to be funded on the Enhanced Capital Acquisition Closing Date on a dollar-for-dollar basis;

(iii) Existing Indebtedness. After giving effect to the funding of the Enhanced Capital Acquisition Term Loans and the Enhanced Capital Acquisition Closing and the other transactions contemplated thereby, Parent and its subsidiaries shall have outstanding no Indebtedness, other than Indebtedness permitted under Section 6.1;

(iv) Enhanced Capital Financial Statements. Administrative Agent shall have received (a) the audited statement of financial condition and schedule of investments, and the related statements of operations, changes in partners' capital, and cash flows, in each case prepared in accordance with U.S. GAAP, of ECG, ECP and their respective subsidiaries for the fiscal years ended December 31, 2017, December 31, 2018 and December 31, 2019 (it being acknowledged that such audited financial statements have been received by the Administrative Agent as of the Enhanced Capital Acquisition Signing Date), (b) unaudited statements of financial condition and schedules of investments, and the related statements of operations, changes in partners' capital, and cash flows, in each case prepared in accordance with U.S. GAAP, of ECG, ECP and their respective subsidiaries for the fiscal quarters ended June 30, 2020 and September 30, 2020 (it being acknowledged that such unaudited financial statements have been received by the Administrative Agent as of the Enhanced Capital Acquisition Signing Date), (c) a copy of a quality of earnings report with respect to ECG, ECP and their respective subsidiaries prepared at the direction of Holdings or Intermediate Holdings (it being acknowledged that such quality of earnings report has been received by the Administrative Agent as of the Enhanced Capital Acquisition Signing Date), and (d) a copy of all other financial information and reports of ECG, ECP and their respective subsidiaries delivered to Intermediate Holdings pursuant to Section 6.19 of the Enhanced Capital Acquisition Agreement.

(v) KYC Documentation. Administrative Agent shall have received, at least three business days prior to the Enhanced Capital Acquisition Closing Date, all documentation and other information about Holdings, Company and the Guarantors required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act that has been reasonably requested by Administrative Agent in writing at least ten business days prior to the Enhanced Capital Acquisition Closing Date.

(vi) Fees and Expenses. Company shall have paid all fees required to be paid pursuant to the Fee Letters and reasonable (and reasonably documented) out of pocket expenses required to be paid on the Enhanced Capital Acquisition Closing Date, to the extent invoiced in reasonable detail at least two business days prior to the Enhanced Capital Acquisition Closing Date.

(vii) Organizational Documents; Authorization; Incumbency. Administrative Agent shall have received (A) copies of each Organizational Document of each Credit Party and of each ECG Guarantor, certified by an Authorized Officer of such Person as of the Enhanced Capital Acquisition Closing Date and, with respect to Organizational Documents filed with any Governmental Authority, certified by such Governmental Authority as of the Enhanced Capital Acquisition Closing Date or a recent date prior thereto (including any amendments or other modifications to such Organizational Documents that will be effective upon or promptly following the Enhanced Capital Acquisition Closing); (B) signature and incumbency certificates of the officers of such Person executing any Credit Documents to which it is or will become a party on the Enhanced Capital Acquisition Closing Date; (C) resolutions of the Board of Directors of such Person approving and authorizing the execution, delivery and performance of the Fifth Amendment (in the case of each Credit Party) and each of the other Credit Documents to be executed by such Person on the Enhanced Capital Acquisition Closing Date (including the making of the representations and warranties therein), certified as of the Enhanced Capital Acquisition Closing Date by its secretary or an assistant secretary as being in full force and effect without modification or amendment; and (D) a good standing certificate from the applicable Governmental Authority of such Person's jurisdiction of incorporation, organization or formation, dated a recent date prior to the Enhanced Capital Acquisition Closing Date.

(viii) ECG Counterpart Agreement. Each ECG Guarantor shall have become a Guarantor hereunder and a Grantor under the Pledge and Security Agreement by executing and delivering to Administrative Agent and Collateral Agent a Counterpart Agreement.

(ix) Collateral Requirements. Collateral Agent shall have received (A) a supplement to the Collateral Questionnaire, dated as of the Enhanced Capital Acquisition Closing Date (and after giving effect to the Enhanced Capital Acquisition Closing) with respect to ECG and its assets and Equity Interests, executed by an Authorized Officer of the Company; (B) the results of a search of the Uniform Commercial Code (or equivalent), tax, pending litigation and judgment, United States Patent and Trademark Office and United States Copyright Office filings made with respect to ECG in the jurisdictions contemplated by the Collateral Questionnaire (including the supplements thereto); and (C) a counterpart signature page to the Intercompany Note and Subordination duly executed by each ECG Guarantor.

(x) [Reserved].

(xi) Opinions of Counsel. Agents, Lenders and their respective counsel shall have received favorable written opinions of (A) Gibson, Dunn & Crutcher LLP, special New York counsel for the Credit Parties and the ECG Guarantors, and (B) Womble Bond Dickinson (US) LLP, special North Carolina counsel for Five Points, each in form and substance reasonably satisfactory to Administrative Agent.

(xii) Enhanced Capital Acquisition Closing Date Certificate. Administrative Agent shall have received the Enhanced Capital Acquisition Closing Date Certificate, duly executed by an Authorized Officer of Intermediate Holdings and an Authorized Officer of ECG.

(xiii) Enhanced Capital Acquisition Solvency Certificate. Administrative Agent shall have received the Enhanced Capital Acquisition Solvency Certificate, duly executed by the Chief Financial Officer of Holdings, with respect to the Solvency of (x) Holdings and its Subsidiaries on a consolidated basis and (y) ECG and its Subsidiaries on a consolidated basis, in each case, after giving effect to the funding of the Enhanced Capital Acquisition Term Loans and the consummation of the Enhanced Capital Acquisition Closing and the other transactions contemplated thereby.

(xiv) Specified Acquisition Agreement Representations. The representations and warranties made by or with respect to ECG, ECP and their respective subsidiaries in the Enhanced Capital Acquisition Agreement (giving effect to materiality qualifiers contained in the Enhanced Capital Acquisition Agreement) as are material to the interests of the Lenders shall be true and correct (but only to the extent that Parent has the right (taking into account any applicable cure provisions) not to consummate the acquisition, or to terminate its obligations, in accordance with the terms of the Enhanced Capital Acquisition Agreement as a result of a failure of such representations and warranties in the Enhanced Capital Acquisition Agreement to be true and correct).

(xv) Specified Representations. The Specified Representations shall be true in all material respects (or in all respects if already qualified by materiality) as of the Enhanced Capital Acquisition Closing Date (except in the case of any Specified Representation which expressly relates to a given date or period, such representation and warranty shall be true in all materials respects (or in all respects if already qualified by materiality) as of the respective date or for the respective period, as the case may be).

(xvi) No Company Material Adverse Effect. During the period from the Enhanced Capital Acquisition Signing Date to the Enhanced Capital Acquisition Closing Date, there shall not have been any Company Material Adverse Effect (under and as defined in the Enhanced Capital Acquisition Agreement as in effect on the Enhanced Capital Acquisition Signing Date).

(e) ~~(d)~~ Notices. Any Notice shall be executed by an Authorized Officer in a writing delivered to Administrative Agent.

(f) ~~(c)~~ Representations and Warranties. Each request for a borrowing of a Loan by Company hereunder shall constitute a representation and warranty by Company as of the applicable Credit Date that (i) the applicable conditions contained in Section 3.2(b) ~~or~~, Section 3.2(c) or Section 3.2(d), as applicable, have been satisfied and (ii) the representations and warranties set forth in Section 4 and in the other Credit Documents are true and correct in all material respects on and as of such Credit Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

SECTION 4 REPRESENTATIONS AND WARRANTIES

In order to induce Agents and Lenders to enter into this Agreement and to make each Credit Extension to be made thereby, each Credit Party represents and warrants to each Agent and each Lender, on the Closing Date and on each Credit Date, that the following statements are true and correct:

4.1 Organization; Requisite Power and Authority; Qualification. Each of Holdings and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization as identified in Schedule 4.1, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party and to carry out the transactions contemplated thereby, and (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a Material Adverse Effect.

4.2 Capital Stock and Ownership. The Capital Stock of each of Holdings and its Subsidiaries has been duly authorized and validly issued and is fully paid and non-assessable. Except as set forth on Schedule 4.2, as of the date hereof, there is no existing option, warrant, call, right, commitment or other agreement to which Holdings or any of its Subsidiaries is a party requiring, and there is no membership interest or other Capital Stock of Holdings or any of its Subsidiaries outstanding that upon conversion or exchange would require, the issuance by Holdings or any of its Subsidiaries of any additional Capital Stock of Holdings or any of its Subsidiaries or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, additional Capital Stock of Holdings or any of its Subsidiaries. Schedule 4.2 correctly sets forth the ownership interest of Holdings and each of its Subsidiaries in their respective Subsidiaries as of the Closing Date, both before and after giving effect to the transactions contemplated by the Related Agreements to occur on the Closing Date.

4.3 Due Authorization. The execution, delivery and performance of the Credit Documents have been duly authorized by all necessary action on the part of each Credit Party and each other Collateral Grantor that is a party thereto.

4.4 No Conflict. The execution, delivery and performance by Credit Parties and the other Collateral Grantors of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not (a) violate any provision of any law or any governmental rule or regulation applicable to Holdings or any of its Subsidiaries, any of the Organizational Documents of Holdings or any of its Subsidiaries, or any order, judgment or decree of any court or other agency of government binding on Holdings or any of its Subsidiaries; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material Contractual Obligation of Holdings or any of its Subsidiaries; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of Holdings or any of its Subsidiaries (other than any Liens created under any of the Credit Documents in favor of Collateral Agent, for the benefit of Secured Parties); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any material Contractual Obligation of Holdings or any of its Subsidiaries, except for such approvals or consents that have been obtained on or before the Closing Date (or Initial Funding Date, as applicable) and have been disclosed in writing to Lenders.

4.5 Governmental Consents. The execution, delivery and performance by Credit Parties and the other Collateral Grantors of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority except as otherwise set forth in the RCP Acquisition Agreements, and except for filings and recordings with respect to the Collateral provided for under this Agreement and/or the Collateral Documents.

4.6 Binding Obligation. Each Credit Document required to be delivered hereunder has been duly executed and delivered by each Credit Party and each other Collateral Grantor that is a party thereto and is the legally valid and binding obligation of such Credit Party or other Collateral Grantor, as applicable, enforceable against such Credit Party or such other Collateral Grantor, as applicable, in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.7 Historical Financial Statements. The Historical Financial Statements were prepared in conformity with GAAP and fairly present, in all material respects, the financial position, on a consolidated basis, of the Persons described in such financial statements as at the respective dates thereof and the results of operations and cash flows, on a consolidated basis, of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year-end adjustments. As of the Closing Date, neither Holdings nor any of its Subsidiaries has any contingent liability or liability for taxes, long-term lease or unusual forward or long-term commitment that is not reflected in the Historical Financial Statements or the notes thereto and that in any such case is material in relation to the business, operations, properties, assets, condition (financial or otherwise) or prospects of Holdings and any of its Subsidiaries taken as a whole.

4.8 Projections. On and as of the Closing Date, the projections of Holdings and its Subsidiaries for the period of Fiscal Year 2018 through and including Fiscal Year 2022, including monthly projections for each month of Fiscal Year 2018, (the **"Projections"**) are based on good faith estimates and assumptions made by the management of Holdings; provided, the Projections are not to be viewed as facts and that actual results during the period or periods covered by the Projections may differ from such Projections and that the differences may be material; provided further, as of the Closing Date, management of Holdings believed that the Projections were reasonable and attainable.

4.9 No Material Adverse Change. Since December 31, 2014, no event, circumstance or change has occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, excluding any Material Adverse Effect occurring with respect to Holdings prior to its emergence from bankruptcy on May 4, 2017.

4.10 No Restricted Junior Payments. Since the Closing Date, neither Holdings nor any of its Subsidiaries has directly or indirectly declared, ordered, paid or made, or set apart any sum or property for, any Restricted Junior Payment or agreed to do so except as permitted pursuant to Section 6.5.

4.11 Adverse Proceedings, etc. There are no Adverse Proceedings that could reasonably be expected to result in a Material Adverse Effect. Neither Holdings nor any of its Subsidiaries (a) is in violation of any applicable laws (including Environmental Laws) that could reasonably be expected to result in a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that could reasonably be expected to result in a Material Adverse Effect.

4.12 Payment of Taxes.

(a) Except as otherwise permitted under Section 5.3, all tax returns and reports of Holdings and its Subsidiaries required to be filed by any of them have been timely filed, and all taxes shown on such tax returns to be due and payable and all assessments, fees and other governmental charges upon Holdings and its Subsidiaries and upon their respective properties, assets, income, businesses and franchises that are material and are due and payable have been paid when due and payable (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of Holdings and/or its applicable Subsidiary, as the case may be). To the knowledge of the Credit Parties, there is no material proposed tax assessment against Holdings or any of its Subsidiaries that is not being actively contested by Holdings or such Subsidiary in good faith and by appropriate proceedings; provided, such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

(b) As of immediately prior to the RCP 2 Acquisition Closing, P10 had not less than $225,000,000 of net operating loss carryovers for federal income tax purposes as defined in Section 172(b) of the Internal Revenue Code ("**NOLs**") and not less than $219,000,000 of NOLs as modified by the corporate alternative minimum tax adjustments required under the Internal Revenue Code.

4.13 Properties.

(a) Title. Each of Holdings and its Subsidiaries has (i) good, sufficient and legal title to (in the case of fee interests in real property), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), (iii) valid licensed rights in (in the case of licensed interests in intellectual property), and (iv) good title to (in the case of all other personal property), all of their respective properties and assets reflected in their respective Historical Financial Statements referred to in Section 4.7 and in the most recent financial statements delivered pursuant to Section 5.1, in each case except for assets disposed of since the date of such financial statements in the ordinary course of business or as otherwise permitted under Section 6.9. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens.

(b) Real Estate. As of the Closing Date, Schedule 4.13 contains a true, accurate and complete list of (i) all Real Estate Assets, including an indication as to whether each such Real Estate Asset constitutes a Material Real Estate Asset, and (ii) all leases, subleases or assignments of leases (together with all amendments, modifications, supplements, renewals or extensions of any thereof) affecting each Real Estate Asset of any Credit Party, regardless of whether such Credit Party is the landlord or tenant (whether directly or as an assignee or successor in interest) under such lease, sublease or assignment. Each agreement listed in clause (ii) of the immediately preceding sentence is in full force and effect and Holdings does not have knowledge of any default that has occurred and is continuing thereunder, and each such agreement constitutes the legally valid and binding obligation of each applicable Credit Party, enforceable against such Credit Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles.

4.14 Environmental Matters. Neither Holdings nor any of its Subsidiaries nor any of their respective Facilities or operations are subject to any outstanding written order, consent decree or settlement agreement with any Person relating to any Environmental Law, any Environmental Claim, or any Hazardous Materials Activity that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither Holdings nor any of its Subsidiaries has received any letter or request for information under Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9604) or any comparable state law. There are and, to each of Holdings' and its Subsidiaries' knowledge, have been, no conditions, occurrences, or Hazardous Materials Activities that could reasonably be expected to form the basis of an Environmental Claim against Holdings or any of its Subsidiaries that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither Holdings nor any of its Subsidiaries nor, to any Credit Party's knowledge, any predecessor of Holdings or any of its Subsidiaries has filed any notice under any Environmental Law indicating past or present treatment of Hazardous Materials at any Facility, and none of Holdings' or any of its Subsidiaries' operations involves the generation, transportation, treatment, storage or disposal of hazardous waste, as defined under 40 C.F.R. Parts 260-270 or any state equivalent. Compliance with all current or reasonably foreseeable future requirements pursuant to or under Environmental Laws could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. No event or condition has occurred or is occurring with respect to Holdings or any of its Subsidiaries relating to any Environmental Law, any Release of Hazardous Materials, or any Hazardous Materials Activity that individually or in the aggregate has had, or could reasonably be expected to have, a Material Adverse Effect.

4.15 No Defaults. Neither Holdings nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, and no condition exists that, with the giving of notice or the lapse of time or both, could constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect or.

4.16 Material Contracts.

(a) As of the Closing Date, (i) Schedule 4.16 contains a true, correct and complete list of all the Material Contracts (including any amendments, supplements or other modifications) in effect on the Closing Date, (ii) all such Material Contracts are in full force and effect, (iii) no defaults currently exist thereunder (which representation, with respect to defaults of a party other than the Credit Parties and their Subsidiaries and any Controlled Fund GP or Controlled Fund, is made only to the Credit Parties' knowledge), and (iv) no event, circumstance, or condition exists or has occurred that gives any counterparty to such Material Contract a "for cause" termination or removal right thereunder.

(b) On any date after the Closing Date that Company is required to reaffirm the representations and warranties made by it under this Section 4, (i) Schedule 4.16, together with any updates provided pursuant to Section 5.1(l), contains a true, correct and complete list of all the Material Contracts (including any amendments, supplements or other modifications) in effect on such date, (ii) except as could not reasonably be expected, individually or in the aggregate, to (x) have a Material Adverse Effect or (y) when considered together with other Material Contracts which have been or are concurrently being terminated or entered into, result in an increase in expenses or liabilities, or a loss or reduction in Management Fees, by an amount, individually or in the aggregate, greater than 10% of the aggregate expenses, liabilities or total Management Fee revenue, as applicable, of the Credit Parties, (A) all such Material Contracts are in full force and effect, (B) no defaults currently exist thereunder (which representation, with respect to defaults of a party other than the Credit Parties and their Subsidiaries and any Controlled Fund GP or Controlled Fund, is made only to the Credit Parties' knowledge), and (C) no event, circumstance, or condition exists or has occurred that gives any counterparty to such Material Contract a "for cause" termination or removal right thereunder, and (iii) each such Material Contract has not been amended, waived, or otherwise modified except as permitted under this Agreement.

4.17 Governmental Regulation.

(a) Neither Holdings nor any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal or state statute or regulation that may limit its ability to incur Indebtedness or that may otherwise render all or any portion of the Obligations unenforceable. Neither Holdings nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940. No Controlled Fund or RCP 3 Controlled Fund is required to register under the Investment Company Act of 1940.

(b) On and after the Initial Funding Date, each of RCP 2, RCP 3, and any other Controlled Fund Asset Manager not exempted from registration under the Investment Advisers Act will be duly registered as an Investment Adviser or an associated person of a registered Investment Adviser, as applicable, under the Investment Advisers Act (and will remain so registered at all times when such registration is required by applicable law with respect to the services provided by such Person as applicable).

4.18 Federal Reserve Regulations; Exchange Act.

(a) Neither Holdings nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock.

(b) No portion of the proceeds of any Credit Extension has or will be used in any manner, whether directly or indirectly, that causes or could reasonably be expected to cause, such Credit Extension or the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors or any other regulation thereof or to violate the Exchange Act.

4.19 Employee Matters. Neither Holdings nor any of its Subsidiaries is engaged in any unfair labor practice. There is (a) no unfair labor practice complaint pending against Holdings or any of its Subsidiaries, or to the best knowledge of Holdings and Company, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against Holdings or any of its Subsidiaries or to the best knowledge of Holdings and Company, threatened against any of them, (b) no strike or work stoppage in existence or threatened involving Holdings or any of its Subsidiaries, and (c) to the best knowledge of Holdings and Company, no union representation question existing with respect to the employees of Holdings or any of its Subsidiaries and, to the best knowledge of Holdings and Company, no union organization activity that is taking place. No Credit Party has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act (**"WARN"**) or any similar federal or state law that remains unpaid or unsatisfied and is in excess of $250,000, individually, or $500,000, in the aggregate for all such liabilities.

4.20 Employee Benefit Plans. Holdings, each of its Subsidiaries and each of their respective ERISA Affiliates are in compliance with all applicable provisions and requirements of ERISA and the Internal Revenue Code and the regulations and published interpretations thereunder with respect to each Employee Benefit Plan, and have performed all their obligations under each Employee Benefit Plan. Each Employee Benefit Plan that is intended to qualify under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the Internal Revenue Service indicating that such Employee Benefit Plan is so qualified and nothing has occurred subsequent to the issuance of such determination letter that would cause such Employee Benefit Plan to lose its qualified status. No liability to the PBGC (other than required premium payments), the Internal Revenue Service, any Employee Benefit Plan or any trust established under Title IV of ERISA has been or is expected to be incurred by Holdings, any of its Subsidiaries or any of their ERISA Affiliates. No ERISA Event has occurred or is reasonably expected to occur. Except to the extent required under Section 4980B of the Internal Revenue Code or similar state laws, no Employee Benefit Plan provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates. The present value of the aggregate benefit liabilities under each Pension Plan sponsored, maintained or contributed to by Holdings, any of its Subsidiaries or any of their ERISA Affiliates (determined as of the end of the most recent plan year on the basis of the actuarial assumptions specified for funding purposes in the most recent actuarial valuation for such Pension Plan), did not exceed the aggregate current value of the assets of such Pension Plan. As of the most recent valuation date for each Multiemployer Plan for which the actuarial report is available, the potential liability of Holdings, its Subsidiaries and their respective ERISA Affiliates for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans is zero. Holdings, each of its Subsidiaries and each of their ERISA Affiliates have complied with the requirements of Section 515 of ERISA with respect to each Multiemployer Plan and are not in material "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan.

4.21 Certain Fees. No broker's or finder's fee or commission will be payable with respect to the transactions contemplated by the Related Agreements, except as payable to Agents and Lenders.

4.22 Solvency. Holdings and its Subsidiaries on a consolidated basis are, Company and its Subsidiaries on a consolidated basis are, and each Credit Party is Solvent, and upon the incurrence of any Credit Extension on any date on which this representation and warranty is made, Holdings and its Subsidiaries on a consolidated basis, Company and its Subsidiaries on a consolidated basis, and each Credit Party will be Solvent.

4.23 Related Agreements.

(a) Delivery. Holdings and Company have delivered to Administrative Agent complete and correct copies of (i) each Related Agreement and of all exhibits and schedules thereto as of the date hereof, any agreement required to be delivered in connection with any Related Agreement at or prior to the closing of the transactions contemplated by such Related Agreement (including any side letter executed or otherwise required by any of the parties thereto), and (ii) copies of any amendment, restatement, supplement or other modification to or waiver under each Related Agreement entered into after the date hereof (including any such modification accomplished via a side letter or any other document).

(b) [Reserved].

(c) [Reserved].

(d) Closing Date Conditions Precedent. On the Closing Date, (i) all of the conditions to effecting or consummating any transaction contemplated to occur on or prior to the Closing Date that are set forth in the Related Agreements have been duly satisfied or, with the consent of Administrative Agent, waived, and (ii) the RCP 2 Acquisition Closing has been consummated in accordance with the Related Agreements and all applicable laws.

(e) Initial Funding Date Conditions Precedent. On the Initial Funding Date, (i) all of the conditions to effecting or consummating any transaction contemplated to occur on or prior to the Initial Funding Date that are set forth in the Related Agreements have been duly satisfied or, with the consent of Administrative Agent to the extent required by Section 3.2(a)(i), waived, and (ii) the RCP 3 Acquisition Closing has been consummated in accordance with the Related Agreements (subject to any permitted modifications thereof as required by Section 3.2(a)(i)).

4.24 Compliance with Statutes, Etc.

(a) Each of Holdings and its Subsidiaries is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and the ownership of its property, including compliance with all applicable Environmental Laws with respect to any Real Estate Asset or governing its business and the requirements of any permits issued under such Environmental Laws with respect to any such Real Estate Asset or the operations of Holdings or any of its

Subsidiaries, except for any such noncompliance that could not reasonably be expected to have a Material Adverse Effect (it being understood, in the case of any statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities that are specifically referred to in any other provision of this Agreement, the Credit Parties shall also be required to represent and/or comply with, as applicable, the express terms of such provision).

(b) Each of Holdings and its Subsidiaries is in compliance with (i) the Investment Advisers Act and all related rules and regulations applicable to such Person, (ii) the requirements of Regulations T, U and X of the Federal Reserve Board, and the Investment Company Act of 1940, and (iii) ERISA.

4.25 Disclosure. No representation or warranty of any Credit Party or any other Collateral Grantor contained in any Credit Document or in any other documents, certificates or written statements furnished to any Agent or Lender by or on behalf of Holdings or any of its Subsidiaries for use in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact (known to Holdings or Company, in the case of any document not furnished by either of them) necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which the same were made. Any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by Holdings or Company to be reasonable at the time made, it being recognized by Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results.

4.26 Sanctions; Anti-Corruption and Anti-Bribery Laws; Anti-Terrorism and Anti-Money Laundering Laws; Etc.

(a) None of Holdings, any of its Subsidiaries, any Controlled Fund GP or any Controlled Fund, or, to the knowledge of any Credit Party, any of their respective Directors, officers, employees, agents, or Affiliates is a Sanctioned Person. Each of Holdings and its Subsidiaries and each Controlled Fund GP and Controlled Fund and, to the knowledge of any Credit Party, their respective Directors, officers, employees, agents, advisors and Affiliates, is in compliance with and has not violated (i) Sanctions, (ii) Anti-Corruption and Anti-Bribery Laws, and (iii) Anti-Terrorism and Anti-Money Laundering Laws. No part of the proceeds of any Credit Extension has or will be used, directly or indirectly, (A) for the purpose of financing any activities or business of or with any Sanctioned Person or in any Sanctioned Country, (B) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value to any Person in violation of any Anti-Corruption and Anti-Bribery Laws, (C) otherwise in any manner that would result in a violation of Sanctions, Anti-Terrorism and Anti-Money Laundering Laws, or Anti-Corruption and Anti-Bribery Laws by any Person.

(b) Holdings and its Subsidiaries have established and currently maintain policies, procedures and controls that are designed (and otherwise comply with applicable law) to ensure that each of Holdings, its Subsidiaries, and each Controlled Entity, and each of their respective Directors, officers, employees and agents, is and will continue to be in compliance with all applicable current and future Sanctions, Anti-Terrorism and Anti-Money Laundering Laws, and Anti-Corruption and Anti-Bribery Laws.

SECTION 5 AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that until Payment in Full of all Obligations, each Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Section 5.

5.1 Financial Statements and Other Reports. Unless otherwise provided below, Parent will deliver to Administrative Agent and Lenders:

(a) Monthly Reports. As soon as available, and in any event within forty-five days after the end of each month (including months that began prior to the Five Points Acquisition Closing Date for which financial statements were not previously delivered), (i) the consolidated and consolidating balance sheet of Parent and its Subsidiaries (or, with respect to the months ending April 30, 2020, May 31, 2020 and June 30, 2020, Company and its Subsidiaries) as at the end of such month and the related consolidated and consolidating statements of income, consolidated statements of stockholders' equity and consolidated statements of cash flows of Parent and its Subsidiaries (or, with respect to the months ending April 30, 2020, May 31, 2020 and June 30, 2020, Company and its Subsidiaries) for such month and for the period from the beginning of the then current Fiscal Year to the end of such month, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year (to the extent available) and, if applicable, the corresponding figures from the Financial Plan for the current Fiscal Year, all in reasonable detail, (ii) with respect to the months ending April 30, 2020, May 31, 2020 and June 30, 2020, the balance sheet of Five Points as of the end of such month and the related statements of income, statements of stockholders' equity and cash flows of Five Points for such month and for the period from the beginning of the then current Fiscal Year to the end of such month (which financial statements may be, but need not be, prepared in accordance with GAAP), and (iii) any other operating reports prepared by management for such period;

(b) Quarterly Financial Statements. (i) As soon as available, and in any event within forty-five days after the end of each Fiscal Quarter of each Fiscal Year (including the fourth Fiscal Quarter) (or, in the case of the Fiscal Quarters ending December 31, 2020, March 31, 2021, June 30, 2021 and September 30, 2021, within sixty days after the end of such Fiscal Quarter), the consolidated balance sheet of Parent and its Subsidiaries (or, with respect to any Fiscal Quarter ending on or prior to March 31, 2020, Company and its Subsidiaries) as at the end of such Fiscal Quarter and the related consolidated statements of income, stockholders' equity and cash flows of Parent and its Subsidiaries (or, with respect to any Fiscal Quarter ending on or prior to March 31, 2020, Company and its Subsidiaries) for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year (except for any such periods prior to the Closing Date with respect to which comparative figures are not available) and, with respect to periods covered by any Financial Plan required to be delivered hereunder, the corresponding figures from the Financial Plan for the current Fiscal Year, all in reasonable detail, together with a Financial

Officer Certification and a Narrative Report with respect thereto; (ii) as soon as available, and in any event within forty-five days after the Fiscal Quarter ending March 31, 2020, the balance sheet of Five Points as of the end of such Fiscal Quarter and the related statements of income, stockholders' equity and cash flows of Five Points for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter (which financial statements may be, but need not be, prepared in accordance with GAAP), and (iii) on a quarterly basis, promptly after such reports become available, (A) copies of any and all quarterly reporting provided or otherwise made available by any Controlled Fund or its Controlled Fund GP to the limited partners of such Controlled Fund, and (B) copies of any and all quarterly reporting provided or otherwise made available by any Controlled Fund GP to any of its members;

(c) Annual Financial Statements. (i) As soon as available, and in any event within ninety days after the end of each Fiscal Year, (A) the consolidated balance sheet of Parent and its Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income, stockholders' equity and cash flows of Parent and its Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year (except that such comparative figures shall not be required to be provided with respect to the Fiscal Year ending December 31, 2017 or any prior period) and, with respect to periods covered by any Financial Plan delivered hereunder, the corresponding figures from the Financial Plan for the Fiscal Year covered by such financial statements, in reasonable detail, together with a Financial Officer Certification and a Narrative Report with respect thereto; and (B) with respect to such consolidated financial statements, a report and an unqualified opinion, prepared in accordance with generally accepted auditing standards by KPMG LLP or other independent certified public accountants of recognized national standing selected by Parent and reasonably satisfactory to Administrative Agent (which opinion shall (x) be without (1) "going concern" or like explanatory language, (2) any qualification or exception as to the scope of such audit, or (3) any qualification which relates to the treatment or classification of any item and which, as a condition to the removal of such qualification, would require an adjustment to such item, the effect of which would be to cause any noncompliance with any of the covenants in Section 6.8), and (y) state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of Parent and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements))~~,~~ ; *provided* that, notwithstanding the foregoing, so long as Parent is the sole direct Subsidiary of Holdings, Parent shall have the option to deliver such audited financial statements described above in this clause (i) with respect to any fiscal year for Holdings and its Subsidiaries instead of Parent and its Subsidiaries, in which case relevant references above in this clause (i) shall be deemed to be references to Holdings instead of to Parent; and (ii) promptly after such statements or reports become available (A) copies of any fund-level audited financial statements (together with any statement provided by auditors in connection therewith) and any other annual reporting provided or otherwise made available by any Controlled Fund or its Controlled Fund GP to the limited partners of such Controlled Fund, and (B) copies of any and all quarterly reporting provided or otherwise made available by any Controlled Fund GP to any of its members;

(d) Compliance Certificate. Together with each delivery of financial statements of Parent and its Subsidiaries pursuant to 5.1(b) and 5.1(c), a duly executed and completed Compliance Certificate;

(e) Management Fee Report. Together with each delivery of financial statements of Parent and its Subsidiaries pursuant to 5.1(a), 5.1(b) and 5.1(c), a report setting forth the amount of Management Fees earned with respect to each Approved Controlled Fund Management Agreement and each Controlled Fund during the period covered by such financial statements.

(f) Notice of Default. Promptly and in in any event within five days after any officer of Holdings or Company obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default or that notice has been given to Holdings or Company with respect thereto; (ii) that any Person has given any notice to Holdings or any of its Subsidiaries or taken any other action with respect to any event or condition set forth in Section 8.1(b); or (iii) of the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, a written notice from an Authorized Officer specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action Holdings or Company has taken, is taking and proposes to take with respect thereto;

(g) Notice of Adverse Proceedings. Promptly and in any event within five days after any officer of Holdings or Company obtaining knowledge of (i) the institution of, or non-frivolous threat of, any Adverse Proceeding not previously disclosed in writing by Company to Lenders, or (ii) any development in any Adverse Proceeding that, in the case of either clause (i) or (ii), could be reasonably expected to result in a Material Adverse Effect or liability of Holdings or any of its Subsidiaries in excess of $250,000, individually, or $500,000, in the aggregate for all such Adverse Proceedings, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to Holdings or Company and reasonably able to be provided to the Lenders (subject, among other things, to attorney-client privilege) to enable Lenders and their counsel to evaluate such matters;

(h) ERISA and Employment Matters. (i) Promptly and in any event within five days after becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event, a written notice specifying the nature thereof, what action Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto; (ii) promptly and in any event within ten days after the same is available to any Credit Party, copies of (1) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates with the Internal Revenue Service with respect to each Pension Plan; (2) all notices received by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates from a Multiemployer Plan sponsor concerning an ERISA Event; and (3) copies of such other documents or governmental reports or filings relating to any

Employee Benefit Plan as Administrative Agent shall reasonably request, and (iii) promptly and in any event within ten days after any Credit Party sends notice of a plant closing or mass layoff (as defined in WARN) to employees, copies of each such notice sent by such Credit Party;

(i) Financial Plan. No later than thirty days after the beginning of each Fiscal Year, a consolidated plan and financial forecast and updated model for such Fiscal Year and each Fiscal Year (or portion thereof) through the final maturity date of the Loans (a **"Financial Plan"**), including (i) a forecasted consolidated balance sheet and forecasted consolidated statements of income and cash flows of Parent and its Subsidiaries for each such Fiscal Year, together with pro forma Compliance Certificates for each such Fiscal Year and an explanation of the assumptions on which such forecasts are based, (ii) forecasted consolidated statements of income and cash flows of Parent and its Subsidiaries for each month of each such Fiscal Year, (iii) forecasts demonstrating projected compliance with the requirements of Section 6.8 through the final maturity date of the Loans, and (iv) forecasts demonstrating adequate liquidity through the final maturity date of the Loans, together, in each case, with an explanation of the assumptions on which such forecasts are based all in form and substance reasonably satisfactory to Agents;

(j) Insurance Report. On an annual basis on or prior to the last day of each Fiscal Year (commencing with the Fiscal Year ending December 31, 2018), one or more certificates from the Credit Parties' insurance broker(s), in each case in form and substance satisfactory to Administrative Agent, and a report outlining all material insurance coverage maintained as of the date of such report by Holdings and its Subsidiaries and all material insurance coverage planned to be maintained by Holdings and its Subsidiaries in the immediately succeeding Fiscal Year;

(k) Notice of Change in Board of Directors. With reasonable promptness and in any event within ten days after such change, written notice of any change in the Board of Directors of any Credit Party, any Controlled Fund GP or any Controlled Fund;

(l) Notice Regarding Material Contracts. Promptly, and in any event within five days (i) after any Material Contract is terminated or amended in a manner that is materially adverse to any Credit Party and/or the Lenders, as the case may be or (ii) any new Material Contract is entered into, a written statement describing such event, with copies of such material amendments or new contracts, delivered to Administrative Agent (to the extent such delivery is permitted by the terms of any such Material Contract, provided, no such prohibition on delivery shall be effective if it was bargained for by the relevant Credit Party, Controlled Fund GP or Controlled Fund with the intent of avoiding compliance with this Section 5.1(l)), and, as applicable, an explanation of any actions being taken with respect thereto;

(m) Information Regarding Collateral. (a) Parent will furnish to Collateral Agent prior written notice of any change (i) in any Credit Party's or any other Collateral Grantor's corporate name, (ii) in any Credit Party's or any other Collateral Grantor's corporate form, (iii) in any Credit Party's or any other Collateral Grantor's jurisdiction of organization or formation, or (iv) in any Credit Party's or any other Collateral Grantor's Federal Taxpayer Identification Number or state organizational identification number. Parent agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral as contemplated in the Collateral Documents. Company also agrees promptly to notify Collateral Agent if any material portion of the Collateral is lost, stolen, damaged or destroyed;

(n) Annual Collateral Verification. Each year, at the time of delivery of annual financial statements with respect to the preceding Fiscal Year pursuant to Section 5.1(c), Parent shall deliver to Collateral Agent a certificate of an Authorized Officer (i) either (A) confirming that there has been no change in such information since the date of the Collateral Questionnaire delivered on the Closing Date or the date of the most recent certificate delivered pursuant to this Section 5.1(n) or (B) identifying such changes and (ii) certifying that all UCC financing statements (including fixture filings, as applicable), all supplemental intellectual property security agreements, and any and all other appropriate filings, recordings or registrations, have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified pursuant to clause (i) above (or in such Collateral Questionnaire) to the extent necessary to effect, protect and perfect the security interests under the Collateral Documents for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period);

(o) [Reserved];

(p) [Reserved];

(q) Defaults Under Material Contracts or Material Indebtedness. Promptly and in any event within five days after any officer of any Credit Party, any Credit Party's Subsidiaries, or any Controlled Fund GP obtaining knowledge (i) of any condition or event that constitutes a default or an event of default under any Material Contract or Material Indebtedness, (ii) that any event, circumstance, or condition exists or has occurred that gives any counterparty to such Material Contract a "for cause" termination or removal right thereunder or (iii) that notice has been given to any Credit Party, any Credit Party's Subsidiaries, any Controlled Fund GP or any Controlled Fund asserting that any such condition or event has occurred, in each case of subclauses (i), (ii) and (iii) if such event or circumstance could reasonably be expected, individually or in the aggregate with other such events or circumstances, to have a Material Adverse Effect, written notice specifying the nature and period of existence of such condition or event and the nature of such claimed default or event of default, and, as applicable, what action such Person has taken, is taking and proposes to take with respect thereto;

(r) Reserved.

(s) Other Information. (A) Promptly and in any event within ten days of their becoming available, copies of (i) all financial statements, reports, notices and proxy statements sent or made available generally by Holdings, any Controlled Fund GP to its Security holders acting in such capacity or by any Subsidiary of Holdings or any Controlled Fund GP to its Security holders acting in such capacity, (ii) all regular and periodic reports and all registration statements and prospectuses, if any, filed by Holdings or any of its Subsidiaries, any Controlled Fund GP or any Controlled Fund with any securities exchange or with the Securities and

Exchange Commission or any Governmental Authority, (iii) all press releases and other statements made available generally by Holdings or any of its Subsidiaries, any Controlled Fund GP or any Controlled Fund to the public concerning material developments in the business of any such Person, and (B) promptly after any request, such other information and data with respect to Holdings or any of its Subsidiaries, any Controlled Fund GP or any Controlled Fund as from time to time may be reasonably requested by Administrative Agent or any Lender; and

(t) Certification of Public Information. Each Credit Party and each Lender acknowledges that certain of the Lenders may be Public Lenders and, if documents or notices required to be delivered pursuant to this Section 5.1 or otherwise may, in the discretion of Administrative Agent, be distributed through Debt Domain, Intralinks, SyndTrak or another relevant website or other information platform (the **"Platform"**), and any document or notice that Holdings or Company has indicated contains Private-Side Information will not be posted on that portion of the Platform, if any, designated for such Public Lenders. Each Credit Party agrees to clearly designate all information provided to Administrative Agent by or on behalf of Holdings or Company that contains only Public-Side Information, and by doing so shall be deemed to have represented that such information contains only Public-Side Information. If any Credit Party has not indicated whether a document or notice delivered pursuant to this Section 5.1 contains Private-Side Information, Administrative Agent reserves the right to post such document or notice solely on that portion of the Platform, if any, designated for Private Lenders.

5.2 Existence. Except as otherwise permitted under Section 6.9, each Credit Party will, and will cause each of its Subsidiaries to, at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business; provided, no Credit Party (other than Company with respect to its existence) or any of its Subsidiaries shall be required to preserve any such existence, right or franchise, licenses and permits if such Person shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Person, and that the loss thereof is not disadvantageous in any material respect to such Person or to Lenders.

5.3 Payment of Taxes and Claims. Each Credit Party will, and will cause each of its Subsidiaries to, pay all material taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon, and all material claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor, and (b) in the case of a tax or claim that has or may become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such tax or claim. No Credit Party will, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person (other than Holdings or any of its Subsidiaries).

5.4 Maintenance of Properties. Each Credit Party will, and will cause each of its Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all material properties used or useful in the business of Holdings and its Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof.

5.5 Insurance. Parent will maintain or cause to be maintained, with financially sound and reputable insurers, business interruption insurance and such casualty insurance, public liability insurance, third party property damage insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of Holdings and its Subsidiaries, in each case as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons. Without limiting the generality of the foregoing, Holdings will maintain or cause to be maintained (a) flood insurance with respect to each Flood Hazard Property that is located in a community that participates in the National Flood Program, in each case in compliance with any applicable regulations of the Board of Governors, and (b) replacement value casualty insurance on the Collateral under such policies of insurance, with such insurance companies, in such amounts, with such deductibles, and covering such risks as are at all times carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses. Each such policy of insurance shall (i) in the case of each liability insurance policy, name Collateral Agent, for the benefit of Secured Parties, as an additional insured thereunder as its interests may appear, (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement, satisfactory in form and substance to Collateral Agent, that names Collateral Agent, for the benefit of Secured Parties as the loss payee thereunder, and (iii) in each case, provide for at least thirty days' prior written notice to Collateral Agent of any modification or cancellation of such policy.

5.6 Books and Records; Inspections. Each Credit Party will, and will cause each of its Subsidiaries to, keep proper books of record and accounts in which full, true, and correct entries in conformity in all material respects with GAAP shall be made of all dealings and transactions in relation to its business and activities. Each Credit Party will, and will cause each of its Subsidiaries to, permit any authorized representatives designated by any Agent or any Lender to visit and inspect any of the properties of any Credit Party and any of its respective Subsidiaries, to inspect, copy and take extracts from its and their financial and accounting records, and to discuss its and their affairs, finances and accounts with its and their officers and independent public accountants, all upon reasonable notice and at such reasonable times during normal business hours and as often as may reasonably be requested.

5.7 Lenders Meetings. Holdings and Parent will, upon the request of Administrative Agent or Requisite Lenders, participate in a meeting of Administrative Agent and Lenders once during each Fiscal Year to be held at Company's corporate offices (or at such other location as may be agreed to by Company and Administrative Agent or via conference call) at such time as may be agreed to by Company and Administrative Agent.

5.8 Compliance with Laws.

(a) Each Credit Party will comply, and shall cause each of its Subsidiaries to comply, with (i) the requirements of all applicable laws, rules, regulations and orders of any

Governmental Authority (including all Environmental Laws) except for any non-compliance which could not, individually or in the aggregate reasonably be expected to have a Material Adverse Effect (it being understood, in the case of any laws, rules, regulations, and orders specifically referred to in any other provision of this Agreement, the Credit Parties shall also be required to represent and/or comply with, as applicable, the express terms of such provision), and (ii) all Sanctions, Anti-Corruption and Anti-Bribery Laws, and Anti-Terrorism and Anti-Money Laundering Laws in accordance with Section 4.26(a). Each Credit Party shall, and shall cause each of its Subsidiaries to, maintain the policies and procedures described in Section 4.26(b).

(b) Each Credit Party will comply, and shall cause each of its Subsidiaries will comply, in each case in all material respects, with (i) the Investment Advisers Act and all related rules and regulations applicable to such Person, (ii) the requirements of Regulations T, U and X of the Federal Reserve Board, and the Investment Company Act of 1940, and (iii) ERISA.

5.9 Environmental.

(a) Environmental Disclosure. Holdings will deliver to Administrative Agent and Lenders:

(i) as soon as practicable following receipt thereof, copies of all environmental audits, investigations, analyses and reports of any kind or character, whether prepared by personnel of Holdings or any of its Subsidiaries or by independent consultants, Governmental Authorities or any other Persons, with respect to material environmental matters at any Facility or with respect to any material Environmental Claims;

(ii) promptly upon the occurrence thereof, written notice describing in reasonable detail (1) any Release required to be reported to any Governmental Authority under any applicable Environmental Laws, (2) any remedial action taken by Holdings or any other Person in response to (A) any Hazardous Materials Activities the existence of which has a reasonable possibility of resulting in one or more Environmental Claims having, individually or in the aggregate, a Material Adverse Effect, or (B) any Environmental Claims that, individually or in the aggregate, have a reasonable possibility of resulting in a Material Adverse Effect, and (3) Holdings or Company's discovery of any occurrence or condition on any real property adjoining or in the vicinity of any Facility that could cause such Facility or any part thereof to be subject to any material restrictions on the ownership, occupancy, transferability or use thereof under any Environmental Laws;

(iii) as soon as practicable following the sending or receipt thereof by Holdings or any of its Subsidiaries, a copy of any and all written communications with respect to (1) any Environmental Claims that, individually or in the aggregate, have a reasonable possibility of giving rise to a Material Adverse Effect, (2) any Release required to be reported to any Governmental Authority, and (3) any request for information from any Governmental Authority that suggests such Governmental Authority is investigating whether Holdings or any of its Subsidiaries may be potentially responsible for any Hazardous Materials Activity;

(iv) prompt written notice describing in reasonable detail any proposed acquisition of stock, assets, or property by Holdings or any of its Subsidiaries that could reasonably be expected to (A) expose Holdings or any of its Subsidiaries to, or result in, Environmental Claims that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or (B) impair the ability of Holdings or any of its Subsidiaries to maintain in full force and effect all material Governmental Authorizations required under any Environmental Laws for their respective operations; and

(v) with reasonable promptness, such other documents and information as from time to time may be reasonably requested by Administrative Agent in relation to any matters disclosed pursuant to this Section 5.9(a).

(b) Hazardous Materials Activities, Etc. Each Credit Party shall promptly take, and shall cause each of its Subsidiaries promptly to take, any and all actions necessary to (i) cure any violation of applicable Environmental Laws by such Credit Party or its Subsidiaries that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (ii) make an appropriate response to any Environmental Claim against such Credit Party or any of its Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.10 Additional Guarantors and Collateral Grantors. In the event that any Person (including ~~TrueBridge~~the ECG Guarantors in connection with the ~~TrueBridge~~Enhanced Capital Acquisition Closing, but excluding Trident ECP and any Excluded ECG Subsidiary) becomes a Subsidiary of any Credit Party, such Credit Party shall (a) concurrently with or within ten Business Days after such Person becomes a Subsidiary, cause such Subsidiary to become a Guarantor hereunder and a Grantor under the Pledge and Security Agreement by executing and delivering to Administrative Agent and Collateral Agent a Counterpart Agreement, and (b) take all such actions and execute and deliver, or cause to be executed and delivered, all such documents, instruments, agreements, and certificates as are reasonably requested by Collateral Agent in connection therewith, including such documents, instruments, agreements, and certificates as are similar to those described in Sections 3.1(b), 3.1(s), 3.2(a)(x), 3.2(a)(xi), and 3.2(a)(xii). In addition, such Credit Party shall deliver, or cause such Subsidiary to deliver, as applicable, all such documents, instruments, agreements, and certificates as are reasonably requested by Collateral Agent in order to grant and to perfect a First Priority Lien in favor of Collateral Agent, for the benefit of Secured Parties, in 100% of the Capital Stock of such Subsidiary under the Pledge and Security Agreement (including, as applicable, original certificates evidencing such Capital Stock and related powers or instruments of transfer executed in blank, as applicable). With respect to each such Subsidiary, Parent shall send to Administrative Agent prior written notice setting forth with respect to such Person (i) the date on which such Person is intended to become a Subsidiary of Parent, and (ii) all of the data required to be set forth in Schedules 4.1 and 4.2 with respect to all Subsidiaries of Parent; provided, such written notice shall be deemed to supplement Schedule 4.1 and 4.2 for all purposes hereof automatically upon such Person becoming a Subsidiary.

5.11 Additional Locations and Material Real Estate Assets.

(i) Fee-Owned Real Estate Assets. In the event that any Credit Party acquires a Material Real Estate Asset or a fee-owned Real Estate Asset owned on the Closing Date becomes a Material Real Estate Asset and such interest has not otherwise been made subject to the Lien of the Collateral Documents in favor of Collateral Agent, for the benefit of Secured Parties, then such Credit Party shall promptly notify Collateral Agent thereof, and on the same date as acquiring such Material Real Estate Asset, or within sixty days after any Real Estate Asset owned on the Closing Date becomes a Material Real Estate Asset (or at such later time as is approved by Collateral Agent in its sole discretion), shall take all such actions and execute and deliver, or cause to be executed and delivered, all such Mortgaged Real Estate Documents with respect to each such Material Real Estate Asset that Collateral Agent shall reasonably request to create in favor of Collateral Agent, for the benefit of Secured Parties, a valid and, subject to any filing and/or recording referred to herein, perfected First Priority security interest in such Material Real Estate Asset.

(ii) Appraisals. In addition to the foregoing, Company shall, at the request of Collateral Agent, deliver, from time to time, to Collateral Agent such appraisals as are required by law or regulation of Real Estate Assets with respect to which Collateral Agent has been granted a Mortgage.

5.12 [Reserved].

5.13 Further Assurances. At any time or from time to time upon the request of Administrative Agent, each Credit Party will, and will cause any Collateral Grantor controlled by it to, at such Credit Party's expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as Administrative Agent or Collateral Agent may reasonably request in order to effect fully the purposes of the Credit Documents or to perfect, achieve better perfection of or renew the rights of Collateral Agent for the benefit of Secured Parties with respect to the Collateral (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by any Credit Party or any other Collateral Grantor that may be deemed to be part of the Collateral), subject, for the avoidance of doubt, to the express limitations contained in this Agreement and the Collateral Documents. In furtherance and not in limitation of the foregoing, each Credit Party shall take such actions as Administrative Agent or Collateral Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by the Guarantors and are secured by substantially all of the assets of Holdings and its Subsidiaries, all of the outstanding Capital Stock of Parent and each of its Subsidiaries and all Controlled Fund Co-Investment Equity.

5.14 Additional Covenants. Unless otherwise consented to by Agents and Requisite Lenders:

(a) Separateness Covenants. Company will, and will cause RCP 2 and, from and after the Initial Funding Date, RCP 3 to, comply in all material respects with the covenants in such Credit Party's Organizational Documents to maintain the separateness of Company, RCP 2 and RCP 3 and to have an independent manager on the board of managers of Company, RCP 2 and RCP 3 (including the covenants set forth in Sections 2.8 and 4.4 of the limited liability company agreement of Company, Sections 2.8 and 4.5 of the limited liability company agreement of RCP 2 and, from and after the Initial Funding Date, Sections 2.8 and 4.6 of the limited liability company agreement of RCP 3).

(b) Communication with Accountants. Each Credit Party executing this Agreement authorizes Administrative Agent to communicate directly with such Credit Party's independent certified public accountants and authorizes and shall instruct those accountants to communicate (including the delivery of audit drafts and letters to management) with Administrative Agent and each Lender information relating to any Credit Party or any of its Subsidiaries with respect to the business, results of operations and financial condition of any Credit Party or any of its Subsidiaries; provided however, that Administrative Agent or the applicable Lender, as the case may be, shall provide Company with notice at least two Business Days prior to initiating any such communication and provide the officers and personnel of the Credit Parties a reasonable opportunity to participate in any such discussion, correspondence or other communication.

(c) Activities of Management; New Funds. Each of the RCP Principals and the Retained Employees which remain part of the management team of the Credit Parties shall devote all or substantially all of his or her professional working time, attention, and energies to the management of the businesses of the Credit Parties and their Subsidiaries, and each newly formed or acquired investment fund managed or otherwise controlled by any of the foregoing shall be a Controlled Fund.

(d) Management Fees. If any Credit Party or any of its Subsidiaries receives cash or other payments in respect of any Management Fees, promptly upon the receipt of any such payment by such Credit Party or Subsidiary (and in any event within one Business Day of such Credit Party or Subsidiary's receipt thereof), such Credit Party shall cause such Subsidiary to pay or distribute to such Credit Party the portion of such payment that such Credit Party is entitled to receive, and such Credit Party shall deposit or cause to be deposited any and all such proceeds in a Controlled Account.

5.15 Board Observer Rights. Holdings and Intermediate Holdings shall invite a representative of Administrative Agent to attend each meeting of the Board of Directors of Holdings and Intermediate Holdings. Holdings and Intermediate Holdings shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, that each of Holdings and Intermediate Holdings reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if Holdings or Intermediate Holdings, as applicable, reasonably determines that such exclusion is necessary or appropriate to avoid a conflict of interest or to protect attorney-client privilege, so long as, in each case, Holdings or Intermediate Holdings, as applicable, notifies Administrative Agent of such determination and provides Administrative Agent a general description of the information and materials that have been withheld to the extent that providing such description does not in Holdings' or Intermediate Holdings' reasonable judgment jeopardize the attorney-client privilege to be preserved or result in the conflict to be avoided.

5.16 Reserved.

5.17 Post-Initial Funding Date Deliverables.

(a) No later than three (3) Business Days after the Initial Funding Date, Company shall cause to be delivered to Collateral Agent Deposit Account Control Agreements and, as applicable, Securities Account Control Agreements, executed by the relevant Credit Parties and financial institutions, to the extent required by Section 6.18.

(b) No later than ten (10) Business Days after the Initial Funding Date, Company shall deliver, or caused to be delivered to Collateral Agent (i) a joinder agreement in form and substance reasonably satisfactory to Collateral Agent executed by Jon. I Madorsky with respect to each Non-Guarantor Agreement delivered to Collateral Agent on the Initial Funding Date pursuant to Section 3.2(a)(vii)(C), (ii) such information and documentation as Collateral Agent may reasonably request to evidence the authorization of each Class B Member to enter into such Non-Guarantor Agreement and the location and name of such Class B Member (for purposes of Sections 9-307 and 9-503(a), respectively, of the UCC) and (iii) such spousal or co-trustee consents deemed reasonably necessary by Collateral Agent for the enforceability of such Non-Guarantor Agreement against such Class B Member.

(c) With respect to each Capital-Raising Stage Fund in existence on the Initial Funding Date, no later than the earlier of (x) March 31 in the calendar year immediately following the Final Closing Date of such Capital-Raising Stage Fund and (y) fifteen (15) Business Days after all of the definitive documentation in respect of the initial issuance of the Class B-1 Units and/or Class B-2 Units (as those terms are defined in the applicable RCP Controlled Fund GP Agreement) of the applicable RCP Controlled Fund GP have been negotiated, executed and delivered by each of the parties thereto, Company shall cause to be delivered to Collateral Agent a Non-Guarantor Agreement with respect to such Capital-Raising Stage Fund executed and delivered by (i) such Capital-Raising Stage Fund, (ii) the related RCP Controlled Fund GP, (iii) the holder(s) of the voting interest in such RCP Controlled Fund GP, (iv) the Designated RCP Principals (and, to the extent the Designated RCP Principals do not hold at least 66.67% of the economic interests in such RCP Controlled Fund GP, such additional members of such RCP Controlled Fund GP, together with the Designated RCP Principals, hold at least 66.67% of the economic interests in such RCP Controlled Fund GP), (v) RCP 2 or RCP 3, as applicable, as the investment manager for such Capital-Raising Stage Fund, and (vi) Company, together with opinions of counsel with respect to such Non-Guarantor Agreement and the parties thereto substantially similar to the opinions of counsel with respect to the Non-Guarantor Agreements and the parties thereto that were executed and delivered on the Initial Funding Date.

SECTION 6 NEGATIVE COVENANTS

Each Credit Party covenants and agrees that until Payment in Full of all Obligations, such Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this Section 6 (<u>provided</u> that Holdings shall only be subject to Sections 6.14, 6.15, 6.16 (with respect to Subordinated Seller Notes only) and 6.21 and shall not be subject to any other provisions of this Section 6).

6.1 Indebtedness. Parent shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness of any Guarantor Subsidiary to Parent or to any other Guarantor Subsidiary, or of Parent to any Guarantor Subsidiary; provided, (i) all such Indebtedness shall be evidenced by the Intercompany Note and Subordination, and shall be subject to a First Priority Lien pursuant to the Pledge and Security Agreement and (ii) all such Indebtedness shall be unsecured and subordinated in right of payment to the Payment in Full of the Obligations pursuant to the terms of the Intercompany Note and Subordination;

(c) Indebtedness under the Subordinated Seller Notes in accordance with and subject to the limitations set forth in the Seller Note Subordination Agreement;

(d) Indebtedness incurred by Parent or any of its Subsidiaries arising from agreements providing for customary indemnification or from customary guaranties or letters of credit, surety bonds or performance bonds securing the performance of Parent or any such Subsidiary pursuant to such agreements in connection with Permitted Management Fee Tail Purchases, or permitted dispositions of any business, assets or Subsidiary of Parent or any of its Subsidiaries;

(e) Indebtedness that may be deemed to exist pursuant to any performance, surety, appeal or similar bonds or statutory obligations incurred in the ordinary course of business, and guarantee obligations in respect of any such Indebtedness;

(f) Indebtedness in respect of netting services, overdraft protections and other services provided in connection with deposit accounts in the ordinary course of business;

(g)(i) guaranties by Parent of Indebtedness of a Guarantor Subsidiary or guaranties by a Subsidiary of Parent of Indebtedness of Parent or a Guarantor Subsidiary with respect, in each case, to Indebtedness otherwise permitted to be incurred pursuant to this Section 6.1; provided, that if the Indebtedness that is being guaranteed is unsecured and/or subordinate to the Obligations (in payment or Lien priority), then such guaranties shall also be unsecured and/or subordinated to the Obligations to the same extent as such guaranteed Indebtedness; and (ii) guaranties by Parent and its Subsidiaries of the payment or performance of contractual obligations of Parent or any Guarantor Subsidiary incurred in the ordinary course of business as otherwise permitted under this Agreement which do not constitute Indebtedness;

(h) Indebtedness described in Schedule 6.1 or described in Part B of Schedule 1.1, but in each case not any extensions, renewals or replacements of such Indebtedness except (i) renewals and extensions expressly provided for in the agreements evidencing any such Indebtedness as the same are in effect on the date of this Agreement, and (ii) refinancings and extensions of any such Indebtedness if the terms and conditions thereof are not materially less favorable to the obligor thereon or to the Lenders than the Indebtedness being refinanced or extended, and the average life to maturity thereof is greater than or equal to that of the

Indebtedness being refinanced or extended; provided, such Indebtedness permitted under the immediately preceding clause (i) or (ii) above shall not (A) include Indebtedness of an obligor that was not an obligor with respect to the Indebtedness being extended, renewed or refinanced, (B) exceed in a principal amount the Indebtedness being renewed, extended or refinanced, or (C) be incurred, created or assumed if any Default or Event of Default has occurred and is continuing or would result therefrom;

(i) Indebtedness in an aggregate amount not to exceed at any time $250,000 consisting of (x) Capital Lease Obligations and (y) other purchase money Indebtedness; provided, in the case of clause (x), that any such Indebtedness shall be secured only by the asset subject to such Capital Lease, and, in the case of clause (y), that any such Indebtedness shall (i) be secured only by the assets acquired in connection with the incurrence of such Indebtedness (and, for the avoidance of doubt, products and proceeds thereof) and (ii) constitute not more than 75% of the aggregate consideration paid with respect to such asset;

(j) obligations under Interest Rate Agreements;

(k) the Existing Indebtedness; provided that the Existing Indebtedness is paid in full and any outstanding commitments in connection therewith are terminated on or prior to the Initial Funding Date as provided in Section 3.2(a)(iii);

(l) Indebtedness arising with respect to the SVB Letter of Credit; and

(m) Indebtedness arising under Subscription Lines of Credit as the result of the creation of Liens on Capital Call Rights securing such Indebtedness, so long as (i) neither Parent nor any of its Subsidiaries shall be a primary obligor or guarantor of such Indebtedness and (ii) any recourse of the holder of such Indebtedness against Parent and any of its Subsidiaries is limited to the Capital Call Rights securing such Indebtedness; and

(n) other Indebtedness of Parent and its Subsidiaries that does not exceed an aggregate principal amount equal to $250,000 outstanding at any time.

6.2 Liens. Parent shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of Parent or any of its Subsidiaries, whether now owned or hereafter acquired, leased (as lessee), or licensed (as licensee), or any income, profits, or royalties therefrom, or file or authorize the filing of, or consent to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income, profits, or royalties under the UCC of any State or under any similar recording or notice statute or under any applicable intellectual property laws, rules or procedures, except:

(a)(i) Liens in favor of Collateral Agent for the benefit of Secured Parties granted pursuant to any Credit Document or any Secured Hedge Agreement, and (ii) Liens on Collateral securing the Subordinated Seller Notes, only to the extent such Liens and all related Indebtedness are subordinated to the Liens described in the foregoing clause (i) and the Obligations in accordance with the terms of and subject to the limitations in the Seller Note Subordination Agreement;

(b) Liens for Taxes if obligations with respect to such Taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and adequate reserves have been made in accordance with GAAP;

(c) statutory Liens of landlords, banks (and rights of set-off), of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law (other than any such Lien imposed pursuant to Section 430(k) of the Internal Revenue Code or ERISA or a violation of Section 436 of the Internal Revenue Code), in each case incurred in the ordinary course of business (i) for amounts not yet overdue, or (ii) for amounts that are overdue and that (in the case of any such amounts overdue for a period in excess of five days) are being contested in good faith by appropriate proceedings, so long as such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made for any such contested amounts;

(d) Liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the Collateral on account thereof;

(e) easements, rights-of-way, restrictions, encroachments, and other minor defects or irregularities in title, in each case that do not and will not interfere in any material respect with the ordinary conduct of the business of Holdings or any of its Subsidiaries and that, in the aggregate for any parcel of real property subject thereto, do not materially detract from the value of such parcel

(f) any interest or title of a lessor or sublessor under any lease of real estate permitted hereunder;

(g) Liens solely on any customary cash earnest money deposits made by Parent or any of its Subsidiaries in connection with any letter of intent or purchase or sale agreement permitted hereunder;

(h) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) any zoning or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property;

(k) non-exclusive outbound licenses of patents, copyrights, trademarks and other intellectual property rights granted by Parent or any of its Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary conduct of or materially detracting from the value of the business of Parent or such Subsidiary;

(l) Liens described in Schedule 6.2 or in Part C of Schedule 1.1 or on a title report delivered pursuant to Section 5.11;

(m) Liens securing purchase money Indebtedness permitted pursuant to Section 6.1(i); provided, any such Lien shall encumber only the asset acquired with the proceeds of such Indebtedness (and, for the avoidance of doubt, proceeds and products thereof);

(n) Liens securing the Existing Indebtedness; provided that such Liens (i) encumber only the assets subject to such Liens as of the Closing Date, and (ii) are released and terminated on or prior to the Initial Funding Date as provided in Section 3.2(a)(iii);

(o) Liens on the SVB Cash Collateral Account and on the funds or financial assets deposited therein or credited thereto, provided that the aggregate amount of the funds or financial assets deposited therein or credited thereto shall not exceed 105% of the face amount of the SVB Letter of Credit (as in effect on the First Amendment Effective Date);

(p) Liens on Capital Call Rights securing Indebtedness arising under Subscription Lines of Credit; and

(q) other Liens securing obligations (not constituting Indebtedness for borrowed money) in an aggregate principal amount outstanding not in excess of $250,000 at any time.

Notwithstanding anything in this Section 6.2 to the contrary, in no event shall any obligations of any Credit Party under any Hedge Agreement be secured by any Lien, except for any Secured Hedge Agreement that is secured by the Liens permitted under clause (a)(i) of this Section 6.2 in accordance with the terms of this Agreement.

6.3 Liens and Negative Pledges on Controlled Fund GP Interests. Except for (a) Liens and prohibitions arising under the Credit Documents, (b) Liens of the types described in clauses (b) and (p) of Section 6.2 and (c) restrictions on encumbering Capital Call Rights arising under Subscription Lines of Credit, Parent shall not permit any Controlled Fund GP to, directly or indirectly, (x) create, incur, assume or permit to exist any Lien on or with respect to any interest of such Controlled Fund GP in any Controlled Fund (including any capital account or “carried interest” of such Controlled Fund GP), or any income, profits, or royalties therefrom, or file or authorize the filing of, or consent to remain in effect, any financing statement or other similar notice of any Lien with respect thereto under the UCC of any State, or (y) enter into any agreement prohibiting, or triggering any requirement for equitable and ratable sharing of, Liens or any similar obligations upon, the creation or assumption of any Lien upon any interest of such Controlled Fund GP in any Controlled Fund (including any capital account or “carried interest” of such Controlled Fund GP).

6.4 No Further Negative Pledges. Except with respect to (a) specific property encumbered to secure payment of particular Indebtedness or to be sold pursuant to an executed agreement with respect to a permitted Asset Sale, or any escrow or deposit constituting a Permitted Lien, (b) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and other agreements entered into in the ordinary course of business (provided that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or other agreements, as the case may be, or to the assignability of such agreement), (c) restrictions on encumbering Capital Call Rights arising under Subscription Lines of Credit, and (d) the agreements governing Existing Indebtedness so long as such agreements are terminated on or prior to the Initial Funding Date as provided in Section 3.2(a)(iii), Parent shall not enter into or permit any of its Subsidiaries to enter into any agreement prohibiting, or triggering any requirement for equitable and ratable sharing of, Liens or any similar obligations upon, or the creation or assumption of any Lien upon any Credit Party's properties or assets or any Controlled Fund Co-Investment Equity, whether now owned or hereafter acquired, to secure the Obligations.

6.5 Restricted Junior Payments. Parent shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, declare, order, pay, make or set apart any sum for any Restricted Junior Payment except that:

(a) any Subsidiary of Parent may declare and pay dividends or make other distributions to Parent or any Credit Party that is a Wholly-Owned Guarantor Subsidiary (or, in the case of a Subsidiary that is not a Credit Party, to any parent entity of such Subsidiary that is a Wholly-Owned Subsidiary of a Wholly-Owned Guarantor Subsidiary);

(b) Parent may make Restricted Junior Payments to Holdings (i) so long as no Event of Default shall have occurred and be continuing or shall be caused thereby, in an aggregate amount not to exceed $3,500,000 in any trailing twelve-month period ending on or prior to December 31, 2021 and $7,000,000 in any trailing twelve-month period thereafter, in each case, to the extent necessary to permit Holdings to pay general administrative costs and expenses; (ii) in an aggregate amount not to exceed $372,500 during the twelve-month period ending May 31, 2019 to permit Holdings to make certain severance and retention bonus payments in connection with the departure of Holdings' former chief financial officer; and (iii) to the extent necessary to permit Holdings to discharge the U.S. federal and applicable state and local consolidated income tax liabilities of Holdings and its Subsidiaries for any taxable period ending on or after the Closing Date; provided, that in the case of clause (iii), such Restricted Junior Payments for purposes of discharging tax liabilities shall not exceed the amount of tax liabilities that would be due if, on and after the Closing Date, (A) Holdings had no separate items of gross income or deduction not attributable to Parent and its Subsidiaries (and all prior allocations of losses from Parent and its Subsidiaries were taken into account), (B) Parent, Company and each of the Guarantor Subsidiaries and Controlled Fund GPs were the only Subsidiaries of Holdings, (C) assuming any net operating loss carryforwards of Holdings are not and will not be subject to any limitations under the Internal Revenue Code as a result of an "ownership change" within the meaning of Section 382 of the Internal Revenue Code other than any such "ownership change" that does not result in a Change of Control pursuant to paragraph (xii) of the definition of Change of Control in this Agreement, and in each case only so long as Holdings promptly (and in any event, within 5 Business Days) applies the amount of any such

Restricted Junior Payment for such purpose, and (D) Holdings was subject to tax at a combined federal, state and local rate of 40%;

(c) commencing April 1, 2019, Parent may make Restricted Junior Payments; provided that (A) immediately prior to, and after giving effect thereto, (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) the Leverage Ratio (calculated on a pro forma basis using Annualized Consolidated Adjusted EBITDA for the most recent Fiscal Quarter for which financial statements have been delivered pursuant to Section 5.1(b) or (c)) shall not be greater than 3.00:1.00, (iii) the Asset Coverage Ratio calculated on a pro forma basis shall be greater than 1.20:1.00 and (iv) Parent and its Subsidiaries shall be in compliance on a pro forma basis with the financial covenant set forth in Section 6.8(b) as of the most recent period for which financial statements have been delivered pursuant to Section 5.1(b) or (c), (B) such Restricted Junior Payments shall be funded with Internally Generated Cash and shall not exceed (when added to the amount of any Investments made pursuant to Section 6.7(j) during such Fiscal Year) the difference of (x) Consolidated Excess Cash Flow for the immediately preceding Fiscal Year, minus (y) the amount of such Consolidated Excess Cash Flow, if any, that is or was required to be applied as a mandatory prepayment pursuant to Section 2.12(e), (C) any such Restricted Junior Payments will be permitted only once per Fiscal Year and only after annual financial statements and a Compliance Certificate have been delivered for the immediately preceding Fiscal Year in accordance with this Agreement, and (D) Parent shall have delivered to Administrative Agent a Compliance Certificate, together with all relevant financial information reasonably requested by Administrative Agent, demonstrating in reasonable detail the calculation of the maximum amount specified in clause (B) above and the amount thereof elected to be applied as a Restricted Junior Payment pursuant to this clause (c) and evidencing compliance with the requirements in subclauses (A)(ii), (A)(iii) and (A)(iv) above;

(d) to the extent constituting a Restricted Junior Payment, Parent may fund (including via a Restricted Junior Payment made to Holdings) any payments expressly contemplated to be made by Company, Holdings or Intermediate Holdings under the RCP Acquisition Documents or the Five Points Acquisition Documents in connection with the RCP 2 Acquisition Closing, the RCP 3 Acquisition Closing or the Five Points Acquisition Closing;

(e) Company may make a Restricted Junior Payment to Holdings to fund (and Holdings may use the proceeds of such Restricted Junior Payment to make) a one-time payment on the Subordinated Seller Notes issued pursuant to the RCP 2 Acquisition Agreement in an aggregate amount not to exceed $1,600,000; provided that immediately prior to, and after giving effect to, such Restricted Junior Payment (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) Parent and its Subsidiaries shall be in compliance on a pro forma basis with the financial covenants set forth in Section 6.8 as of the most recent period for which financial statements have been delivered pursuant to Section 5.1(b) or (c) and (iii) there shall be no Revolving Loans outstanding;

(f) Company or Parent may make Restricted Junior Payments to Holdings to fund any payments to be made on the Subordinated Seller Notes with Cash proceeds of Multi Draw Term Loans on or after the Initial Funding Date in accordance with the terms of and limitations in the Seller Note Subordination Agreement;

(g) From and after the Five Points Acquisition Closing Date, Parent may make Restricted Junior Payments in respect of Section 4.1.2 of the Intermediate Holdings LLC Agreement; provided that immediately prior to, and after giving effect thereto, (i) no Event of Default shall have occurred and be continuing or would result therefrom and (ii) Parent and its Subsidiaries shall be in compliance on a pro forma basis with the financial covenant set forth in Section 6.8(b) as of the most recent period for which financial statements have been delivered pursuant to Section 5.1(b) or (c); provided further that, in the event that Parent is prohibited from making such payments by the requirements of this Section 6.5(g), such unpaid amounts shall accrue and may be paid by Parent upon the cure or waiver of such Event of Default in accordance with this Agreement and satisfaction of the requirement in sub-clause (ii) above, as applicable;

(h) From and after the Five Points Acquisition Closing Date, Parent may pay to Keystone management fees and similar compensation for management and advisory services provided by Keystone to Five Points in an amount not to exceed $1,000,000 in any Fiscal Year; provided that immediately prior to, and after giving effect to, paying such management fees or similar compensation, (i) no Event of Default shall have occurred and be continuing or would result therefrom and (ii) Parent and its Subsidiaries shall be in compliance on a pro forma basis with the financial covenant set forth in Section 6.8(b) as of the most recent period for which financial statements have been delivered pursuant to Section 5.1(b) or (c); provided further that, in the event that Parent is prohibited from making such payments by the requirements of this Section 6.5(h), such unpaid amounts shall accrue and may be paid by Parent upon the cure or waiver of such Event of Default in accordance with this Agreement and satisfaction of the requirement in sub-clause (ii) above, as applicable; and

(i) From and after the TrueBridge Acquisition Closing Date, Parent may make Restricted Junior Payments in respect of Section 4.2(i) of the Intermediate Holdings LLC Agreement; provided that immediately prior to, and after giving effect thereto, (i) no Event of Default shall have occurred and be continuing or would result therefrom and (ii) Parent and its Subsidiaries shall be in compliance on a pro forma basis with the financial covenant set forth in Section 6.8(b) as of the most recent period for which financial statements have been delivered pursuant to Section 5.1(b) or (c); provided further that, in the event that Parent is prohibited from making such payments by the requirements of this Section 6.5(i), such unpaid amounts shall accrue and may be paid by Parent upon the cure or waiver of such Event of Default in accordance with this Agreement and satisfaction of the requirement in sub-clause (ii) above, as applicable.

6.6 Restrictions on Subsidiary Distributions. Except as provided herein, Parent shall not, and shall not permit any of its Subsidiaries to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of Parent to (a) pay dividends or make any other distributions on any of such Subsidiary's Capital Stock owned by Parent or any other Subsidiary of Parent, (b) repay or prepay any Indebtedness owed by such Subsidiary to Parent or any other Subsidiary of Parent, (c) make loans or advances to Parent or any other Subsidiary of Parent, or (d) transfer any of its property or assets to Parent or any other Subsidiary of Parent, in each case other than restrictions (i) with respect to specific property encumbered to secure Indebtedness permitted by Section 6.1(i) that impose restrictions on the property so acquired, (ii) by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses, joint venture agreements and similar agreements entered into in the ordinary course of business, (iii) that are or were created by virtue of any transfer of, agreement to transfer or option or right with respect to any property, assets or Capital Stock not otherwise prohibited under this Agreement, (iv) with respect to any escrow or deposit constituting a Permitted Lien, (v) pursuant to the agreements governing Existing Indebtedness so long as such agreements are terminated on or prior to the Initial Funding Date as provided in Section 3.2(a)(iii), ~~or~~ (vi) arising under any Subscription Lines of Credit made available to TrueBridge Controlled Funds (in the case of this clause (vi), only to the extent such restrictions are in existence and have been disclosed to Administrative Agent in writing prior to the TrueBridge Acquisition Closing Date) or (vii) arising under agreements described in Part D of Schedule 1.1.

6.7 Investments. Parent shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any Person, including any Joint Venture, except:

(a) Investments in Cash and Cash Equivalents;

(b) (i) equity Investments owned as of the Closing Date in any Subsidiary ~~and~~, (ii) Investments made after the Closing Date in any Wholly-Owned Guarantor Subsidiaries of Parent and (iii) Investments by any Subsidiary that is not a Credit Party in any other Subsidiary that is not a Credit Party;

(c) Investments consisting of customary deposits, prepayments and other credits to suppliers made in the ordinary course of business and other deposits or escrows constituting Permitted Liens;

(d) intercompany loans to the extent permitted under Section 6.1(b) and guaranties permitted under Section 6.1(g);

(e) loans and advances to employees of Holdings and its Subsidiaries in an aggregate principal amount not to exceed $250,000 at any time outstanding;

(f) to the extent constituting Investments, Permitted Management Fee Tail Purchases permitted pursuant to Section 6.9;

(g) Investments described in Schedule 6.7;

(h) Permitted GP Co-Investments that (A) with respect to any individual Controlled Fund, do not exceed 1.00% of the Aggregate Controlled Fund Capital Commitments of the applicable Controlled Fund in the aggregate for all such Permitted GP Co-Investments made in such Controlled Fund, and (B) with respect to all amounts expended in respect of Permitted GP Co-Investments made in any Controlled Funds during the term of this Agreement (net of cash returns previously received on amounts invested pursuant to this clause (h)), do not exceed $~~18,000,000~~25,000,000 in the aggregate;

(i) the transactions contemplated by the RCP Acquisition Documents;

(j) so long as (i) immediately prior to, and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) the Leverage Ratio (calculated on a pro forma basis using Annualized Consolidated Adjusted EBITDA for the most recent Fiscal Quarter for which financial statements have been delivered pursuant to Section 5.1(b) or (c)) shall be less than 4.50:1.00, (iii) the Asset Coverage Ratio calculated on a pro forma basis shall be greater than 1.10:1.00, and (iv) the amount of Investments made under this clause (j) does not exceed $~~3,500,000~~10,000,000 in the aggregate in any Fiscal Year (net of cash returns previously received on amounts invested pursuant to this clause (j)), additional Investments funded with Internally Generated Cash in an amount during any Fiscal Year not exceeding (when added to the amount of any Restricted Junior Payments made pursuant to Section 6.5(c) during such Fiscal Year) the difference of (x) Consolidated Excess Cash Flow for the immediately preceding Fiscal Year, minus (y) the amount of such Consolidated Excess Cash Flow, if any, that is or was required to be applied as a mandatory prepayment of the Loans pursuant to Section 2.12(e);

(k) Intermediate Holdings' purchase of all of the outstanding Capital Stock of Five Points, as contemplated by and pursuant to the terms of the Five Points Acquisition Documents;

(l) Intermediate Holdings' purchase of all of the outstanding Capital Stock of TrueBridge, as contemplated by and pursuant to the terms of the TrueBridge Acquisition Documents;

(m) the transactions contemplated by the Enhanced Capital Acquisition Documents (including, for the avoidance of doubt, the indirect acquisition pursuant thereto of Investments that are held by ECG and its Subsidiaries at the time of the Enhanced Capital Acquisition Closing and which were not acquired in contemplation of the Enhanced Capital Acquisition);

(n) Investments in any Joint Venture or in the Capital Stock of any Person that (net of cash returns previously received on amounts invested pursuant to this clause (n)) do not exceed $5,000,000 in the aggregate; and

(o)~~(m)~~ other Investments in an aggregate amount not in excess of $250,000 outstanding at any time.

Notwithstanding anything in this Section 6.7 to the contrary, (A) in no event shall any Credit Party make any Investment that results in or facilitates in any manner any Restricted Junior Payment not otherwise permitted under the terms of Section 6.5~~,~~ and (B) in no event shall any Credit Party enter into any Hedge Agreement other than an Interest Rate Agreement~~, and (C) except pursuant to clause (j) above, in no event shall the Credit Parties invest in any Joint Venture or invest in the Capital Stock of any Person that is not Parent or a Wholly-Owned Guarantor Subsidiary (or concurrently becoming a Wholly-Owned Guarantor Subsidiary) other than a Controlled Fund GP or a Controlled Fund~~.

6.8 Financial Covenants.

(a) Asset Coverage Ratio. Parent shall not permit the Asset Coverage Ratio at any time to be less than 1.00:1.00.

(b) Fixed Charge Coverage Ratio. Parent shall not permit the Fixed Charge Coverage Ratio as of the last day of any Fiscal Quarter, beginning with the Fiscal Quarter ending March 31, 2018, to be less than the correlative ratio indicated:

Fiscal Quarter	Fixed Charge Coverage Ratio
March 31, 2018	1.100:1.00
June 30, 2018	1.100:1.00
September 30, 2018	1.100:1.00
December 31, 2018	1.100:1.00
March 31, 2019	1.200:1.00
June 30, 2019	1.200:1.00
September 30, 2019	1.200:1.00
December 31, 2019	1.200:1.00
March 31, 2020	1.300:1.00
June 30, 2020	1.300:1.00
September 30, 2020	1.300:1.00
December 31, 2020	1.300:1.00
March 31, 2021	1.400:1.00
June 30, 2021	1.400:1.00
September 30, 2021	1.400:1.00
December 31, 2021	1.400:1.00
March 31, 2022	1.400:1.00
June 30, 2022	1.400:1.00
September 30, 2022	1.400:1.00

(c) Leverage Ratio. Parent shall not permit the Leverage Ratio as of the last day of any Fiscal Quarter, beginning with the Fiscal Quarter ending March 31, 2018, to exceed the correlative ratio indicated:

Fiscal Quarter Ending	Leverage Ratio
March 31, 2018	5.500:1.00
June 30, 2018	5.500:1.00

Fiscal Quarter Ending	Leverage Ratio
September 30, 2018	5.500:1.00
December 31, 2018	5.500:1.00
March 31, 2019	5.375:1.00
June 30, 2019	5.250:1.00
September 30, 2019	5.125:1.00
December 31, 2019	5.000:1.00
March 31, 2020	4.875:1.00
June 30, 2020	4.750:1.00
September 30, 2020	4.625:1.00
December 31, 2020	4.500:1.00
March 31, 2021	4.500:1.00
June 30, 2021	4.500:1.00
September 30, 2021	4.250:1.00
December 31, 2021	4.250:1.00
March 31, 2022	4.000:1.00
June 30, 2022	4.000:1.00
September 30, 2022	4.000:1.00

(d) Certain Calculations. With respect to any period during which an Asset Sale or Acquisition (including the transactions contemplated by the RCP Acquisition Documents, the Five Points Acquisition Documents ~~and~~, the TrueBridge Acquisition Documents and the Enhanced Capital Acquisition Documents) or Investment made pursuant to Section 6.7(f) or (h) has occurred (each, a **"Subject Transaction"**), for purposes of determining compliance with the financial covenants set forth in this Section 6.8 or compliance on a pro forma basis with such financial covenants or satisfaction of any other financial test under this Agreement, Consolidated Adjusted EBITDA, and the components of Consolidated Fixed Charges shall be calculated with respect to such period on a pro forma basis (each of which pro forma adjustments shall be certified by a Chief Financial Officer of Parent and shall be determined reasonably and in good faith) using the historical audited financial statements of any business or assets sold or to be sold, or acquired or to be acquired, as the case may be, and the consolidated financial statements of Parent and its Subsidiaries, which shall be reformulated as if such Subject Transaction, and any Indebtedness incurred or repaid in connection therewith, had been consummated or incurred or repaid at the beginning of such period (and assuming that such Indebtedness bears interest during any portion of the applicable measurement period prior to the Subject Transaction at the weighted average of the interest rates applicable to outstanding Loans incurred during such period)~~.~~, it being agreed however that the pro forma increase to Consolidated Adjusted EBITDA resulting from the Five Points Acquisition, the TrueBridge Acquisition and the Enhanced Capital Acquisition, in each case, shall be deemed to be as follows for each relevant period:

	Fiscal Quarter Ending March 31, 2020	Fiscal Quarter Ending June 30, 2020	Fiscal Quarter Ending September 30, 2020	Fiscal Quarter Ending December 31, 2020
Five Points Acquisition	$ 1,925,000	None	None	None
TrueBridge Acquisition	$ 4,700,000	$ 4,700,000	$ 4,700,000	None
Enhanced Capital Acquisition	$ 3,160,000	$ 5,650,000	$ 4,550,000	$ 6,650,000

6.9 Fundamental Changes; Disposition of Assets; Acquisitions. Parent shall not, and shall not permit any of its Subsidiaries to, enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of, in one transaction or a series of transactions, all or any part of its business, assets or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, leased (as lessee), or licensed (as licensee), or make any Acquisition or purchase any Management Fee Tails, except:

(a) any Subsidiary of Parent (other than Company) may be merged with or into Parent or any Guarantor Subsidiary, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to Parent or any Guarantor Subsidiary; provided, in the case of such a merger involving Parent, Parent shall be the continuing or surviving Person, and in the case of any other such merger, a Wholly-Owned Guarantor Subsidiary shall be the continuing or surviving Person;

(b) Dispositions of assets that do not constitute Asset Sales;

(c) Asset Sales, the consideration for which (i) is less than $150,000 with respect to any single Asset Sale or series of related Asset Sales, and (ii) when aggregated with the aggregate consideration for all other Asset Sales made within the trailing twelve month period, is less than $250,000; provided (1) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof (determined in good faith by the Board of Directors of Company), (2) no less than 100% of such consideration shall consist of Cash paid upon the closing of each applicable Asset Sale (subject to any customary escrow to cover indemnities and other customary amounts that may be payable by the seller under the relevant sale agreement, and subject to customary purchase price adjustments and true-ups), and (3) the Net Asset Sale Proceeds thereof shall be applied as required by Section 2.12(a);

(d) disposals of obsolete, surplus or worn out property;

(e) the purchase by any Wholly-Owned Guarantor Subsidiary of Management Fee Tails in an unlimited amount, so long as either:

(i) Administrative Agent consents to such purchase; or

(ii) each of the following conditions is satisfied at the time of and immediately after giving effect to such purchase: (A) no Default or Event of Default is continuing, (B) the Leverage Ratio (calculated on a pro forma basis using Annualized Consolidated Adjusted EBITDA for the most recent Fiscal Quarter for which financial statements have been delivered pursuant to Section 5.1(b) or (c)) shall be less than 4.50:1.00, (C) the Asset Coverage Ratio calculated on a pro forma basis shall be greater than 1.10:1.00 and (D) Parent and its Subsidiaries shall be in compliance on a pro forma basis with the financial covenant set forth in Section 6.8(b) as of the most recent period for which financial statements have been delivered pursuant to Section 5.1(b) or (c) (such purchases in the case of either clause (i) or clause (ii), "**Permitted Management Fee Tail Purchases**"); and

(f) Investments made in accordance with Section 6.7.

6.10 Disposal of Subsidiary Interests. Except for any sale of all of its interests in the Capital Stock of any of its Subsidiaries in compliance with the provisions of Section 6.9, Parent shall not (a) directly or indirectly sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to qualify Directors if required by applicable law; or (b) permit any of its Subsidiaries directly or indirectly to sell, assign, pledge or otherwise encumber or dispose of any Capital Stock of any of its Subsidiaries, except to another Credit Party (subject to the restrictions on such disposition otherwise imposed hereunder), or to qualify Directors if required by applicable law.

6.11 Sales and Lease-Backs. Parent shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, that such Credit Party (a) has sold or transferred or is to sell or to transfer to any other Person (other than Holdings or any of its Subsidiaries), or (b) intends to use for substantially the same purpose as any other property that has been or is to be sold or transferred by such Credit Party to any Person (other than Holdings or any of its Subsidiaries) in connection with such lease.

6.12 Transactions with Affiliates. Parent shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of such Person; provided, however, that Parent and its Subsidiaries may enter into or permit to exist any such transaction if the terms of such transaction are not less favorable to Parent or that Subsidiary, as the case may be, than those that might be obtained at the time from a Person who is not an Affiliate; further provided, that the foregoing restrictions shall not apply to (a) any transaction among Parent and Company or any Wholly-Owned Guarantor Subsidiary or any of them; (b) reasonable and customary fees paid to members of the Board of Directors of Parent or any of its Subsidiaries; (c) reasonable and customary compensation arrangements for officers and other employees of Parent or any of its Subsidiaries entered into in the ordinary course of business; (d) transactions described in Schedule 6.12; (e) the Related Agreements; (f) customary transactions otherwise permitted hereby which are entered into by any Controlled Fund Asset Manager with Controlled Funds and Controlled Fund GPs in the ordinary course of business; ~~and~~ (g) Restricted Junior Payments permitted by Section 6.5 and Investments permitted by Section 6.7; and (h) the transactions contemplated by the Enhanced Capital Acquisition Documents.

6.13 Conduct of Business; Foreign Subsidiaries. From and after the Closing Date, Parent shall not, and shall not permit any of its Subsidiaries to, engage in (i) any business other than (A) the businesses engaged in by such Credit Party on the Closing Date and reasonable extensions of such businesses, and (B) such other lines of business as may be consented to by Administrative Agent and the Requisite Lenders, or (ii) any business or activities that conflict with Section 4.26(a). No Credit Party shall, nor shall any Credit Party permit any of its Subsidiaries to, form, create, incorporate, or acquire any Foreign Subsidiary after the Closing Date.

6.14 Permitted Activities of Holdings. Holdings shall not (a) incur any Indebtedness other than the Indebtedness under this Agreement, Indebtedness described in Sections 6.1(c) and (d) and Indebtedness that has recourse only to the Capital Stock of any Excluded Holdings Subsidiary; (b) create or suffer to exist any Lien upon any property or assets now owned or hereafter acquired, leased (as lessee), or licensed (as licensee) by it other than Permitted Liens of the types described in Sections 6.2(a) through (d) (read as if such clauses applied to Holdings) and Liens on Capital Stock of Excluded Holdings Subsidiaries (and any proceeds or products thereof); (c) engage in any business or material activity or own any material assets other than (i) directly holding the Capital Stock of Parent and investing in and holding the Capital Stock of any Excluded Holdings Subsidiary; (ii) performing its obligations under the Credit Documents, and to the extent not inconsistent therewith, the Related Agreements, the Five Points Acquisition Documents ~~and~~, the TrueBridge Acquisition Documents and the Enhanced Capital Acquisition Documents; (iii) holding Cash and Cash Equivalents, (iv) holding other assets on a temporary basis pending dividend or distribution to holders of its Capital Stock or Investment in Parent or any Excluded Holdings Subsidiary, (v) issuance of Capital Stock (other than Disqualified Capital Stock) and activities incidental thereto and (vi) other activities incidental to the permitted assets, liabilities and activities described above, and the maintenance of Holdings' corporate existence, including activities incidental to Holdings' role as the parent holding company of a group of companies (including, to the extent applicable, public reporting requirements and related legal obligations); (d) consolidate with or merge with or into, or Dispose all or substantially all its assets to, any Person; (e) Dispose of any Capital Stock of Parent (other than (x) the contribution by Holdings of all of the outstanding Capital Stock in Company to Intermediate Holdings substantially contemporaneously with the Five Points Acquisition Closing, (y) the issuance of Capital Stock of Intermediate Holdings to other Equity Investors therein on the Five Points Acquisition Closing Date ~~and~~, the TrueBridge Acquisition Closing Date and the Enhanced Capital Acquisition Closing Date, and (z) from and after the Five Points Acquisition Closing, any disposition of the outstanding Capital Stock in Parent permitted by this Agreement and that would not constitute a Change of Control); (f) create or acquire any subsidiary or make or own any Investment in any Person other than Parent and Excluded Holdings Subsidiaries (and Investments in Cash and Cash Equivalents); or (g) fail to hold itself out to the public as a legal entity separate and distinct from all other Persons

6.15 Amendments or Waivers of Certain Related Agreements. No Credit Party shall nor shall it permit any of its Subsidiaries to, agree to any material amendment, restatement, supplement or other modification to, waiver of, or side letter affecting any of its material rights under (a) any Related Agreement after the Closing Date or (b) any Five Points Acquisition Document ~~or~~, TrueBridge Acquisition Document or Enhanced Capital Acquisition Document after the initial execution thereof in any manner that could reasonably be expected to be adverse to the Lenders, without in each case obtaining the prior written consent of Administrative Agent to such amendment, restatement, supplement or other modification, waiver or side letter.

6.16 Amendments or Waivers with Respect to Certain Indebtedness. Except to the extent expressly permitted under the terms of the corresponding Subordination Agreement, no Credit Party shall, nor shall it permit any of its Subsidiaries to, amend or otherwise change the terms of the Existing Indebtedness, any Subordinated Indebtedness (including the Subordinated Seller Notes) or any Earn Out Indebtedness, or make any payment consistent with an amendment thereof or change thereto, if the effect of such amendment or change is to increase the interest rate on such Indebtedness, increase the principal amount thereof, change (to earlier dates) any dates upon which payments of principal or interest are due thereon, change any event of default or condition to an event of default with respect thereto in any manner adverse to Company or such Subsidiary, change the redemption, prepayment or defeasance provisions thereof in any manner adverse to Company or such Subsidiary, change the subordination provisions thereof (or of any guaranty thereof), or if the effect of such amendment or change, together with all other amendments or changes made, is to increase materially the obligations of the obligor thereunder or to confer any additional rights on the holders thereof (or a trustee or other representative on their behalf) that would be adverse to any Credit Party or the Lenders.

6.17 Fiscal Year; Accounting Policies. No Credit Party shall, nor shall it permit any of its Subsidiaries to change its Fiscal Year-end from December 31 or make any change in its accounting policies that is not required under GAAP.

6.18 Deposit Accounts and Securities Accounts. From and after the Initial Funding Date, neither Parent nor any of its Subsidiaries will establish or maintain a Deposit Account or a Securities Account that is not a Controlled Account, deposit proceeds in a Deposit Account that is not a Controlled Account, or deposit, acquire, or otherwise carry any security entitlement or commodity contract in a Securities Account that is not a Controlled Account, other than any Deposit Account that is dedicated to the payment of payroll and payroll related expenses.

6.19 Amendments to Organizational Agreements, Material Contracts and Employment Contracts. No Credit Party shall (a) amend or permit any amendments to any Credit Party's or any of its Subsidiaries', or to any Controlled Fund GP's, Organizational Documents if such amendment could reasonably be expected to be adverse to Administrative Agent or Lenders; (b) amend or permit any amendments to, or terminate (other than non-renewals or expirations of such contracts in accordance with their terms) or waive any provision of, any Material Contract if such amendment, termination, or waiver could reasonably be expected, individually or in the aggregate, to either (i) have a Material Adverse Effect or (ii) when considered together with other Material Contracts which have been or are concurrently being terminated or entered into, result in an increase in expenses or liabilities, or a loss or reduction in Management Fees, by an amount greater than 10% of the aggregate expenses, liabilities or total Management Fee revenue, as applicable, of the Credit Parties; (c) amend or permit any amendments to, or terminate (other than non-renewals or expirations of such contracts in accordance with their terms) or waive any provision of any employment contract entered into on or about the Closing Date between, on the one hand, RCP 3 and, on the other hand, any RCP Principal, if such amendment could reasonably be expected, individually or in the aggregate, to be adverse to Administrative Agent or Lenders (it being understood that any amendment to or waiver of the provisions in Section 8 of any such employment contract shall be deemed to be adverse to Administrative Agent and Lenders); (d) amend or permit any amendments to, or terminate (other than non-renewals or expirations of such contracts in accordance with their terms) or waive any provision of any employment contract entered into on or prior to the Five Points Acquisition Closing between, on the one hand, Holdings and, on the other hand, any Retained Employee, if such amendment could reasonably be expected, individually or in the aggregate, to be adverse to Administrative Agent or Lenders; and (e) amend or permit any amendments to, or terminate (other than non-renewals or expirations of such contracts in accordance with their terms) or waive any provision of any employment contract entered into on or prior to the TrueBridge Acquisition Closing between, on the one hand, TrueBridge and, on the other hand, any TrueBridge Principal, if such amendment could reasonably be expected, individually or in the aggregate, to be adverse to Administrative Agent or Lenders.

6.20 [Reserved].

6.21 Limitations on Controlled Fund GPs and Controlled Funds. Each Credit Party:

(a) shall not assume, guarantee or otherwise be or become liable for any Indebtedness of any Controlled Fund GP or any Controlled Fund, except as the result of granting a Lien on Capital Call Rights to secure Indebtedness arising under Subscription Lines of Credit permitted under Section 6.1(m);

(b) shall not permit any Controlled Fund GP or Controlled Fund to hold any Capital Stock of any Credit Party;

(c) shall not permit any Lien to exist on any Controlled Fund Co-Investment Equity, any Controlled Fund Carried Interest or any other Property of any Controlled Fund GP, except for (i) Controlled Fund GP Ordinary Course Liens, (ii) Liens permitted under Section 6.2(q) and (iii) Liens granted in favor of Collateral Agent for the benefit of the Secured Parties pursuant to any Collateral Document;

(d) shall not permit any Controlled Fund GP to incur, assume, guarantee, or otherwise be or become liable for any Indebtedness, except (i) as the result of granting a Lien on Capital Call Rights to secure Indebtedness arising under Subscription Lines of Credit permitted under Section 6.1(m) and (ii) Indebtedness consisting of obligations owing to Collateral Agent for the benefit of the Secured Parties under any Collateral Document;

(e) shall not permit any Controlled Fund or any Controlled Fund GP to make any Restricted Junior Payments or Investments, except in accordance with the applicable Controlled Fund LP Agreement or Controlled Fund GP Agreement, as applicable;

(f) shall not permit any Controlled Fund GP or Controlled Fund to Dispose of any of its right, title, or interest in or to any Controlled Fund Co-Investment Equity or any Controlled Fund Carried Interest (except, in the case of the TrueBridge GPs, in connection with the restructuring contemplated by Section 8.10 of the TrueBridge Acquisition Agreement (as in effect on the TrueBridge Acquisition Signing Date));

(g) shall not agree to or permit any Controlled Fund GP or Controlled Fund to waive, forbear from collecting, reduce, offset, or provide a credit against Management Fees payable by, or on account of any interest in a Controlled Fund of, any investor in a Controlled Fund; provided that, for the avoidance of doubt, this clause shall not limit (x) fee concessions agreed with non-affiliated investors in any Controlled Fund at or prior to the time such investor commits to invest in such Controlled Fund or (y) customary arrangements whereby employee and affiliated investors in any Controlled Fund are not charged Management Fees.

SECTION 7 GUARANTY

7.1 Guaranty of the Obligations. Subject to the provisions of Section 7.2 and the limitations set forth in the definition of the term Guarantor, Guarantors jointly and severally hereby irrevocably and unconditionally guaranty to Administrative Agent for the ratable benefit of Beneficiaries the due and punctual Payment in Full of all Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the **"Guaranteed Obligations"**).

7.2 Contribution by Guarantors. All Guarantors desire to allocate among themselves (collectively, the **"Contributing Guarantors"**), in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a Guarantor (a **"Funding Guarantor"**) under this Guaranty such that its Aggregate Payments exceeds its Fair Share as of such date, such Funding Guarantor shall be entitled to a contribution from each of the other Contributing Guarantors in an amount sufficient to cause each Contributing Guarantor's Aggregate Payments to equal its Fair Share as of such date. **"Fair Share"** means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Fair Share Contribution Amount with respect to such Contributing Guarantor, to (ii) the aggregate of the Fair Share Contribution Amounts with respect to all Contributing Guarantors multiplied by, (b) the aggregate amount paid or distributed on or before such date by all Funding Guarantors under this Guaranty in respect of the obligations Guaranteed. **"Fair Share Contribution Amount"** means, with respect to a Contributing Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Contributing Guarantor under this Guaranty that would not render its obligations hereunder or thereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided, solely for purposes of calculating the "Fair Share Contribution Amount" with respect to any Contributing Guarantor for purposes of this Section 7.2, any assets or liabilities of such Contributing Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Contributing Guarantor. **"Aggregate Payments"** means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (1) the aggregate amount of all payments and distributions made on or before such date by such Contributing Guarantor in respect of this Guaranty (including in respect of this Section 7.2), minus (2) the aggregate amount of all payments received on or before such date by such Contributing Guarantor from the other Contributing Guarantors as contributions under this Section 7.2. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Funding Guarantor. The allocation among Contributing Guarantors of their obligations as set forth in this Section 7.2 shall not be construed in any way to limit the liability of any Contributing Guarantor hereunder. Each Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 7.2.

7.3 Payment by Guarantors. Subject to Section 7.2, Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right that any Beneficiary may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of Company to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), Guarantors will upon demand pay, or cause to be paid, in Cash, to Administrative Agent for the ratable benefit of Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest that, but for Company's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against Company for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Beneficiaries as aforesaid.

7.4 Liability of Guarantors Absolute. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance that constitutes a legal or equitable discharge of a guarantor or surety other than Payment in Full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of each Guarantor and not merely a contract of surety;

(b) Administrative Agent may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between Company and any Beneficiary with respect to the existence of such Event of Default;

(c) the obligations of each Guarantor hereunder are independent of the obligations of Company and the obligations of any other guarantor (including any other Guarantor) of the obligations of Company, and a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against Company or any of such other guarantors and whether or not Company is joined in any such action or actions;

(d) payment by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any Guarantor's liability for any portion of the Guaranteed Obligations that has not been paid. Without limiting the generality of the foregoing, if Administrative Agent is awarded a judgment in any suit brought to enforce any Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release such Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Guarantor, limit, affect, modify or abridge any other Guarantor's liability hereunder in respect of the Guaranteed Obligations;

(e) any Beneficiary, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of such Beneficiary in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith or the applicable Secured Hedge Agreement and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any other Credit Party or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Credit Documents or any Secured Hedge Agreement; and

(f) this Guaranty and the obligations of Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than Payment in Full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not any Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Credit Documents or any Secured Hedge Agreement, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, any of the other Credit Documents, any Secured Hedge Agreement, or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, in each case whether or not in accordance with the terms hereof or such Credit Document, such Secured Hedge Agreement, or any agreement relating to such other guaranty or security; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received pursuant to the other Credit Documents or any Secured Hedge Agreement or from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though any Beneficiary might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) any Beneficiary's consent to the change, reorganization or termination of the corporate structure or existence of Holdings or any of its Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations; (vi) any failure to perfect or continue perfection of a security interest in any collateral that secures any of the Guaranteed Obligations; (vii) any defenses, set-offs or counterclaims that Company may allege or assert against any Beneficiary in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; and (viii) any other act or thing or omission, or delay to do any other act or thing, that may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations.

7.5 Waivers by Guarantors. Each Guarantor hereby waives, for the benefit of Beneficiaries: (a) any right to require any Beneficiary, as a condition of payment or performance by such Guarantor, to (i) proceed against Company, any other guarantor (including any other Guarantor) of the Guaranteed Obligations or any other Person, (ii) proceed against or exhaust any security held from Company, any such other guarantor or any other Person, (iii) proceed against or have resort to any balance of any Deposit Account or credit on the books of any Beneficiary in favor of Company or any other Person, or (iv) pursue any other remedy in the power of any Beneficiary whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Company or any other Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Company or any other Guarantor from any cause other than Payment in Full of the Guaranteed Obligations; (c) any defense based upon any statute or rule of law that provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Beneficiary's errors or omissions in the administration of the Guaranteed Obligations, except behavior that amounts to bad faith; (e) (i) any principles or provisions of law, statutory or otherwise, that are or might be in conflict with the terms hereof and any legal or equitable discharge of such Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting such Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that any Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder, any Secured Hedge Agreement, or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to Company and notices of any of the matters referred to in Section 7.4 and any right to consent to any thereof; and (g) any defenses or benefits that may be derived from or afforded by law that limit the liability of or exonerate guarantors or sureties, or that may conflict with the terms hereof.

7.6 Guarantors' Rights of Subrogation, Contribution, Etc. Until the Guaranteed Obligations shall have been Paid in Full, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against Company or any other Guarantor or any of its assets in connection with this Guaranty or the performance by such Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against Company with respect to the Guaranteed Obligations, (b) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against Company, and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Guaranteed Obligations shall have been Paid in Full, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations, including any such right of contribution as contemplated by Section 7.2. Each Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Guarantor may have against Company or against any collateral or security, and any rights of contribution such Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against Company, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations shall not have been Paid in Full, such amount shall be held in trust for Administrative Agent for the benefit of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof.

7.7 Subordination of Other Obligations. Any Indebtedness of Company or any Guarantor now or hereafter held by any Guarantor (the **"Obligee Guarantor"**) is hereby subordinated in right of payment to the Guaranteed Obligations, and any Distribution collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for Administrative Agent for the benefit of Beneficiaries and shall forthwith be paid over to Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof. For purposes of this Section 7.7, "Distribution" means, with respect to any Indebtedness subordinated pursuant to this Section 7.7, (a) any payment or distribution by any Person of cash, securities or other property, by set-off or otherwise, on account of such Indebtedness, (b) any redemption of or purchase or other acquisition of such Indebtedness from the Obligee Guarantor by any other Person, and (c) the granting of any lien or security interest to or for the benefit of the Obligee Guarantor or any other Person in or upon any property of any Person to secure such Indebtedness.

7.8 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been Paid in Full. Each Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

7.9 Authority of Guarantors or Company. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Guarantor or Company or the officers, Directors or any agents acting or purporting to act on behalf of any of them.

7.10 Financial Condition of Company. Any Credit Extension may be made to Company or continued from time to time, and any Secured Hedge Agreements may be entered into from time to time, in each case without notice to or authorization from any Guarantor regardless of the financial or other condition of Company at the time of any such grant or continuation or at the time any such Secured Hedge Agreement is entered into, as the case may be. No Beneficiary shall have any obligation to disclose or discuss with any Guarantor its assessment, or any Guarantor's assessment, of the financial condition of Company. Each Guarantor has adequate means to obtain information from Company on a continuing basis concerning the financial condition of Company and its ability to perform its obligations under the Credit Documents and any Secured Hedge Agreement, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of Company and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Each Guarantor hereby waives and relinquishes any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of Company now known or hereafter known by any Beneficiary.

7.11 Bankruptcy, etc.

(a) So long as any Guaranteed Obligations remain outstanding, no Guarantor shall, without the prior written consent of Administrative Agent acting pursuant to the instructions of Requisite Lenders, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding of or against Company or any other Guarantor. The obligations of Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Company or any other Guarantor or by any defense that Company or any other Guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations that accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of Guarantors and Beneficiaries that the Guaranteed Obligations that are guaranteed by Guarantors pursuant hereto should be determined without regard to any rule of law or order that may relieve Company of any portion of such Guaranteed Obligations. Guarantors will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar Person to pay Administrative Agent, or allow the claim of Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(c) In the event that all or any portion of the Guaranteed Obligations are paid by Company, the obligations of Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments that are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder.

7.12 Discharge of Guaranty Upon Sale of Guarantor. If all of the Capital Stock of any Guarantor or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) in accordance with the terms and conditions hereof, the Guaranty of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any Beneficiary or any other Person effective as of the time of such Asset Sale (provided that Administrative Agent and Collateral Agent agree to promptly execute and deliver any documentation reasonably requested by Company to further evidence or reflect any such release, all at the expense of Company).

7.13 Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by any other Credit Party hereunder to honor all of such Credit Party's obligations under this Guaranty in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 7.13 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 7.13, or otherwise under this Guaranty, as it relates to such Credit Party, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 7.13 shall remain in full force and effect until the Guaranteed Obligations shall have been Paid in Full. Each Qualified ECP Guarantor intends that this Section 7.13 constitute, and this Section 7.13 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

SECTION 8 EVENTS OF DEFAULT

8.1 Events of Default. If any one or more of the following conditions or events shall occur:

(a) Failure to Make Payments When Due. Failure by Company to pay (i) the principal of and premium, if any, on any Loan whether at stated maturity, by acceleration or otherwise; (ii) when due any installment of principal of any Loan, by notice of voluntary prepayment, by mandatory prepayment or otherwise; or (iii) when due any interest on any Loan or any fee or any other amount due hereunder on the date due.

(b) Default in Other Agreements. (i) Failure of any Credit Party, any of its Subsidiaries or any Controlled Fund GP to pay when due any principal of or interest on or any other amount, including any payment in settlement, payable in respect of one or more items of Material Indebtedness, in each case beyond the grace period, if any, provided therefor; or (ii) breach or default by any Credit Party, any of its Subsidiaries or any Controlled Fund GP with respect to any other term of (1) one or more items of Material Indebtedness, or (2) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Material Indebtedness, in each case beyond the grace period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of that Material Indebtedness (or a trustee on behalf of such holder or holders), with or without the passage of time, to cause, that Material Indebtedness to become or be declared due and payable (or subject to a compulsory repurchase or other redemption) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; or

(c) Breach of Certain Covenants. Failure of any Credit Party to perform or comply with any term or condition contained in Section 2.4, Section 5.1, Section 5.2 (with respect to the existence of Company), Section 5.6 (with respect to inspection rights), Section 5.7, Section 5.10, Section 5.11, Section 5.14(a), Section 5.15, Section 5.17 or Section 6; or

(d) Breach of Representations, etc. Any representation, warranty, certification or other statement made or deemed made by any Credit Party, any RCP Principal, any other Collateral Grantor or any Controlled Fund GP in any Credit Document or in any statement or certificate at any time given by such Person or any of its Subsidiaries in writing pursuant hereto or thereto or in connection herewith or therewith shall be false or misleading in any material respect as of the date made or deemed made; or

(e) Other Defaults Under Credit Documents. Any Credit Party, any RCP Principal, any other Collateral Grantor or any Controlled Fund GP shall default in the performance of or compliance with any term contained herein or in any of the other Credit Documents to the extent such Person is a party hereto or thereto, other than any such term referred to in any other paragraph of this Section 8.1 or consisting of a condition or status that is expressly required to exist or be satisfied at a specific time, and such term has not been fully and permanently performed or complied with within thirty days after the earlier of (i) an officer of such Person becoming aware of such default, or (ii) receipt by Company of notice from Administrative Agent or any Lender of such default; or

(f) Involuntary Bankruptcy; Appointment of Receiver, etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of Holdings, any of its Subsidiaries or any Controlled Fund GP in an involuntary case under any Debtor Relief Law, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against Holdings any of its Subsidiaries or any Controlled Fund GP under any Debtor Relief Law; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Holdings, any of its Subsidiaries or any Controlled Fund GP, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Holdings, any of its Subsidiaries or any Controlled Fund GP for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Holdings, any of its Subsidiaries or any Controlled Fund GP, and any such event described in this clause (ii) shall continue for sixty days without having been dismissed, bonded or discharged; or

(g) Voluntary Bankruptcy; Appointment of Receiver, Etc. (i) Holdings, any of its Subsidiaries or any Controlled Fund GP shall have an order for relief entered with respect to it or shall commence a voluntary case under any Debtor Relief Law, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or Holdings, any of its Subsidiaries or any Controlled Fund GP shall make any assignment for the benefit of creditors; or (ii) Holdings, any of its Subsidiaries or any Controlled Fund GP shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the Board of Directors of Holdings, any of its Subsidiaries or any Controlled Fund GP (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 8.1(f); or

(h) Judgments and Attachments. Any money judgment, writ or warrant of attachment or similar process involving an amount individually or in the aggregate in excess of $500,000 (to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against Holdings, any of its Subsidiaries or any Controlled Fund GP or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty days (or in any event later than five days prior to the date of any proposed sale thereunder); or

(i) Dissolution. Any order, judgment or decree shall be entered against any Credit Party, any of its Subsidiaries or any Controlled Fund GP decreeing the dissolution or split up of such Credit Party or any of its Subsidiaries or such Controlled Fund GP and such order shall remain undischarged or unstayed for a period in excess of thirty days; or

(j) Employee Benefit Plans. (i) There shall occur one or more ERISA Events that individually or in the aggregate results in or might reasonably be expected to result in liability of Holdings, any of its Subsidiaries, any Controlled Fund GP or any of their respective ERISA Affiliates in excess of $500,000 during the term hereof; or (ii) there exists any fact or circumstance that reasonably could be expected to result in the imposition of a Lien or security interest under Section 430(k) of the Internal Revenue Code or ERISA or a violation of Section 436 of the Internal Revenue Code; or

(k) Change of Control. A Change of Control shall occur; or

(l) Guaranties, Collateral Documents and other Credit Documents. At any time after the execution and delivery thereof, (i) the Guaranty for any reason, other than the Payment in Full of all Obligations, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or any Guarantor shall repudiate its obligations thereunder, (ii) this Agreement or any Collateral Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the Payment in Full of the Obligations in accordance with the terms hereof) or shall be declared null and void, or Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document with respect to any material portion of the Collateral, in each case for any reason other than the failure of Collateral Agent or any Secured Party to take any action within its control, or (iii) any Credit Party, any RCP Principal, any Five Points Principal, any TrueBridge Principal, the Enhanced Capital Principal, any other Collateral Grantor or any Controlled Fund GP shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability, including with respect to future advances by Lenders, under any Credit Document to which it is a party or shall contest the validity of or perfection of any Lien in any Collateral granted or purported to be granted pursuant to the Collateral Documents; or

(m) Subordinated Indebtedness. Any series, class or type of Subordinated Indebtedness permitted hereunder or the guarantees thereof shall cease, for any reason, to be validly subordinated to the Obligations of the Credit Parties hereunder, as provided in the corresponding Subordination Agreement, if applicable, or the subordination terms of such Subordinated Indebtedness, or any Credit Party, any Affiliate of any Credit Party, or any of the holders of such series, class or type of such Subordinated Indebtedness shall so assert; or

(n) Criminal Indictment. A Credit Party, any of its Subsidiaries, any Controlled Fund GP or any of their respective Authorized Officers is criminally indicted or convicted for (i) a felony, a financial crime, or fraud committed in the conduct of such Credit Party's or Subsidiary's business, or (ii) violating any state or federal law that could lead to forfeiture of any material assets of any Credit Party or of any Controlled Fund GP or any Collateral; or

(o) Certificate of Incorporation. Holdings has not, prior to May 31, 2018, amended clause (i) of Section 14.1.I of its Certificate of Incorporation (the definition of "Expiration Date") to reference a date that is on or after seven days after the third anniversary of the Closing Date.

THEN, (1) upon the occurrence of any Event of Default described in Section 8.1(f) or 8.1(g), automatically, and (2) upon the occurrence of any other Event of Default, at the request of (or with the consent of) Requisite Lenders, upon notice to Company by Administrative Agent, (A) the Commitments, if any, of each Lender having such Commitments shall immediately terminate; (B) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Credit Party: (I) the unpaid principal amount of and accrued interest and premium on the Loans, and (II) all other Obligations; (C) Administrative Agent may cause Collateral Agent to enforce any and all Liens and security interests created pursuant to Collateral Documents; and (D) Administrative Agent and Collateral Agent may enforce any other rights and remedies under any Credit Document or under applicable law.

SECTION 9 AGENTS

9.1 Appointment of Agents. HPS is hereby appointed Administrative Agent and Collateral Agent hereunder and under the other Credit Documents and each Lender hereby authorizes HPS, in such capacity, to act as Administrative Agent and Collateral Agent in accordance with the terms hereof and the other Credit Documents. Each Agent hereby agrees to act in its capacity as such upon the express conditions contained herein and the other Credit Documents, as applicable. The provisions of this Section 9 are solely for the benefit of Agents and Lenders and no Credit Party shall have any rights as a third party beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings or any of its Subsidiaries. Each of Agent (other than Administrative Agent and Collateral Agent), without consent of or notice to any party hereto, may assign any and all of its rights or obligations hereunder to any of its Affiliates. Each Agent (other than Administrative Agent and Collateral Agent), may resign from such role at any time, with immediate effect, by giving prior written notice thereof to Administrative Agent and Company. It is understood and agreed that the use of the term “agent” herein or in any other Credit Documents (or any other similar term) with reference to Administrative Agent or Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.2 Powers and Duties. Each Lender irrevocably authorizes each Agent to take such action on such Lender’s behalf and to exercise such powers, rights and remedies hereunder and under the other Credit Documents as are specifically delegated or granted to such Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. In the event that any obligations are permitted to be incurred and subordinated in right of payment to the Obligations hereunder and/or are permitted to be secured by Liens on all or a portion of the Collateral, each Lender authorizes Administrative Agent and Collateral Agent, as applicable, to enter into intercreditor agreements, subordination agreements and amendments to the Collateral Documents to reflect such arrangements on terms that are acceptable to Administrative Agent and Collateral Agent, in their respective sole discretion, as applicable. Each Agent shall have only those duties and responsibilities that are expressly specified herein and the other Credit Documents. Each Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. No Agent shall have, by reason hereof or any of the other Credit Documents, a fiduciary relationship in respect of any Lender or any other Person; and nothing herein or any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon any Agent any obligations in respect hereof or any of the other Credit Documents except as expressly set forth herein or therein.

9.3 General Immunity.

(a) No Responsibility for Certain Matters. No Agent shall be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Lenders or by or on behalf of any Credit Party to any Agent or any Lender in connection with the Credit Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Credit Party or any other Person liable for the payment of any Obligations, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or as to the value or sufficiency of any Collateral or as to the satisfaction of any condition set forth in Section 3 or elsewhere herein (other than confirm receipt of items expressly required to be delivered to such Agent) or to inspect the properties, books or records of Holdings or any of its Subsidiaries or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Loans or the component amounts thereof.

(b) Exculpatory Provisions. No Agent nor any of its officers, partners, Directors, employees or agents shall be liable to Lenders for any action taken or omitted by any Agent (i) under or in connection with any of the Credit Documents, or (ii) with the consent or at the request of the Requisite Lenders (or, if so specified by this Agreement, all Lenders or any other instructing group of Lenders specified by this Agreement), in each case except to the extent caused by such Agent’s gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction. No Agent shall, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose or be liable for the failure to disclose, any information relating to Company or any of its Affiliates that is communicated to or obtained by such Agent or any of its Affiliates in any capacity. Each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 10.5) and, upon receipt of such instructions from Requisite Lenders (or such other Lenders, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions, including for the avoidance of doubt refraining from any action that, in its opinion or the opinion of its counsel, may expose such

Agent to liability, may be in violation of the automatic stay under any Debtor Relief Law, or may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Holdings and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 10.5).

(c) Delegation of Duties. Administrative Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Credit Document by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory, indemnification and other provisions of this Section 9.3 and of Section 9.6 shall apply to any Affiliates of Administrative Agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 9.3 and of Section 9.6 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by Administrative Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of Credit Parties and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to Administrative Agent and not to any Credit Party, Lender or any other Person and no Credit Party, Lender or any other Person shall have any rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent. Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

(d) Notice of Default or Event of Default. No Agent shall be deemed to have knowledge of any Default or Event of Default unless and until written notice describing such Default or Event of Default is given to such Agent by a Credit Party or a Lender. In the event that Administrative Agent shall receive such a notice, Administrative Agent will endeavor to give notice thereof to the Lenders, provided that failure to give such notice shall not result in any liability on the part of Administrative Agent.

9.4 Agents Entitled to Act as Lender. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. With respect to its participation in the Loans, each Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "Lender" shall, unless the context clearly otherwise indicates, include each Agent in its individual capacity. Any Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Holdings or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from Company for services in connection herewith and otherwise without having to account for the same to Lenders. The Lenders acknowledge that pursuant to such activities, the Agents or their Affiliates may receive information regarding any Credit Party or any Affiliate of any Credit Party (including information that may be subject to confidentiality obligations in favor of such Credit Party or such Affiliate) and acknowledge that the Agents and their Affiliates shall be under no obligation to provide such information to them.

9.5 Lenders' Representations, Warranties and Acknowledgment.

(a) Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of Holdings and its Subsidiaries in connection with Credit Extensions hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Holdings and its Subsidiaries. No Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and no Agent shall have any responsibility with respect to the accuracy of or the completeness of any information provided to Lenders.

(b) Each Lender, by delivering its signature page to this Agreement or an Assignment Agreement, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by any Agent, Requisite Lenders or Lenders, as applicable, on the Closing Date and, by funding its Term Loan and/or Revolving Loans on the Initial Funding Date or any other Credit Date, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by any Agent, Requisite Lenders or Lenders, as applicable, on the Initial Funding Date or such other Credit Date.

9.6 Right to Indemnity. Each Lender, in proportion to its Pro Rata Share, severally agrees to indemnify each Agent, to the extent that such Agent shall not have been reimbursed by any Credit Party, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against such Agent in exercising its powers, rights and remedies or performing its duties hereunder or under the other Credit Documents or otherwise in its capacity as such Agent in any way relating to or arising out of any Related Matter, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE,**

CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH AGENT; provided, no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct, as determined by a final non-appealable judgment of a court of competent jurisdiction. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided, in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's Pro Rata Share thereof; and provided further, this sentence shall not be deemed to require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement described in the proviso in the immediately preceding sentence.

9.7 Successor Administrative Agent and Collateral Agent.

(a) Administrative Agent may resign at any time by giving thirty days' prior written notice thereof to Lenders and Company. Administrative Agent shall have the right to appoint a financial institution to act as successor Administrative Agent hereunder in such notice, subject to the reasonable satisfaction of Company and the Requisite Lenders, and Administrative Agent's resignation shall become effective on the earliest of (i) thirty days after delivery of the notice of resignation (regardless of whether a successor has been appointed or not), (ii) the acceptance of such successor Administrative Agent by Company and the Requisite Lenders or (iii) such other date, if any, agreed to by the Requisite Lenders. Upon any such notice of resignation, if a successor Administrative Agent has not already been appointed by the resigning Administrative Agent, then the Requisite Lenders shall have the right, upon five Business Days' notice to Company, to appoint a successor Administrative Agent and Collateral Agent. If neither the Requisite Lenders nor Administrative Agent have appointed a successor Administrative Agent, then the Requisite Lenders shall be deemed to have succeeded to and become vested with all the rights, powers, privileges and duties of the resigning Administrative Agent automatically upon the effectiveness of such resignation; provided that, until a successor Administrative Agent is so appointed by the Requisite Lenders or Administrative Agent, any collateral security held by Administrative Agent in its role as Collateral Agent on behalf of the Lenders under any of the Credit Documents shall continue to be held by the resigning Collateral Agent as nominee until such time as a successor Collateral Agent is appointed. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning Administrative Agent and the resigning Administrative Agent shall promptly (i) transfer to such successor Administrative Agent all sums, Securities and other items of Collateral held under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Credit Documents, and (ii) execute and deliver to such successor Administrative Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent of the security interests created under the Collateral Documents, whereupon such resigning Administrative Agent shall be discharged from its duties and obligations hereunder. Except as provided above, any resignation of HPS or its successor as

Administrative Agent pursuant to this Section 9.7 shall also constitute the resignation HPS or its successor as Collateral Agent. After any resigning Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent hereunder. Any successor Administrative Agent appointed pursuant to this Section 9.7 shall, automatically upon its acceptance of such appointment, become the successor Collateral Agent for all purposes hereunder.

(b) In addition to the foregoing, Collateral Agent may resign at any time by giving prior written notice thereof to Lenders and the Grantors. Administrative Agent shall have the right to appoint a financial institution as Collateral Agent hereunder, subject to the reasonable satisfaction of Company and the Requisite Lenders and Collateral Agent's resignation shall become effective on the earliest of (i) thirty days after delivery of the notice of resignation, (ii) the acceptance of such successor Collateral Agent by Company and the Requisite Lenders or (iii) such other date, if any, agreed to by the Requisite Lenders. Upon any such notice of resignation or any such removal, if a successor Collateral Agent has not already been appointed by the resigning Administrative Agent, then Requisite Lenders shall have the right, upon five Business Days' notice to Administrative Agent, to appoint a successor Collateral Agent. Until a successor Collateral Agent is so appointed by Requisite Lenders or Administrative Agent, any collateral security held by Collateral Agent for the benefit of the Lenders under any of the Credit Documents shall continue to be held by the resigning Collateral Agent as nominee until such time as a successor Collateral Agent is appointed. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Collateral Agent under this Agreement and the Collateral Documents, and the resigning or removed Collateral Agent under this Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, Securities and other items of Collateral held hereunder or under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under this Agreement and the Collateral Documents, and (ii) execute and deliver to such successor Collateral Agent or otherwise authorize the filing of such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the security interests created under the Collateral Documents, whereupon such resigning or removed Collateral Agent shall be discharged from its duties and obligations under this Agreement and the Collateral Documents. After any resigning or removed Collateral Agent's resignation or removal hereunder as Collateral Agent, the provisions of this Agreement and the Collateral Documents shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement or the Collateral Documents while it was Collateral Agent hereunder.

(c) Notwithstanding anything herein to the contrary, Administrative Agent and Collateral Agent may assign their rights and duties as Administrative Agent and Collateral Agent hereunder to an Affiliate of HPS without the prior written consent of, or prior written notice to, Company or the Lenders; provided that Company and the Lenders may deem and treat such assigning Administrative Agent and Collateral Agent as Administrative Agent and Collateral Agent for all purposes hereof, unless and until such assigning Administrative Agent or Collateral Agent, as the case may be, provides written notice to Company and the Lenders of such assignment. Upon such assignment such Affiliate shall succeed to and become vested with all rights, powers, privileges and duties as Administrative Agent and Collateral Agent hereunder and under the other Credit Documents.

9.8 Collateral Documents and Guaranty.

(a) Agents under Collateral Documents and Guaranty. Each Lender hereby further authorizes Administrative Agent or Collateral Agent, as applicable, on behalf of and for the benefit of Secured Parties, to be the agent for and representative of Secured Parties with respect to the Guaranty, the Collateral and the Collateral Documents; provided that neither Administrative Agent nor Collateral Agent shall owe any fiduciary duty, duty of loyalty, duty of care, duty of disclosure, or any other obligation whatsoever to any holder of Obligations with respect to any Secured Hedge Agreement. Subject to Section 10.5, without further written consent or authorization from any Secured Party, Administrative Agent or Collateral Agent, as applicable may execute any documents or instruments necessary to (i) in connection with a sale or other disposition of assets permitted by this Agreement, release any Lien encumbering any item of Collateral that is the subject of such sale or other disposition of assets or to which Requisite Lenders (or such other Lenders as may be required to give such consent under Section 10.5) have otherwise consented, or (ii) release any Guarantor from the Guaranty pursuant to Section 7.12 or with respect to which Requisite Lenders (or such other Lenders as may be required to give such consent under Section 10.5) have otherwise consented. Upon request by Administrative Agent at any time, the Lenders will confirm in writing Administrative Agent's authority to release its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.8, and upon the reasonable request of Company, Administrative Agent and/or Collateral Agent shall execute and deliver any such release documentation reasonably requested by Company in connection with such permitted releases as described above, all at the expense of Company.

(b) Right to Realize on Collateral and Enforce Guaranty. Anything contained in any of the Credit Documents to the contrary notwithstanding, Company, Administrative Agent, Collateral Agent and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies hereunder and under any of the other Credit Documents may be exercised solely by Administrative Agent or Collateral Agent, as applicable, for the benefit of Secured Parties in accordance with the terms hereof and thereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by Collateral Agent for the benefit of Secured Parties in accordance with the terms thereof, and (ii) in the event of a foreclosure or similar enforcement action by Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition (including pursuant to Section 363(k), Section 1129(b)(2)(a)(ii), or otherwise of the Bankruptcy Code), Collateral Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale or disposition and Collateral Agent, as agent for and representative of Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Requisite Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by Collateral Agent at such sale or other disposition.

(c) Rights under Secured Hedge Agreements. No Secured Hedge Agreement will create (or be deemed to create) in favor of any Lender Counterparty that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Guarantor under the Credit Documents except as expressly provided in Section 10.5(c)(v) of this Agreement. By accepting the benefits of the Collateral, such Lender Counterparty shall be deemed to have appointed Collateral Agent as its agent and agreed to be bound by the Credit Documents as a Secured Party, subject to the limitations set forth in this clause (c).

(d) Release of Collateral and Guarantees, Termination of Credit Documents. Notwithstanding anything to the contrary contained herein or any other Credit Document, when all Obligations have been Paid in Full, upon request of Company, Administrative Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Secured Hedge Agreement) take such actions as shall be required to release its security interest in all Collateral, and to release all guarantee obligations provided for in any Credit Document, whether or not on the date of such release there may be outstanding Obligations in respect of Secured Hedge Agreements. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Company or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Company or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

(e) No Duty. Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of Collateral Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall Collateral Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

(f) Agency for Perfection. Each Agent and each Lender hereby appoints each other Agent and each other Lender as agent and bailee for the purpose of perfecting the security interests in and liens upon the Collateral in assets that, in accordance with Article 9 of the UCC, can be perfected only by possession or control (or where the security interest of a Secured Party with possession or control has priority over the security interest of another Secured Party) and each Agent and each Lender hereby acknowledges that it holds possession of or otherwise controls any such Collateral for the benefit of the other Secured Parties, except as otherwise expressly provided in this Agreement. Should Administrative Agent or any Lender obtain possession or control of any such Collateral, Administrative Agent or such Lender shall notify Collateral Agent thereof, and, promptly upon Collateral Agent's request therefor shall deliver such Collateral to Collateral Agent or in accordance with Collateral Agent's instructions. Each Credit Party by its execution and delivery of this Agreement hereby consents to the foregoing.

9.9 Withholding Taxes. To the extent required by any applicable law, Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. Without duplication of the provisions of Section 2.18(g), if the

Internal Revenue Service or any other Governmental Authority asserts a claim that Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of, withholding Tax ineffective or for any other reason, or if Administrative Agent reasonably determines that a payment was made to a Lender pursuant to this Agreement without deduction of applicable withholding tax from such payment, such Lender shall indemnify Administrative Agent fully for all amounts paid, directly or indirectly, by Administrative Agent as Tax or otherwise, including any penalties or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred.

9.10 Administrative Agent May File Bankruptcy Disclosure and Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Laws relative to any Credit Party, Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Administrative Agent shall have made any demand on Company) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file a verified statement pursuant to rule 2019 of the Federal Rules of Bankruptcy Procedure that, in its sole opinion, complies with such rule's disclosure requirements for entities representing more than one creditor;

(b) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its respective agents and counsel and all other amounts due the Lenders and Administrative Agent under Sections 2.9, 10.2 and 10.3 allowed in such judicial proceeding); and

(c) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under Sections 2.9, 10.2 and 10.3. To the extent that the payment of any such compensation, expenses, disbursements and advances of Administrative Agent, its agents and counsel, and any other amounts due Administrative Agent under Sections 2.9, 10.2 and 10.3 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Lenders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing contained in this Section 9.10 shall be deemed to authorize Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

SECTION 10 MISCELLANEOUS

10.1 Notices.

(a) Notices Generally**.** Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given to a Credit Party, Collateral Agent or Administrative Agent, shall be sent to such Person's mailing address as set forth on Appendix B or in the other relevant Credit Document, and in the case of any Lender, the mailing address as indicated on Appendix B or otherwise indicated to Administrative Agent and Company in writing. Each notice hereunder shall be in writing and may be personally served or sent by facsimile (excluding any notices to any Agent in its capacity as such) or U.S. mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of facsimile, or three Business Days after depositing it in the U.S. mail with postage prepaid and properly addressed; provided, no notice to any Agent in its capacity as such shall be effective until received by such Agent; provided, further, any such notice or other communication shall, at the request of Administrative Agent, be provided to any sub-agent appointed pursuant to Section 9.3(c) as designated by Administrative Agent from time to time.

(b) Electronic Communications.

(i) Notices and other communications to any Agent, Lenders, and any Credit Party hereunder may be delivered or furnished by other electronic communication (including e mail and Internet or intranet websites, including the Platform) pursuant to procedures approved by Administrative Agent in its sole discretion, provided that, notwithstanding the foregoing, in no event will notices by electronic communication be effective to any Agent or any Lender pursuant to Section 2 if any such Person has notified Administrative Agent that it is incapable of receiving notices under such Section 2 by electronic communication. Any Agent may, in its sole discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. In the case of any notices by electronic communication permitted in accordance with this Agreement, unless Administrative Agent otherwise prescribes, (A) any notices and other communications permitted to be sent to an e-mail address shall be delivered during normal business hours and deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment, but excluding any automatic reply to such e-mail), except that, if such notice or other communication is not sent prior to noon, local time at the location of the recipient, then such notice or communication shall be deemed not to have been received until the opening of business on the next Business Day for the recipient, at the earliest, and (B) notices or communications permitted to be posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (A) of notification that such notice or communication is available and clearly identifying an accessible website address therefor.

(ii) Each Credit Party understands that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution and agrees and assumes the risks associated with such electronic distribution, except to the extent caused by the willful misconduct or gross negligence of Administrative Agent, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(iii) The Platform and any Approved Electronic Communications are provided "as is" and "as available". None of the Agents or any of their respective officers, Directors, employees, agents, advisors or representatives (the **"Agent Affiliates"**) warrant the accuracy, adequacy, or completeness of the Approved Electronic Communications or the Platform and each expressly disclaims liability for errors or omissions in the Platform and the Approved Electronic Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects is made by the Agent Affiliates in connection with the Platform or the Approved Electronic Communications. In no event shall the Agent Affiliates have any liability to any of the Credit Parties, any Lender or any other Person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Credit Party's or Administrative Agent's transmission of communications through the Platform. Each party hereto agrees that no Agent has any responsibility for maintaining or providing any equipment, software, services or any testing required in connection with any Approved Electronic Communication or otherwise required for the Platform.

(iv) Each Credit Party, each Lender and each Agent agrees that Administrative Agent may, but shall not be obligated to, store any Approved Electronic Communications on the Platform in accordance with Administrative Agent's customary document retention procedures and policies.

(v) All uses of the Platform shall be governed by and subject to, in addition to this Section 10.1, separate terms and conditions posted or referenced in such Platform and related agreements executed by the Lenders and their Affiliates in connection with the use of such Platform.

(vi) Any notice of Default or Event of Default may be provided by telephone if confirmed promptly thereafter by delivery of written notice thereof.

(c) Change of Address, Etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) Private Side Information Contacts. Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including U.S. federal and state securities laws, to make reference to information that is not made available through the "Public-Side Information" portion of the Platform and that may contain Private-Side Information. In the event that any Public Lender has determined for itself to not access any information disclosed through the Platform or otherwise, such Public Lender acknowledges that (i) other Lenders may have availed themselves of such information and (ii) neither Company nor Administrative Agent has any responsibility for such Public Lender's decision to limit the scope of the information it has obtained in connection with this Agreement and the other Credit Documents.

10.2 Expenses. Whether or not the transactions contemplated hereby shall be consummated, Company agrees to pay promptly (a) all Administrative Agent's actual and reasonable and documented out-of-pocket costs and expenses incurred in connection with the negotiation, preparation and execution of the Credit Documents and any consents, amendments, waivers or other modifications thereto; (b) all the Agents' reasonable out-of-pocket costs of furnishing all opinions by counsel for Company and the other Credit Parties; (c) all the reasonable fees, expenses and disbursements of external counsel to Agents in connection with the negotiation, preparation, execution and administration of the Credit Documents and any consents, amendments, waivers or other modifications thereto and any other documents or matters requested by Company; (d) all the reasonable out-of-pocket costs and expenses of creating, perfecting, recording, maintaining, and preserving Liens in favor of Collateral Agent, for the benefit of Secured Parties, including filing and recording fees, expenses and taxes, stamp or documentary taxes, search fees, title insurance premiums and reasonable fees, expenses and disbursements of counsel to each Agent and of counsel providing any opinions that any Agent or Requisite Lenders may request in respect of the Collateral or the Liens created pursuant to the Collateral Documents; (e) [reserved]; (f) all the reasonable out-of-pocket costs and expenses in connection with the custody or preservation of any of the Collateral; (g) all other actual and reasonable out-of-pocket costs and expenses incurred by each Agent in connection with the syndication of the Loans and Commitments and the transactions contemplated by the Credit Documents and any consents, amendments, waivers or other modifications thereto; and (h) after the occurrence of a Default or an Event of Default, all out-of-pocket costs and expenses, including reasonable attorneys' fees (including allocated costs of internal counsel) and costs of settlement, incurred by any Agent and Lenders in enforcing or preparing for enforcement of any Obligations of or in collecting or preparing to collect any payments due from any Credit Party hereunder or under the other Credit Documents by reason of such Default or Event of Default (including in connection with any actual or prospective sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty) or in connection with any actual or prospective refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work out" or pursuant to or in contemplation of any insolvency or bankruptcy cases or proceedings, including the engagement of a restructuring advisor or consultant satisfactory to Administrative Agent in its sole discretion.

10.3 Indemnity and Related Reimbursement.

(a) In the event that an Indemnitee becomes involved in any capacity in any action, proceeding or investigation brought by or against any Person relating to or arising out of any Indemnified Liabilities and whether or not the transactions contemplated hereby shall be consummated, each Credit Party agrees that on demand it will reimburse such Indemnitee for its legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith.

(b) In addition to the payment of expenses pursuant to Section 10.2, whether or not the transactions contemplated hereby shall be consummated, each Credit Party agrees to defend (subject to Indemnitees' selection of counsel), indemnify, pay and hold harmless, each Indemnitee, from and against any and all Indemnified Liabilities, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH INDEMNITEE**; provided, no Credit Party shall have any obligation to any Indemnitee under this Section 10.3(b) with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise directly from the gross negligence or willful misconduct of such Indemnitee, in each case as determined by a final non-appealable judgment of a court of competent jurisdiction. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 10.3 may be unenforceable in whole or in part because they are violative of any law or public policy, the applicable Credit Party shall contribute to the amount paid or payable by such Indemnitee as a result of such Indemnified Liabilities in such proportion as is appropriate to reflect the relative economic interests of the Credit Parties, on the one hand, and the Indemnitee, on the other hand, in the Related Matters as well as the relative fault of the Credit Parties and the Indemnitee with respect to such Indemnified Liability and any other relevant equitable considerations.

(c) To the fullest extent permitted by applicable law, no Credit Party shall assert, and each Credit Party hereby waives, any claim against any Indemnitee on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, or as a result of any Related Matter. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.

(d) Each Credit Party also agrees that no Indemnitee will have any liability to any Credit Party or any person asserting claims on behalf of or in right of any Credit Party or any other Person in connection with or as a result of this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof, or any act or omission or event occurring in connection therewith, in each case, except in the case of any Credit Party to the extent that any losses, claims, damages, liabilities or expenses incurred by such Credit Party or its affiliates, shareholders, partners or other equity holders have been found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of such Lender or Agent in performing its funding obligations under this Agreement; provided, however, that in no event will any such Lender or Agent have any liability for any indirect, consequential, special or punitive damages in connection with or as a result of such Lender's or Agent's, or their respective Affiliates', Directors', employees', attorneys', agents' or sub-agents' activities related to or arising from any Related Matter. No other party hereto shall be liable for the obligations of any Defaulting Lender in failing to make any Loans or other extension of credit hereunder.

10.4 Set-Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default each Lender and each of its Affiliates is hereby authorized by each Credit Party at any time or from time to time subject to the consent of Administrative Agent (such consent not to be unreasonably withheld or delayed), without notice to any Credit Party or to any other Person (other than Administrative Agent), any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) and any other obligations or Indebtedness at any time held or owing by such Lender to or for the credit or the account of any Credit Party against and on account of the Obligations of any Credit Party to such Lender hereunder and under the other Credit Documents, including all claims of any nature or description arising out of or connected hereto or with any other Credit Document, irrespective of whether or not (a) such Lender shall have made any demand hereunder or (b) the principal of or the interest on the Loans or any other amounts due hereunder shall have become due and payable pursuant to Section 2 and although such obligations and liabilities, or any of them, may be contingent or unmatured; provided that in the event that any Defaulting Lender shall exercise any such right of set off, (x) all amounts so set off shall be paid over immediately to Administrative Agent for further application in accordance with the provisions of Sections 2.15 and 2.20 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section 10.4 are in addition to other rights and remedies (including other rights of set off) that such Lender or their respective Affiliates may otherwise have.

10.5 Amendments and Waivers.

(a) Requisite Lenders' Consent. Subject to the additional requirements of Sections 10.5(b) and 10.5(c), no amendment, modification, termination or waiver of any provision of the Credit Documents (excluding the Fee Letters), or consent to any departure by any Credit Party therefrom, shall in any event be effective without the written concurrence of Administrative Agent and the Requisite Lenders; provided that Administrative Agent may, with the consent of Company (and without any requirement for consent from any other Person), amend, modify, or supplement this Agreement or any other Credit Document to cure any obvious typographical error, incorrect cross-reference, defect in form, inconsistency, omission or ambiguity (in each case, as concluded by Administrative Agent in its sole discretion), so long as Lenders have received at least five Business Days' prior written notice thereof and Administrative Agent has not received, within five Business Days after delivery of such notice, a written notice from Requisite Lenders stating that the Requisite Lenders object to such amendment.

(b) Affected Lenders' Consent. Without the written consent of each Lender that would be directly and adversely affected thereby, no amendment, modification, termination, or consent shall be effective with respect to any Credit Document (excluding the Fee Letters) if the effect thereof would:

(i) extend the scheduled final maturity of any Loan or Note;

(ii) waive, reduce or postpone any scheduled repayment (but not any prepayment);

(iii) reduce the rate of interest on any Loan (other than any waiver of any increase in the interest rate applicable to any Loan pursuant to Section 2.8) or any fee or premium payable under this Agreement; provided, that (A) only the consent of the Requisite Lenders shall be necessary to amend the Default Rate in Section 2.8, to waive any prospective obligation of Company to pay interest at the Default Rate, or to restore any right of Company to convert or continue Loans as LIBO Rate Loans that was revoked at the direction of Requisite Lenders or automatically pursuant to any provision of this Agreement, and (B) only the consent of Administrative Agent shall be necessary to revoke any election by Administrative Agent to impose interest at the Default Rate or to revoke any right of Company to convert or continue Loans as LIBO Rate Loans;

(iv) waive or extend the time for payment of any such interest, fees, or premiums;

(v) reduce or forgive the principal amount of any Loan;

(vi) amend, modify, terminate or waive any provision of this Section 10.5(b) or Section 10.5(c) or any other provision of this Agreement that expressly provides that the consent of all Lenders or any specific Lenders is required;

(vii) amend the definition of "Requisite Lenders", "Pro Rata Share" or "Voting Power Determinants"; provided, with the consent of Administrative Agent and the Requisite Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of "Requisite Lenders", "Pro Rata Share" or "Voting Power Determinants" on substantially the same basis as the Multi Term Loan Commitments, the Term Loans, the Revolving Commitments and the Revolving Loans are included on the Closing Date;

(viii) release all or substantially all of the Collateral or all or substantially all of the Guarantors from the Guaranty except (A) as expressly provided in the Credit Documents, (B) in connection with a "credit bid" undertaken by Collateral Agent with the consent or at the direction of Requisite Lenders pursuant to Section 363(k), Section 1129(b)(2)(a)(ii) or any other provision of the Bankruptcy Code or any other Debtor Relief Law, or (C) in connection with any other sale or disposition of assets in connection with an enforcement action with respect to the Collateral that is permitted pursuant to the Credit Documents and consented to or directed by Requisite Lenders; or

(ix) consent to the assignment or transfer by Company of any of its rights and obligations under any Credit Document, except as expressly provided in any Credit Document.

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Credit Documents (excluding the Fee Letters), or consent to any departure by any Credit Party therefrom, shall:

(i) increase any Revolving Commitment or Term Loan Commitment of any Lender over the amount thereof then in effect without the consent of such Lender; provided, no amendment, modification or waiver of any condition precedent, covenant, Default or Event of Default shall constitute an increase in any Revolving Commitment or any Term Loan Commitment of any Lender;

(ii) amend the definition of "Requisite Class Lenders" without the consent of Requisite Class Lenders of each directly and adversely affected Class; provided, with the consent of Administrative Agent and the Requisite Lenders, additional extensions of credit pursuant hereto may be included in the determination of such "Requisite Class Lenders" on substantially the same basis as the Term Loan Commitments, the Term Loans, the Revolving Commitments and the Revolving Loans are included on the Closing Date;

(iii) amend, modify, terminate or waive any provision of Section 3.2(a) with regard to any Credit Extension consisting of a Revolving Loan or a Term Loan without the consent of Requisite Class Lenders of such Class of Loans;

(iv) alter the required application of any repayments or prepayments as between Classes pursuant to Section 2.13 without the consent of Requisite Class Lenders of each Class that is being allocated a lesser repayment or prepayment as a result thereof; provided, Administrative Agent and the Requisite Lenders may waive, in whole or in part, any prepayment so long as the application, as between Classes, of any portion of such prepayment that is still required to be made is not altered;

(v) amend, modify, or waive any provision of this Agreement or the Pledge and Security Agreement so as to alter the ratable treatment of Obligations arising under the Credit Documents and Obligations arising under Secured Hedge Agreements or the definitions of "Lender Counterparty", "Secured Hedge Agreement", "Obligations", or "Secured Obligations" (as such term or any similar term is defined in any relevant Collateral Document) in each case in a manner adverse to any Lender or Lender Counterparty with Obligations then outstanding without the written consent of any such Lender or Lender Counterparty; or

(vi) amend, modify, terminate or waive any provision of Section 9 as the same directly applies to any Agent, or any other provision hereof as the same directly applies to the rights or obligations of any Agent, in each case in any manner adverse to such Agent without the consent of such Agent.

(d) Execution of Amendments, Etc. Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Credit Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 10.5 shall be binding upon each Lender at the time outstanding, each future Lender, each Credit Party, and each future Credit Party.

(e) Compensation for Amendments. Notwithstanding anything to the contrary in any Credit Document, unless otherwise agreed to by Administrative Agent in its sole discretion no Credit Party may, nor may it permit any of its Subsidiaries to, directly or indirectly (including by being complicit in or otherwise facilitating any such action by any Affiliate of any Credit Party or any of its Subsidiaries or any direct or indirect holders or beneficial owners of any such Person’s Capital Stock) pay or otherwise transfer any consideration, whether by way of interest, fee, or otherwise, to or for the benefit of any current or prospective Lender or any of its Affiliates (other than any customary fees paid to Administrative Agent or any of its Affiliates as consideration for arranging, structuring, or providing other services in connection therewith and customary upfront fees to be received by any new lender providing new loans or new commitments under this Agreement) for or as an inducement to any action or inaction by such Lender or any of its Affiliates, including any consent, waiver, approval, disapproval, or withholding of any of the foregoing in connection with any required or requested approval, amendment, waiver, consent, or other modification of or under any Credit Document or any provision thereof unless such consideration is first offered to all then existing Lenders in accordance with their respective Pro Rata Shares and is paid to any such Lenders that act in accordance with such offer.

(f) Cashless Settlement. Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue, or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification, or similar transaction permitted by the terms of this Agreement pursuant to a cashless settlement mechanism approved by Company, Administrative Agent and such Lender.

10.6 Successors and Assigns; Participations.

(a) Generally. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Lenders. No Credit Party’s rights or obligations hereunder nor any interest therein may be assigned or delegated by any Credit Party without the prior written consent of all Lenders. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of the Agents and Lenders, and any other Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Register. Company, Administrative Agent and Lenders shall deem and treat the Persons listed as Lenders in the Register as the holders and owners of the corresponding Commitments and Loans (including principal and stated interest) listed therein for all purposes hereof, and no assignment or transfer of any such Commitment or Loan shall be effective, in each case, unless and until recorded in the Register following Administrative Agent's acceptance of a fully executed an Assignment Agreement, together with the forms and certificates regarding tax matters and any fees payable in connection with such assignment, in each case, as provided in Section 10.6(e). Each assignment shall be recorded in the Register promptly following acceptance by Administrative Agent of the fully executed Assignment Agreement and all other necessary documents and approvals, prompt notice thereof shall be provided to Company and a copy of such Assignment Agreement shall be maintained, as applicable. The date of such recordation of a transfer shall be referred to herein as the **"Assignment Effective Date"**. Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Register as a Lender shall be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Commitments or Loans. It is intended that the Register be maintained such that the Loans are in "registered form" for the purposes of the Internal Revenue Code.

(c) Right to Assign. Each Lender shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including all or a portion of its Commitment or Loans owing to it or other Obligations (provided, however, that pro rata assignment shall not be required and each assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any applicable Loan and any related Commitments):

(i) to any Person meeting the criteria of clause (i)(a) or clause (ii)(a) of the definition of the term of "Eligible Assignee" upon the giving of notice to Administrative Agent; and

(ii) to any Person otherwise constituting an Eligible Assignee with the consent of Administrative Agent; provided, each such assignment pursuant to this Section 10.6(c)(ii) shall be in an aggregate amount of not less than (A) $1,000,000 (or such lesser amount as may be agreed to by Company and Administrative Agent or as shall constitute the aggregate amount of the Revolving Commitments and Revolving Loans of the assigning Lender) with respect to the assignment of the Revolving Commitments and Revolving Loans and (B) $5,000,000 (or such lesser amount as (x) may be agreed to by Administrative Agent, (y) as shall constitute the aggregate amount of the Term Loans or Term Loan Commitments of the assigning Lender or (z) as is assigned by an assigning Lender to an Affiliate or Related Fund of such Lender) with respect to the assignment of Term Loans; provided, that notwithstanding the foregoing, no sale, assignment or transfer to any Person acquiring any right or obligation under this Agreement with the assets of, or for the benefit of, any employee benefit plan subject to Title I of ERISA, any "plan" subject to Section 4975 of the Internal Revenue Code, or any entity whose underlying assets include plan assets by reason of a plan's investment in such entity may be consummated without the consent of Administrative Agent acting in its sole discretion.

(d) Mechanics.

(i) Assignments and assumptions of Loans and Commitments by Lenders shall be effected by manual execution and delivery to Administrative Agent of an Assignment Agreement. Assignments made pursuant to the foregoing provision shall be effective as of the Assignment Effective Date. In connection with all assignments there shall be delivered to Administrative Agent such forms, certificates or other evidence, if any, with respect to U.S. federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver pursuant to Section 2.18(c), including applicable organizational documents, together with payment to Administrative Agent of a registration and processing fee of $3,500 (except that no such registration and processing fee shall be payable (y) in connection with an assignment by or to HPS or any Affiliate thereof or (z) in the case of an assignee that is already a Lender or is an Affiliate or Related Fund of a Lender or a Person under common management with a Lender).

(ii) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Company and Administrative Agent, the applicable Pro Rata Share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to Administrative Agent and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full Pro Rata Share of all Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(e) Notice of Assignment. Upon its receipt and acceptance of a duly executed and completed Assignment Agreement, any forms, certificates or other evidence required by this Agreement in connection therewith, Administrative Agent shall record the information contained in such Assignment Agreement in the Register, shall give prompt notice thereof to Company and shall maintain a copy of such Assignment Agreement.

(f) Representations and Warranties of Assignee. Each Lender, upon execution and delivery hereof or upon succeeding to an interest in the Commitments and/or Loans, as the case may be, represents and warrants as of the Closing Date or as of the Assignment Effective Date that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in commitments or loans such as the applicable Commitments or Loans, as the case may be; (iii) it will make or invest in, as the case may be, its Commitments or Loans for its own account in the ordinary course and without a view to distribution of such Commitments or Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 10.6, the disposition of such Commitments or Loans or any interests therein shall at all times remain within its exclusive control); (iv) it will not provide any information obtained by it in its capacity as a Lender to any Credit Party or any of its Affiliates; (v) neither such Lender nor any of its Affiliates owns or controls any trade obligations or Indebtedness of any Credit Party (other than the Obligations) or any Capital Stock of any Credit Party; and (vi) either (A) it is not an employee benefit plan subject to Title I of ERISA, a "plan" subject to Section 4975 of the Internal Revenue Code, or any entity whose underlying assets include plan assets by reason of a plan's investment in such entity, or (B) its making or investing in, as the case may be, its Commitments or Loans will not constitute a non-exempt prohibited transaction within the meaning of Section 406 of ERISA or Section 4975(c) of the Internal Revenue Code.

(g) Effect of Assignment. Subject to the terms and conditions of this Section 10.6, as of the Assignment Effective Date: (i) the assignee thereunder shall have the rights and obligations of a "Lender" hereunder to the extent of its interest in the Loans and Commitments as reflected in the Register and shall thereafter be a party hereto and a "Lender" for all purposes hereof; (ii) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned to the assignee, relinquish its rights (other than any rights that survive the termination hereof under Section 10.8) and be released from its obligations hereunder (and, in the case of an assignment covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto on the Assignment Effective Date; provided, anything contained in any of the Credit Documents to the contrary notwithstanding, and (y) such assigning Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Lender as a Lender hereunder); (iii) the Commitments shall be modified to reflect any Commitment of such assignee and any remaining Commitment of such assigning Lender, if any; and (iv) if any such assignment occurs after the issuance of any Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its applicable Notes to Administrative Agent for cancellation, and thereupon Company shall issue and deliver new Notes, if so requested by the assignee and/or assigning Lender, to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the new or remaining Commitments and/or outstanding Loans of the assignee and/or the assigning Lender.

(h) Participations.

(i) Each Lender shall have the right at any time to sell one or more participations to any Person (other than Holdings, any of its Subsidiaries or any of its Affiliates or any Natural Person) in all or any part of its Commitments, Loans or in any other Obligation. Each Lender that sells a participation pursuant to this Section 10.6(h) shall, acting solely for U.S. federal income tax purposes as a non-fiduciary agent of Company, maintain a register on which it records the name and address of each participant and the principal amounts (and stated interest) of each participant's participation interest with respect to any Loan or Commitment (each, a **"Participant Register"**); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any participant or any information relating to a participant's interest in any Commitments, Loans or its other obligations under this Agreement) except to the extent that the relevant parties, acting reasonably and in good faith, determine that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations; provided further, that notwithstanding the foregoing, no participations may be sold to any Person acquiring such participation with the assets of, or for the benefit of, any employee benefit plan subject to Title I of ERISA, any "plan" subject to Section 4975 of the Internal Revenue Code, or any entity whose underlying assets include plan assets by reason of a plan's investment in such entity. Unless otherwise required by the Internal Revenue Service, any disclosure required by the foregoing sentence shall be made by the relevant Lender directly and solely to the Internal Revenue Service. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of a participation with respect to any Loan or Commitment for all purposes under this Agreement, notwithstanding any notice to the contrary. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(ii) Unless otherwise agreed to by Administrative Agent, the holder of any such participation, other than an Affiliate of the Lender granting such participation, shall not be entitled to require such Lender to take or omit to take any action hereunder except with respect to any amendment, modification or waiver that would (A) extend the final scheduled maturity of any Loan or Note in which such participant is participating, or reduce the rate or extend the time of payment of interest or fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Commitment shall not constitute a change in the terms of such participation, and that an increase in any Commitment or Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (B) consent to the assignment or transfer by any Credit Party of any of its rights and obligations under this Agreement, or (C) release all or substantially all of the Collateral under the Collateral Documents or all or substantially all of the Guarantors from the Guaranty (in each case, except as expressly provided in the Credit Documents) supporting the Loans hereunder in which such participant is participating.

(iii) Company agrees that each participant shall be entitled to the benefits of Sections 2.16(c), 2.17 and 2.18 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (c) of this Section; provided, (x) a participant shall not be entitled to receive any greater payment under Section 2.17 or 2.18 than the applicable Lender would have been entitled to receive with respect to the participation sold to such participant, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after such participant acquired the participation or unless the sale of the participation to such participant is made with Company's prior written consent (not to be unreasonably withheld, delayed, or conditioned), and (y) a participant that would be a Non-U.S. Lender if it were a Lender shall not be entitled to the benefits of Section 2.18 unless Company is notified of the participation sold to such participant and such participant agrees, for the benefit of Company, to comply with Section 2.18 as though it were a Lender; provided, further, that, except as specifically set forth in clauses (x) and (y) of this sentence, nothing herein shall require any notice to Company or any other Person in connection with the sale of any participation. To the extent permitted by law, each participant also shall be entitled to the benefits of Section 10.4 as though such participant were a Lender, provided such Participant agrees to be subject to Section 2.15 as though it were a Lender.

(iv) Notwithstanding the foregoing in this Section 10.6(h), Lenders may not sell participations to any participant that is (A) an employee benefit plan subject to Title I of ERISA, (B) a “plan” subject to Section 4975 of the Internal Revenue Code, or (C) an entity whose underlying assets include plan assets by reason of a plan’s investment in such entity.

(i) Certain Other Assignments and Participations. In addition to any other assignment or participation permitted pursuant to this Section 10.6, any Lender may assign, pledge and/or grant a security interest in, all or any portion of its Loans, the other Obligations owed by or to such Lender, and its Notes, if any, to secure obligations of such Lender including to any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors and any operating circular issued by such Federal Reserve Bank; provided, that no Lender, as between Company and such Lender, shall be relieved of any of its obligations hereunder as a result of any such assignment and pledge, and provided further, that in no event shall the applicable Federal Reserve Bank, pledgee or trustee be considered to be a “Lender” or be entitled to require the assigning Lender to take or omit to take any action hereunder.

10.7 Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

10.8 Survival of Representations, Warranties and Agreements. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Credit Extension. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Credit Party set forth in Sections 2.16(c), 2.17, 2.18, 10.2, 10.3, 10.4, and 10.10 and the agreements of Lenders set forth in Sections 2.15, 9.3(b) and 9.6 shall survive the Payment in Full.

10.9 No Waiver; Remedies Cumulative. No failure or delay on the part of any Agent, or any Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to each Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents or any of the Secured Hedge Agreements. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

10.10 Marshalling; Payments Set Aside. None of any Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Credit Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to Administrative Agent or Lenders (or to Administrative Agent, for the benefit of Lenders), or any Agent or Lender enforces any security interests or exercises any right of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

10.11 Severability. In case any provision in or obligation hereunder or under any Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby (it being understood that the invalidity, illegality or unenforceability of a particular provision in a particular jurisdiction shall not in and of itself affect the validity, legality or enforceability of such provision in any other jurisdiction). The parties hereto shall endeavor in good faith negotiations to replace any invalid, illegal or unenforceable provisions with valid, legal and enforceable provisions the economic effect of which comes as close as reasonably possible to that of the invalid, illegal or unenforceable provisions.

10.12 Obligations Several; Actions in Concert. The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or Commitment of any other Lender hereunder. Nothing contained herein or in any other Credit Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. Anything in this Agreement or any other Credit Document to the contrary notwithstanding, each Lender hereby agrees with each other Lender that no Lender shall take any action to protect or enforce its rights arising out of this Agreement or any Note or otherwise with respect to the Obligations without first obtaining the prior written consent of Administrative Agent or Requisite Lenders (as applicable), it being the intent of Lenders that any such action to protect or enforce rights under this Agreement or any other Credit Document with respect to the Obligations shall be taken in concert and at the direction or with the consent of Administrative Agent or Requisite Lenders (as applicable).

10.13 Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

10.14 APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER (INCLUDING ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST-JUDGMENT INTEREST) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

10.15 CONSENT TO JURISDICTION. SUBJECT TO CLAUSE (V) OF THE FOLLOWING SENTENCE, ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO OR ANY OTHER CREDIT DOCUMENT, OR ANY OF THE OBLIGATIONS, SHALL BE BROUGHT IN ANY FEDERAL COURT OF THE U.S. SITTING IN THE BOROUGH OF MANHATTAN OR, IF THAT COURT DOES NOT HAVE SUBJECT MATTER JURISDICTION, IN ANY STATE COURT LOCATED IN THE CITY AND COUNTY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH CREDIT PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (I) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE (SUBJECT TO CLAUSE (V) BELOW) JURISDICTION AND VENUE OF SUCH COURTS; (II) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (III) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE CREDIT PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10.1; (IV) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (III) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE CREDIT PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (V) AGREES THAT AGENTS AND LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY CREDIT PARTY IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER ANY CREDIT DOCUMENT OR AGAINST ANY COLLATERAL OR THE ENFORCEMENT OF ANY JUDGMENT, AND HEREBY SUBMITS TO THE JURISDICTION OF, AND CONSENTS TO VENUE IN, ANY SUCH COURT.

10.16 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS

TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.16 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER CREDIT DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

10.17 Confidentiality. Each Agent and each Lender shall hold all non-public information regarding Holdings and its Subsidiaries and their businesses identified as such by Holdings or Company and obtained by such Agent or such Lender pursuant to the requirements hereof in accordance with such Agent's or such Lender's customary procedures for handling confidential information of such nature, it being understood and agreed by each Credit Party that, in any event, Administrative Agent may disclose any such information to the Lenders and other Agents, and any Agent or Lender may make (i) disclosures of such information to Affiliates of such Lender or such Agent and to their respective officers, Directors, partners, members, employees, legal counsel, independent auditors and other advisors, experts, or agents on a confidential basis (and to other Persons authorized by a Lender or Agent to organize, present or disseminate such information in connection with disclosures otherwise made in accordance with this Section 10.17), (ii) disclosures of such information reasonably required by any potential or prospective assignee, transferee or participant in connection with the contemplated assignment, transfer or participation of any Loans or any participations therein or by any direct or indirect contractual counterparties (or the professional advisors thereto) to any swap or derivative transaction relating to any Credit Party and its obligations (provided, such assignees, transferees, participants, counterparties and advisors are advised of and agree to be bound by either the provisions of this Section 10.17 or other substantially similar confidentiality restrictions), (iii) disclosure on a confidential basis to any rating agency when required by it, (iv) disclosure on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans, (v) disclosures in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (vi) disclosures made pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process (in which case such Person agrees to inform Company promptly thereof to the extent not prohibited by law), (vii) disclosures made upon the request or demand of any regulatory or quasi-regulatory authority (including NAIC) purporting to have jurisdiction over such Person or any of its Affiliates and (viii) disclosures with the consent of the relevant Credit Party. Notwithstanding anything to the contrary set forth herein, each party (and each of their respective employees, representatives or other agents) may disclose to any and all persons, without limitations of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions and other tax analyses) that are provided to any such party relating to such tax treatment and tax structure. However, any information relating to the tax treatment or tax structure shall remain subject to the confidentiality provisions hereof (and the foregoing sentence shall not apply) to the extent reasonably necessary to enable the parties hereto, their respective Affiliates, and all of their respective Directors and employees to comply with applicable securities laws. For this purpose, "tax structure" means any facts relevant to the federal income tax treatment of the transactions contemplated by this Agreement but does not include information relating to the identity of any of the parties hereto or any of their respective Affiliates. Notwithstanding the foregoing, on or after the Closing Date, Administrative Agent may, at its own expense issue news releases and publish "tombstone" advertisements and other announcements relating to this transaction in newspapers, trade journals and other appropriate media (which may include use of logos of one or more of the Credit Parties) (collectively, "**Trade Announcements**"). No Lender or Credit Party shall (a) issue any Trade Announcement, (b) use or reference in advertising, publicity, or otherwise the name of HPS, any Lender or any of their respective Affiliates, or any partner or employee of HPS, any Lender or any of their respective Affiliates, or (c) represent that any product or any service provided has been approved or endorsed by HPS, any Lender, or any of their respective Affiliates, except (i) disclosures required by applicable law, regulation, legal process or the rules of the Securities and Exchange Commission or (ii) with the prior approval of Administrative Agent.

10.18 Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged paid with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest that would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Obligations hereunder are Paid in Full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest that would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, Company shall pay to Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest that would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and Company to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration that constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to Company. In determining whether the interest contracted for, charged, or received by Administrative Agent or a Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest, throughout the contemplated term of the Obligations hereunder.

10.19 Effectiveness; Counterparts. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto and receipt by Company and Administrative Agent of written notification of such execution and authorization of delivery thereof. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

10.20 Entire Agreement. This Agreement, together with the other Credit Documents (including any such other Credit Document entered into prior to the date hereof), reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, made prior to the date hereof.

10.21 PATRIOT Act. Each Lender and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Credit Party that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender or Administrative Agent, as applicable, to identify such Credit Party in accordance with the PATRIOT Act.

10.22 Electronic Execution of Assignments and Credit Documents. The words “execution,” “signed,” “signature,” and words of like import in any Assignment Agreement or any other Credit Document shall in each case be deemed to include electronic signatures, signatures exchanged by electronic transmission, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided, that Administrative Agent or Collateral Agent may request, and upon any such request the Credit Parties shall be obligated to provide, manually executed “wet ink” signatures to any Credit Document.

10.23 No Fiduciary Duty. Each Agent, Lender, and their Affiliates (collectively, solely for purposes of this paragraph, the **“Lenders”**), may have economic interests that conflict with those of the Credit Parties, their equity holders and/or their affiliates. Each Credit Party agrees that nothing in the Credit Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Credit Party, its equity holders or its affiliates, on the other. The Credit Parties acknowledge and agree that (i) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Credit Party, its equity holders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Credit Party, its equity holders or its Affiliates on other matters) or any other obligation to any Credit Party except the obligations expressly set forth in the Credit Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Credit Party, its management, stockholders, creditors or any other Person. Each Credit Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Credit Party, in connection with such transaction or the process leading thereto.

10.24 A**cknowledgement and Consent to Bail-In of EEA Financial Institutions**. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder that may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[Remainder of page intentionally left blank**]**

Annex B

See Attached Appendix A-1 to Credit Agreement

APPENDIX A-1
TO CREDIT AND GUARANTY AGREEMENT

Term Loan Commitments

Annex C

See Attached Appendix B to Credit Agreement

Notice Addresses

To a Credit Party:

P10 RCP Holdco, LLC
c/o P10 Holdings, Inc.
8214 Westchester Drive, Suite 950
Dallas, TX 75225
Attention: Robert Alpert
Fax: (214) 602-6125
Email: rha@atlascap.net

P10 Holdings, Inc.
8214 Westchester Drive, Suite 950
Dallas, TX 75225
Attention: Robert Alpert
Fax: (214) 602-6125
Email: rha@atlascap.net

RCP Advisors 2, LLC
8214 Westchester Drive, Suite 950
Dallas, TX 75225
Attention: Robert Alpert
Fax: (214) 602-6125
Email: rha@atlascap.net

RCP Advisors 3, LLC
8214 Westchester Drive, Suite 950
Dallas, TX 75225
Attention: Robert Alpert
Fax: (214) 602-6125
Email: rha@atlascap.net

Five Points Capital, Inc.
101 N. Cherry Street, Suite 700
Winston-Salem, NC 27171
Attention: S. Whitfield Edwards
Email: wedwards@fivepointscapital.com

TrueBridge Capital Partners LLC
1011 South Hamilton Road, Suite 400
Chapel Hill, NC 27517
Attention: Edwin Poston and Mel Williams
Email: edwinposton@gmail.com and mwilliams93@gmail.com

Enhanced Capital Group LLC and/or
any other ECG Guarantor
201 St. Charles Avenue, Suite 3400
New Orleans, LA 70170
Attention: Michael Korengold
Email: MKorengold@enhancedcapital.com

in each case, with a copy to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166-0193
Attention: Darius Mehraban
Fax: (212) 351-5270
Email: dmehraban@gibsondunn.com

<u>To the Administrative Agent or Collateral Agent</u>:

HPS Investment Partners, LLC,
as Administrative Agent and Collateral Agent
40 West 57th Street
New York, NY 10019
Attention: Vikas Keswani
Telephone: 212-287-6773

In each case, with a copy (which copy shall not constitute notice) to:

Orrick, Herrington & Sutcliffe, LLP
51 West 52nd Street
New York, New York 10019
Attention: B. J. Rosen
Telephone: 212-506-5246

<u>To any Lender</u>:

c/o HPS Investment Partners, LLC
40 West 57th Street
New York, NY 10019
Attention: Vikas Keswani
Telephone: 212-287-6773

In each case, with a copy (which copy shall not constitute notice) to:

Orrick, Herrington & Sutcliffe, LLP
51 West 52nd Street

New York, New York 10019
Attention: B. J. Rosen
Telephone: 212-506-5246

Annex D

See Attached Schedule 1.1 to Credit Agreement

Schedule 1.1
ECG Matters

Part A. Excluded ECG Subsidiaries

None.

Annex E

See Attached Exhibit B-3 to Credit Agreement

EXHIBIT B-4

[FORM OF] ENHANCED CAPITAL ACQUISITION TERM LOAN NOTE

$________ ________, 20____

FOR VALUE RECEIVED, the undersigned, P10 RCP HOLDCO, LLC, a Delaware limited liability company (the "Company"), promises to pay to ________ (the "Lender"), at the place and times provided in the Credit Agreement referred to below, the principal sum of ________ DOLLARS ($________) or, if less, the unpaid principal amount of all Enhanced Capital Acquisition Term Loans made by Lender pursuant to that certain Credit and Guaranty Agreement, dated as of October 7, 2017, by and among Company, as borrower, P10 Holdings, Inc. (f/k/a P10 Industries, Inc.) and certain subsidiaries of Company, as Guarantors party thereto, Lenders from time to time party thereto and HPS Investment Partners, LLC, as Administrative Agent and Collateral Agent for Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

The unpaid principal amount of this Enhanced Capital Acquisition Term Loan Note from time to time outstanding is payable as provided in the Credit Agreement and shall bear interest as provided in Section 2.6 of the Credit Agreement. All payments of principal and interest on this Enhanced Capital Acquisition Term Loan Note shall be payable in Dollars in immediately available funds as provided in the Credit Agreement.

This Enhanced Capital Acquisition Term Loan Note is entitled to the benefits of, and evidences Obligations incurred under, the Credit Agreement, to which reference is made for a description of the security for this Enhanced Capital Acquisition Term Loan Note and for a statement of the terms and conditions on which Company is permitted and required to make prepayments and repayments of principal that constitutes Obligations evidenced by this Enhanced Capital Acquisition Term Loan Note and on which such Obligations may be declared to be immediately due and payable.

THIS ENHANCED CAPITAL ACQUISITION TERM LOAN NOTE SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

The Indebtedness evidenced by this Enhanced Capital Acquisition Term Loan Note is senior in right of payment to all Subordinated Indebtedness referred to in the Credit Agreement.

Company hereby waives all requirements as to diligence, presentment, demand of payment, protest and (except as required by the Credit Agreement) notice of any kind with respect to this Enhanced Capital Acquisition Term Loan Note.

IN WITNESS WHEREOF, the undersigned has executed this Enhanced Capital Acquisition Term Loan Note as of the day and year first above written.

P10 RCP HOLDCO, LLC, as borrower

By: ____________________________________
Name:
Title:

Annex F

See Attached Exhibit F-6 to Credit Agreement

EXHIBIT F-6

[FORM OF] ENHANCED CAPITAL ACQUISITION SOLVENCY CERTIFICATE

[●], 2020

I, [●], being the duly appointed and presently serving Chief Financial Officer of P10 Holdings, Inc. (f/k/a P10 Industries, Inc.), a Delaware corporation ("Holdings"), pursuant to Section 3.2(d) of the Credit and Guaranty Agreement, dated as of October 7, 2017, by and among P10 RCP HOLDCO, LLC, a Delaware limited liability company (the "Company"), as borrower, Holdings and certain subsidiaries of Company, as Guarantors party thereto, Lenders from time to time party thereto and HPS Investment Partners, LLC, as Administrative Agent and Collateral Agent for Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), do hereby certify, solely in my capacity as Chief Financial Officer of Holdings, as follows (terms used herein and not otherwise defined herein are used as defined in the Credit Agreement):

1. I have reviewed the terms of the Credit Agreement and the definitions and provisions contained in the Credit Agreement relating thereto, and each other Credit Document evidencing the transactions, and, in my opinion, have made, or have caused to be made under my supervision, such examination or investigation as is necessary to enable me to express an informed opinion as to the matters referred to herein.

2. Based upon my review and examination described in paragraph 1 above, after giving effect to the consummation of the transactions contemplated by the Related Agreements to occur on or prior to the Closing Date, (x) Holdings and its Subsidiaries on a consolidated basis and (y) ECG and its Subsidiaries on a consolidated basis, in each case, after giving effect to the funding of the Enhanced Capital Acquisition Term Loans and the consummation of the Enhanced Capital Acquisition Closing and the other transactions contemplated thereby, are Solvent.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, I have executed this Enhanced Capital Acquisition Solvency Certificate as of the date first written above.

P10 HOLDINGS, INC.

By____________________________________
Name:
Title: Chief Financial Officer

Annex G

See Attached Exhibit F-7 to Credit Agreement

EXHIBIT F-7

[FORM OF] ENHANCED CAPITAL ACQUISITION CLOSING DATE CERTIFICATE

[●], 2020

Reference is made to the Credit and Guaranty Agreement, dated as of October 7, 2017, by and among P10 RCP HOLDCO, LLC, a Delaware limited liability company, as borrower (the "Company"), P10 Holdings, Inc. (f/k/a P10 Industries, Inc.), a Delaware corporation ("Holdings"), and certain subsidiaries of Company, as Guarantors party thereto, Lenders from time to time party thereto and HPS Investment Partners, LLC, as Administrative Agent and Collateral Agent for Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

A. Pursuant to Section 3.2(d)(xii) of the Credit Agreement, the undersigned, solely in his/her capacity as an Authorized Officer of Intermediate Holdings, certifies as follows:

1. Substantially concurrently with the making of the Enhanced Capital Acquisition Term Loans on the date hereof, the Enhanced Capital Acquisition Closing is being consummated in the manner contemplated by Section 3.2(d)(ii) of the Credit Agreement;

2. The Specified Representations are true in all material respects (or in all respects if already qualified by materiality) as of the Enhanced Capital Acquisition Closing Date (except in the case of any Specified Representation which expressly relates to a given date or period, such representation and warranty shall be true in all materials respects (or in all respects if already qualified by materiality) as of the respective date or for the respective period, as the case may be). No Default or Event of Default shall have occurred and be continuing under the Credit Agreement or the other Credit Documents on the Enhanced Capital Acquisition Closing Date and no Default or Event of Default would occur or be continuing as a result of the making of Loans requested by Company to be made on the Enhanced Capital Acquisition Closing Date in accordance with the terms of the Credit Agreement; and

3. The Enhanced Capital Acquisition Agreement and the other Enhanced Capital Acquisition Documents delivered to the Administrative Agent on the Enhanced Capital Acquisition Signing Date have not been amended, waived or modified in any manner except as previously disclosed in writing to the Administrative Agent.

B. Pursuant to Section 3.2(d)(xii) of the Credit Agreement, the undersigned, solely in his/her capacity as an Authorized Officer of Enhanced Capital, certifies as follows:

1. The representations and warranties made by or with respect to ECG, ECP and their respective subsidiaries in the Enhanced Capital Acquisition Agreement (giving effect to materiality qualifiers contained in the Enhanced Capital Acquisition Agreement) as are material to the interests of the Lenders are true and correct (but only to the extent that Parent has the right (taking into account any applicable cure provisions) not to

consummate the acquisition, or to terminate their obligations, in accordance with the terms of the Enhanced Capital Acquisition Agreement as a result of a failure of such representations and warranties in the Enhanced Capital Acquisition Agreement to be true and correct); and

2. During the period from the Enhanced Capital Acquisition Signing Date to the Enhanced Capital Acquisition Closing Date, there has not been any Company Material Adverse Effect (under and as defined in the Enhanced Capital Acquisition Agreement as in effect on the Enhanced Capital Acquisition Signing Date).

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, I have executed this certificate as of the date first written above with respect to the matters in Paragraph A above.

P10 INTERMEDIATE HOLDINGS, LLC

By ______________________________________

Name:
Title:

IN WITNESS WHEREOF, I have executed this certificate as of the date first written above with respect to the matters in Paragraph B above.

ENHANCED CAPITAL GROUP LLC

By ______________________________________

Name:
Title:

Annex H

See Attached Schedule 1 to Pledge and Security Agreement

SCHEDULE 1

PLEDGED EQUITY

Schedule I

New Lenders