

QUESTIONS AND ANSWERS

UK-0917-10

1. Please further explain the requirement of Section 8.0 “Financial Offer summary”. That is, does this include the fund’s management fee/ carried interest?

There is nothing required to be completed in Section 8.0. Please complete Section 8.1, which requires details on various financial terms.

As our first two Funds were open-ended, evergreen funds proceeds from realized investments were effectively redeployed into new deals if investors did not redeem from either Fund. (This statement only applies to questions 2-5)

2. Should “Realized Proceeds” depict capital that was redeemed OR monies earned by investors in their capital accounts from current income from debt investments as well as realized exits?

Realized proceeds include income and proceeds from dispositions.

3. For “Realized Gross Levered IRR” the same question applies – should this IRR be calculated based on NAVs of each Fund since inception OR on the capital accounts for those investors who have redeemed from the Funds?

Realized gross levered IRR should be calculated for each fund since inception.

4. When calculating IRRs based on quarterly cashflows, we plan to use the average equity outstanding during the quarter as the denominator. Please confirm that this is the method that you suggest open-ended funds to use.

Average equity is acceptable as the denominator.

5. For columns E&F (Projected IRR), should we calculate these based on liquidating the assets today at fair value?

Please see footnote E and F of the performance spreadsheet which states that fair value should be used.

6. Understanding that the contract resulting from this RFP would be subject to the laws of the Commonwealth of Kentucky, would you be able to provide a list of the primary rules and regulations (with applicable sections) that would apply?

The Kentucky Constitution and Kentucky Revised Statutes (KRS) are on line at www.lrc.ky.gov/statrev/frontpg.htm. Each of the firm’s counsel may review those documents to determine a suitable business engagement.