

FINAL PRIVATE FUND ADVISER RULES – QUICK REFERENCE GUIDE

Rule	Requirements	Applicability	Compliance Date
<p>Quarterly Statement Rule Rule 211(h)(1)-2</p>	<ul style="list-style-type: none"> Managers must distribute a quarterly statement within 45 days of the first three fiscal quarter ends and within 90 days of the end of the fiscal year (or 75 and 120 days, respectively, for funds of funds). The statement must include: <ul style="list-style-type: none"> <u>Fund Table</u>. A table setting forth detailed information regarding fees and expenses, including those paid to the manager; <u>Portfolio Investment Table</u>. A table that reflects payments to the manager by portfolio investments; <u>Disclosure</u>. Prominent disclosure regarding the calculation of all fees and expenses; and <u>Performance for Liquid Funds</u>. Annual net returns over the past 10 fiscal years or since inception, average annual net total returns for 1-, 5-, and 10-fiscal year periods, and cumulative net total returns for the current fiscal year through the quarter covered by the statement; or <u>Performance for Illiquid Funds</u>. Inception-to-date gross and net IRR, gross and net MOIC, gross IRR and MOIC of realized and unrealized extracts of the portfolio, and a statement of contributions and distributions. 	<ul style="list-style-type: none"> SEC-registered private fund advisers only Does <u>not</u> apply to securitized asset funds (e.g., CLOs) Does <u>not</u> apply to offshore advisers with respect to any offshore funds (even if the offshore funds have U.S. investors) (“Offshore Offerings”) 	<ul style="list-style-type: none"> 18 months after publication in the Federal Register
<p>Private Fund Audit Rule Rule 206(4)-10</p>	<ul style="list-style-type: none"> All private funds must undergo a financial statement audit that meets the requirements in the Advisers Act Custody Rule (Rule 206(4)-2). 	<ul style="list-style-type: none"> SEC-registered private fund advisers only Does <u>not</u> apply to securitized asset funds 	<ul style="list-style-type: none"> 18 months after publication in the Federal Register

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<p>Adviser-Led Secondaries Rule Rule 211(h)(2)-2</p>	<ul style="list-style-type: none"> In connection with an adviser-led secondary transaction, managers must: <ul style="list-style-type: none"> obtain a <u>fairness opinion</u> or a valuation opinion from an independent opinion provider; and prepare and distribute a <u>summary of any material business relationships</u> with the independent opinion provider within the immediately preceding two years. 	<ul style="list-style-type: none"> Does <u>not</u> apply to Offshore Offerings SEC-registered private fund advisers only Does <u>not</u> apply to securitized asset funds Does <u>not</u> apply to Offshore Offerings 	<ul style="list-style-type: none"> 12 months after publication in the Federal Register for advisers with \$1.5 billion or more in private fund assets 18 months after publication in the Federal Register for advisers with less than \$1.5 billion in private fund assets
<p>Restricted Activities Rule Rule 211(h)(2)-1</p>	<ul style="list-style-type: none"> Managers are restricted from: <ul style="list-style-type: none"> Charging or allocating to the private fund certain fees associated with an investigation of the manager without disclosure and investor consent; Charging or allocating to the private fund any regulatory, compliance, or examination fees or expenses without appropriate disclosure; Reducing the amount of a clawback by the amount of certain taxes without appropriate disclosure; Charging or allocating fees or expenses related to a portfolio investment on a non-pro rata basis, unless the allocation is fair and equitable, and advance disclosure is provided; and Borrowing or receiving an extension of credit from a private fund client without disclosure and investor consent. 	<ul style="list-style-type: none"> All private fund advisers (SEC-registered advisers, state-registered advisers, ERAs, and advisers not required to register) Does <u>not</u> apply to securitized asset funds Does <u>not</u> apply to Offshore Offerings Restrictions on charging for certain investigation fees and expenses do <u>not</u> apply to private funds in existence prior to the compliance date Existing borrowings from a private fund are not subject to the rule, but 	<ul style="list-style-type: none"> 12 months after publication in the Federal Register for advisers with \$1.5 billion or more in private fund assets 18 months after publication in the Federal Register for advisers with less than \$1.5 billion in private fund assets

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	<ul style="list-style-type: none"> Additionally, fees associated with an investigation of the manager may not be charged to a private fund if the investigation results in sanction for a violation of the Advisers Act. 	<p>new borrowings from such a fund are restricted under the rule</p>	
<p>Preferential Treatment Rule Rule 211(h)(2)-3</p>	<ul style="list-style-type: none"> Managers are prohibited from granting any investor in a private fund: <ul style="list-style-type: none"> <u>Preferential liquidity rights</u> that the manager reasonably expects to have a material, negative effect on other investors (unless required by law or offered to all existing and prospective investors); or Access to <u>information regarding portfolio holdings or exposures</u> the manager reasonably expects to have a material, negative effect on other investors (unless offered to all existing and prospective investors). Other forms of preferential treatment are prohibited unless (i) material economic terms are disclosed in writing to prospective investors; and (ii) all preferential terms are disclosed to investors as soon as reasonably practicable following an investment. 	<ul style="list-style-type: none"> All private fund advisers (SEC-registered advisers, state-registered advisers, ERAs, and advisers not required to register) Does <u>not</u> apply to securitized asset funds Does <u>not</u> apply to Offshore Offerings The prohibition on preferential redemption and information rights does <u>not</u> apply to agreements entered into prior to the compliance date 	<ul style="list-style-type: none"> 12 months after publication in the Federal Register for advisers with \$1.5 billion or more in private fund assets 18 months after publication in the Federal Register for advisers with less than \$1.5 billion in private fund assets
<p>Books and Records Rule Amendments Rule 204-2(a)(7), (20)-(24)</p>	<ul style="list-style-type: none"> Managers subject to the above requirements must retain the following (along with a list of recipients and the date(s) sent for each): <ul style="list-style-type: none"> Notices sent in connection with the preferential treatment rule; Quarterly statements and records evidencing calculation methodology; Audited financial statements; 	<ul style="list-style-type: none"> All SEC-registered advisers (but, in practice, applicable only to private fund advisers) 	<ul style="list-style-type: none"> Effective 60 days after publication in the Federal Register (in practice, compliance will be required in connection with the compliance date for each corresponding private fund adviser rule)

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	<ul style="list-style-type: none"> - Documentation substantiating the determination that a fund is a “liquid fund” or an “illiquid fund”; - A copy of any fairness opinion, valuation opinion, or material business relationship summary; and - A copy of any notification, consent, or other document distributed or received in connection with the restricted activities rule. 		
<p>Compliance Rule Amendments Rule 206(4)-7</p>	<ul style="list-style-type: none"> • Advisers must annually review and document in writing the adequacy of their compliance policies and procedures under Rule 206(4)-7 and the effectiveness of their implementation. 	<ul style="list-style-type: none"> • All SEC-registered advisers (including those that do not manage private funds) 	<ul style="list-style-type: none"> • 60 days after publication in the Federal Register