LexingtonPartners

Environmental, Social, and Governance 2022 Annual Report

New York | Boston | Menlo Park | London | Hong Kong | Santiago | São Paulo | Luxembourg

A MESSAGE FROM LEXINGTON'S PRESIDENT

I am pleased to present you with Lexington's 2022 Annual Environmental, Social, and Governance ("ESG") Report. Corporate citizenship and social responsibility have been embedded in Lexington's organizational values since our founding over 32 years ago. While the ESG landscape has changed considerably during that period, we remain steadfast in our belief that a commitment to ESG integration in our business can create lasting value for our limited partners and contribute to enhanced long-term investment performance.

During the past year, we continued to see an increase in ESG-focused regulation on a global basis, a consolidation and strengthening of ESG reporting frameworks, and a growing focus on climate action. We have also observed heightened levels of skepticism on the value of ESG and increased scrutiny of greenwashing activities, which we continue to monitor closely. At Lexington, we remain resolute in our commitment to strengthening our core ESG values, driving sustainable growth in our industry, and providing transparency around our business.

We made meaningful progress on our ESG initiatives during 2022, most notably upgrading our ESG and Stewardship Policy and expanding our ESG data collection. As a global investor with over 800 sponsor relationships within the private equity industry, we are well-positioned to encourage adoption of ESG principles and practices.

Following the closing of Lexington's acquisition by Franklin Templeton in April, we joined the Sustainability and Stewardship Council ("SSC"), which connects ESG leaders across Franklin's broad asset management platform to promote sustainability and guide the evolution of Franklin's ESG infrastructure. While Lexington maintains an independent ESG program, the SSC is a valuable resource to draw upon the considerable ESG expertise embedded within Franklin's global platform.

As we enter 2023, we will strive to elevate our ESG capabilities to promote positive change within our firm, our industry, and our communities. We are excited to share the progress on our ESG workstreams and our key findings from our annual survey of over 350 underlying sponsors.

We welcome open ESG dialogue with our partners and encourage you to reach out to our team.

Wilson S. Warren

Wilson Warren
Partner & President, Lexington Partners

Lexington is committed to taking action to support strong ESG and stewardship principles, promote DEI, and increase ESG communication within our diversified network of sponsors.

LEXINGTON'S COMMITMENT TO ESG AND STEWARDSHIP

Lexington's 2022 Annual ESG Report highlights our progress embedding ESG principles in our investment process and operations. We believe the adoption of strong ESG policies and practices can mitigate investment risk and positively impact long-term performance to create lasting value for our limited partners.

Over the past year, industry ESG dialogue centered around concerns about resource scarcity amid geopolitical tension and war, extreme weather, and the fragility of global supply chains. Events of 2022 underscored that many ESG issues are nuanced, complex, and constantly evolving. As a secondary investor or co-investor alongside a lead sponsor, we are rarely positioned to influence a sponsor or portfolio company on ESG topics. However, we remain focused on engaging with our limited partners and underlying sponsors to do what we can to foster a culture of sustainability and encourage awareness of ESG issues in our business.

Our ESG focus in 2022 was to reinforce our ESG governance and accountability, expand our ESG data collection, and improve transparency and reporting in line with key frameworks and regulations. In addition, Lexington made inroads in refining our climate strategy at the firm-level. For the first time, Lexington's 2022 Annual Meeting was carbon neutral as we offset 136 metric tons of associated carbon emissions. The offsets were third-party verified in accordance with international certification standards and supported the Crow Lake Wind Project, a South Dakota wind farm. Lexington's 2022 carbon footprint for Scope 1 and Scope 2 emissions totaled 249.1 metric tons, which was calculated by our third-party consultant in line with the GHG Protocol Corporate Accounting and Reporting Standard and the EPA Carbon Footprint Tool. We plan to offset our 2022 emissions with verified carbon credits.

Lexington helped pioneer the development of the institutional secondary market 32 years ago and created one of the first discretionary co-investment programs 25 years ago.

Lexington's global presence and decades-long history as a leading secondary and co-investment manager position us to engage effectively with our partners worldwide and to leverage our ESG insights across the Lexington team.

Lexington's 23 partners are among the most experienced and highly regarded in the secondary and co-investment markets, averaging 19 years of private equity experience and 17 years together at Lexington. The firm has experienced a high rate of retention since inception, which we believe is a result of a team-oriented, supportive corporate culture, and broad alignment of interest. Since inception, Lexington has analyzed thousands of investment opportunities, completing more than 600 secondary transactions and 485 co-investments and acquiring over 3,500 interests managed by over 800 sponsors. This investment experience allows Lexington to compare transactions with those seen in the past and provides Lexington with a value perspective when assessing new opportunities. ESG considerations are not distinct from our due diligence process, but rather are embedded into all aspects of our investment and portfolio construction principles.

Lexington is a global firm with offices strategically located in major centers for private equity and alternative investing – New York, Boston, Menlo Park, London, Hong Kong, Santiago, São Paulo, and Luxembourg. In addition, Lexington has senior advisors covering Asia, Brazil, and the United States. Our global platform enables Lexington to be knowledgeable of ESG risks, opportunities, and trends in various regions of the world and, at the same time, encourage sponsors in our network to adopt ESG best practices. Transparency and communication with both LPs and GPs are central to how we conduct our business.

$68bn
in Total Capitalization

21
Secondary Funds

6
Co-investment Funds

1,000+
investors in 40+ countries

23 PARTNERS AVERAGING 17 YEARS TOGETHER AT LEXINGTON

150+ EMPLOYEES ACROSS 8 GLOBAL OFFICES

600+
secondary transactions

3,500+
secondary interests

485+
co-investments

600+
primary investments completed

800+
sponsor relationships

Lexington has continuously refined our approach to ESG over the past 12 years.

LEXINGTON'S ESG TIMELINE

2011

Adopted Responsible Investment Policy in line with PRI Principles

Formed Responsible Investment Steering Committee

Began surveying select sponsors on ESG topics

2014

Became a PRI Signatory

PRI Principles for Responsible Investment

2019

Implemented annual ESG survey of all underlying sponsors in actively investing secondary funds

Began support of the Toigo Foundation and expanded partnership with SEO

TOIGO Bringing Diversity to Life

Sponsors for Educational Opportunity SEO

2020

Published first comprehensive Annual ESG Report

Formed DEI Committee and published DEI Mission Statement

Implemented ESG training

Established Women Who Lead employee resource group

Held first firmwide DEI training

Supported Covid-19 relief for frontline workers

2021

Joined ILPA's Diversity in Action

Welcomed first Toigo summer intern

Engaged ESG consultant

Rolled out internal mentorship program

Included CIP sponsors in annual ESG survey

Diversity in Action ilpa

2022

Enhanced ESG and Stewardship Policy and added Exclusions Policy

Expanded scope of annual ESG survey

Joined Franklin Templeton's Stewardship & Sustainability Council

Welcomed Girls Who Invest summer intern

Selected as the exclusive secondary commitment of the Greater Share initiative

Offset AGM carbon emissions and calculated firm-level carbon footprint

girls who invest

GreaterShare

Lexington has adhered to the PRI guidelines since 2011, has been a PRI signatory since 2014, and continues to align our ESG priorities with those of the PRI. In addition, we have engaged a third-party ESG consultant to support our existing processes and to help implement best practices and embrace new initiatives in ESG.

LEADERSHIP AND OVERSIGHT

Strong governance and accountability are central to Lexington's ESG philosophy. Lexington has a cross-functional ESG Steering Committee in order to provide diverse perspectives: secondary, co-investment, investor relations, legal and compliance, and fund administration. We believe that overlap between the ESG Steering Committee, secondary and CIP investment committees, and the firm's Operating Committee is important in ensuring firmwide attention to and senior-level support of ESG efforts.

> ***"The ESG Steering Committee includes voices from across the firm and around the world, which allows us to champion ESG matters across our eight offices and broad network of sponsors."***
>
> *Pål Ristvedt*
> *Partner, Secondaries*
> *IC Co-Chair*

ESG STEERING COMMITTEE

Lutz Fuhrmann
Partner, CIP

Tom Giannetti
Partner & CFO

John Loverro
Partner, CIP

Pål Ristvedt
Partner, Secondaries
IC Co-Chair

Taylor Robinson
Partner, Secondaries

John Rudge
Partner, Secondaries

Erica Castle
Senior Vice President
Investor Relations

Deepa Thimmapaya
Vice President
Legal & Compliance

The ESG Steering Committee oversees the firm's ESG initiatives, including:

- Upholding, revising, and ensuring adherence to the ESG and Stewardship Policy
- Implementing the ESG strategy and reviewing and tracking progress
- Disclosing material ESG concerns to internal committees
- Educating professionals on ESG issues and priorities
- Supporting transparency and timely reporting of ESG topics

Lexington's primary objective is to generate strong, risk-adjusted returns in our funds and to ensure the firm's interests are strongly aligned with those of our investors. We have integrated ESG factors into secondary and co-investment policies and procedures and believe that consideration of ESG principles during due diligence for every deal is essential in anticipating and mitigating risk. As part of our rigorous investment analysis, Lexington's secondary and co-investment professionals evaluate all aspects of a transaction, including short-term and long-term ESG risks and opportunities, that may materially impact the future financial performance of the transaction. This process combines detailed "bottoms-up" analysis with a qualitative assessment of the sponsor's strategy and reputation. As an investor in interests managed by over 800 sponsors, Lexington is well-positioned to evaluate a sponsor's ESG record and ability to mitigate ESG risk.

LEXINGTON'S APPROACH TO ESG

TRAINING

ESG training for deal professionals to enable identification of material ESG risks and opportunities

DUE DILIGENCE

Consideration of ESG issues in "bottoms-up" transaction due diligence and analysis of underlying GPs

DECISION-MAKING

Operational Sub-Committee and investment committees ensure material ESG risks are appropriately identified and mitigated

MONITORING

Annual survey and scoring of underlying sponsors regarding ESG & DEI policies and approach

REPORTING

Annual ESG Report with survey results published on website; Annual PRI reporting

One advantage of Lexington's secondary strategy is that private equity partnerships are, on average, five-to-six years old when Lexington funds acquire interests in them. This provides us with more visibility into the operations, governance, and internal controls of underlying funds prior to acquisition and reduces Lexington's exposure to potential material ESG risk. As secondary investors and passive co-investors, the Lexington funds do not directly manage underlying portfolio companies and, therefore, Lexington has limited ability to engage portfolio companies directly on ESG risks and opportunities. However, Lexington believes the broad portfolio diversification and the quality of underlying

ILLUSTRATIVE ESG FACTORS

As outlined in the ESG and Stewardship Policy

Environmental

- Physical climate change
- Carbon emissions
- Energy and electricity generation, production, and consumption
- Resource depletion
- Air and water pollution
- Waste management

Social

- Human rights
- Diversity, equity, and inclusion
- Employee engagement
- Health and safety
- Supply chain management
- Community impact
- Data privacy

Governance

- Alignment
- Business ethics
- Data security & privacy
- Anti-bribery and anti-corruption
- Risk management

assets in our secondary and co-investment funds, identified through our rigorous bottoms-up underwriting, enable us to mitigate ESG risk and capture value during periods of economic turbulence.

Our secondary and CIP investment committees, with the input of the ESG Steering Committee, ensure new commitments meet each respective fund's investment criteria. In addition, Lexington has an Operational Sub-Committee representing the firm's ESG, legal & compliance, finance & accounting, and tax interests. Before a deal can advance to the relevant investment committee, the deal team is required to submit a completed questionnaire to the Operational Sub-Committee describing any known material ESG risks identified during due diligence and confirming alignment with Lexington's Exclusions Policy. Deal teams are expected to consult a list of relevant illustrative ESG factors, as outlined in the ESG and Stewardship Policy, that may be considered during due diligence in conjunction with the consideration of other factors.

Providing our professionals with the education and tools to understand the impact of ESG risks and opportunities on our business is important to our firm's success. In 2021, Lexington engaged ACA's ESG Advisory Group to provide professionals across functional groups with tailored training on the responsible investment landscape, elements of ESG incorporation, key industry frameworks and guidelines, and Lexington's ESG objectives. Further training was provided to investment professionals in 2022 that focused on ESG risk analysis and key ESG issues to consider in investment analysis and decision-making.

We will continue to conduct regular ESG training to help professionals understand and identify the relevance and impact of ESG factors on our investment and portfolio monitoring activities.

Lexington's ESG Survey gathers a broad range of perspectives on responsible investment from a group of sponsors highly diversified by size, geography, and sector focus.

ESG SURVEY

Lexington acts as a diligent steward of our investors' capital by communicating with a diverse portfolio of sponsors regarding ESG best practices and encouraging them to consider ESG issues within their own investment processes. Lexington's investment professionals collect information regarding ESG factors from the sponsors with whom we invest and we consider their ESG approaches as part of our due diligence process. Our stewardship approach aims to foster two-way communication through an annual survey inquiring about the ESG policies and approach of underlying sponsors in our recent secondary and co-investment funds. We believe our commitment to regularly surveying and reporting aggregate findings demonstrates our commitment to creating awareness among a highly diversified portfolio of sponsors regarding ESG best practices and provides assurances to our limited partners of ESG consideration within the Lexington funds.

SURVEY METHODOLOGY

Lexington's annual ESG Survey is intended to capture the underlying sponsors' views on responsible investment and to obtain insights into any ESG initiatives these sponsors may have implemented both at the firm and investment-level. The survey previously consisted of six questions modeled on the PRI's six principles. In 2022, we added six new questions to broaden the scope of ESG data collected and to obtain more granular insights into underlying sponsors' ESG and stewardship practices.

2022 SURVEY RESULTS & OBSERVATIONS

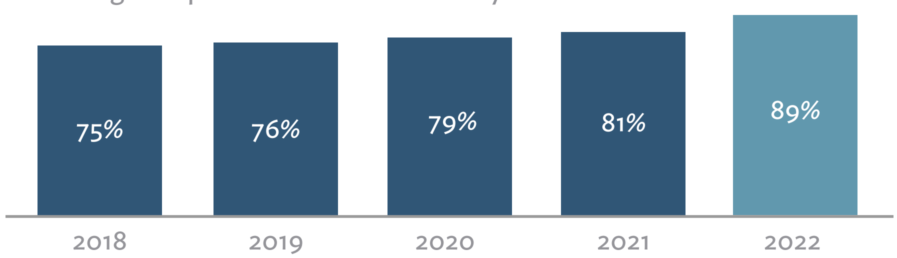
Lexington surveyed the underlying sponsors of our recent secondary and co-investment funds — LCP IX, LCP X, LMMI IV, CIP IV, and CIP V — and received responses representing 73% of the partnerships' aggregate RV as of June 30, 2022 from 216 sponsors.

ESG POLICY AND OVERSIGHT

89% of survey respondents reported having an ESG or similar policy.

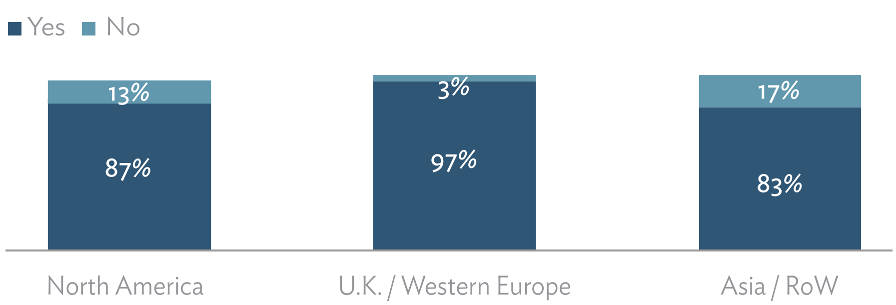
The percentage of respondents with an ESG or similar policy has increased from 75% to 89% over the past five years, with an eight percent increase from 2021 to 2022. In addition, more than half of the respondents (58%) indicated that they publish an ESG report.

Percentage of Sponsors with an ESG Policy

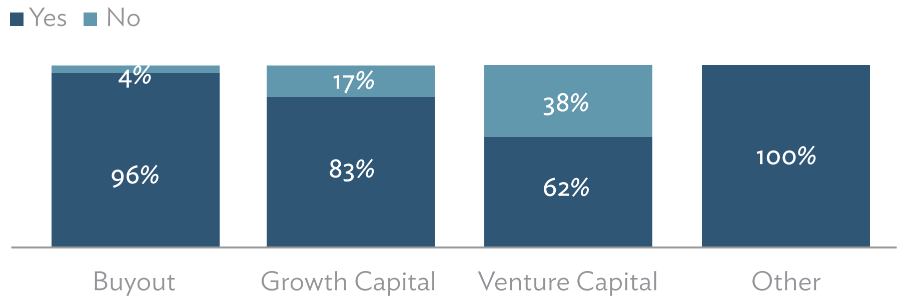


ESG policy adoption has been high among survey respondents across the world. While the percentage of survey respondents that had an ESG policy in U.K./Western Europe inched closer to full adoption, we also observed a 10% increase in ESG policy adoption among North American sponsors in 2022. Historically, buyout and growth capital have greater adoption of ESG policies compared to venture capital sponsors which may have less access to ESG resources or pursue ESG initiatives on a less formalized basis. Compared to our 2021 survey, 2022 saw meaningful improvement in the percentage of venture capital respondents with an ESG policy, increasing from 41% to 62%. All of the respondents in credit, energy, and infrastructure (in aggregate, "Other") indicated they have an ESG policy in place.

Percentage of Sponsors with an ESG Policy by Region



Percentage of Sponsors with an ESG Policy By Sector



75% of respondents have formalized oversight/implementation responsibilities for ESG integration.

21% of all respondents reported having dedicated ESG professionals. Additionally, 23% of respondents reported using a third-party consultant to assist in ESG oversight, most commonly Malk Partners, Anthesis Group, and Bridge House Advisors. Other consultants included ACA ESG Advisory, APAC Advisors, and Environmental Resources Management.

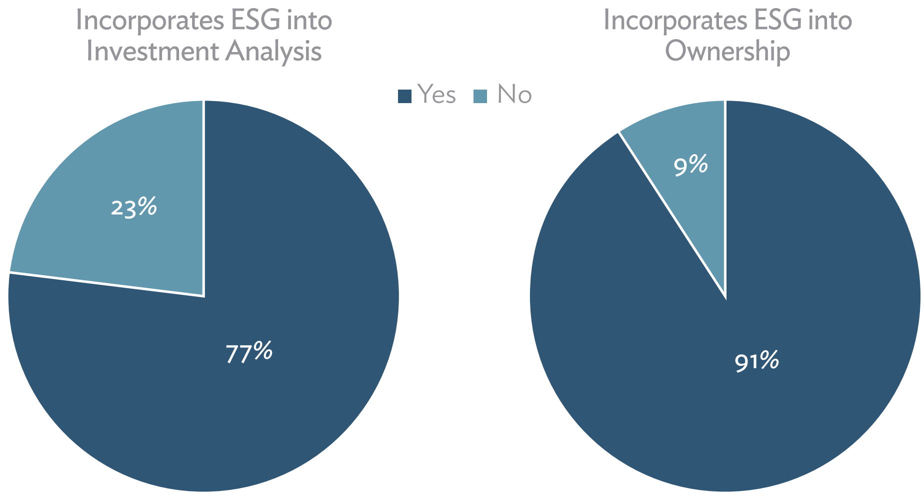
70% of respondents have implemented ESG training for employees – some conducted upon hire, with others held annually or on an ad-hoc basis. Key topics covered in ESG trainings include climate-related issues and DEI. A notable proportion of respondents have implemented more frequent ESG trainings, with some conducting asset-class specific sessions or engaging external advisors.

ESG INTEGRATION

77% of respondents incorporate ESG issues into investment analysis of which 66% include an exclusion policy or restricted list to avoid controversial sectors.

While the method of incorporating ESG issues into investment analysis and decision-making varies depending on the geographies, sectors, and industries in which the sponsors invest, a similar strategy was noted for many of the respondents. An initial screen is typically used to identify whether the potential investment poses a high risk, after which due diligence is conducted internally and/or via a third-party ESG consultant to identify material ESG opportunities or risks and mitigants. If the investment moves forward, the results from the diligence are typically incorporated into a 100-day (or similar) plan, or the report is provided to the company to be addressed following deal closing.

Several sponsors align their analysis with specific frameworks, such as the Sustainability Accounting Standards Board ("SASB") (10%) to identify the subset of sustainability issues most material to an investment on a case-by-case basis.



Post-investment, 44% of respondents calculate GHG emissions at the portfolio level. One sponsor noted that they request Scope 1, 2 and 3 data from all assets in the private equity portfolio as part of its annual data collection process.

Several sponsors leverage the Task Force on Climate-Related Financial Disclosures ("TCFD") (11%) framework to identify and assess climate-related risks and opportunities, oftentimes to complement proprietary analysis or company scorecards.

31% of respondents indicated they have a stewardship policy.

The vast majority of respondents incorporate ESG issues into ownership policies and practices, most commonly through portfolio company engagement. Methods for addressing ESG issues include assisting companies with drafting an ESG policy or introducing key performance indicators to make the company's board accountable for ESG performance. ESG performance could reflect factors such as environmental and social impact, measured through carbon emissions or renewable energy usage, or implementing ethical labor practices. Improving ESG performance could include reducing a company's carbon footprint, implementing sustainable waste management practices, promoting diversity and inclusion, investing in local communities, implementing effective risk management practices, or promoting ethical business practices.

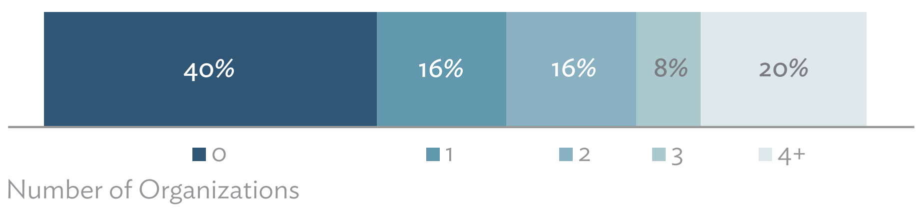
ESG AND CLIMATE COMMITMENTS

60% of respondents indicated they are signatories to one or more collaborative initiatives or have aligned to an ESG framework.

Sponsors based in the U.K./Western Europe are among the most committed to collaborative ESG organizations and frameworks, with 88% of European respondents indicating that they are a signatory or aligned with at least one collaborative organization.

Respondents have committed to or aligned with one or more of the following collaborative organizations and frameworks, representing a 4% increase from 2021: Principles for Responsible Investment ("PRI") (47%), ILPA's Diversity in Action (26%), Initiative Climat International ("iCI") (20%), Invest Europe (16%), British Private Equity and Venture Capital Association ("BVCA") (12%), TCFD (11%), SASB (10%), ESG Data Convergence Initiative ("EDCI") (10%), Level20 (6%), and 63 other organizations or frameworks (21%). Three percent of respondents indicated they are founding members of organizations including IFC Operating Principles for Impact Management ("OPIM"), Ownership Works, CEO Action for Diversity and Inclusion, National Venture Capital Association's Diversity Task Force, ILPA's Diversity in Action, Black Women in Asset Management ("BWAM"), and the PE GP DE&I Working Group.

Number of Commitments to Collaborative Organizations by Percent of Sponsors



44% of respondents are committed to more than one organization, up from 35% in 2021, with some respondents indicating they have committed to up to 13 collaborative organizations.

27% of respondents have made a formal climate commitment.

Of the sponsors with a climate commitment, specific goals varied. Some of these sponsors have clear emissions reduction targets (22%) in place, such as a commitment to the Net Zero Asset Managers Initiative (8%) or the Science Based Targets Initiative ("SBTi") (2%), while 36% of respondents with a climate commitment indicated their firm was carbon neutral. As noted above, 20% of survey respondents are involved with the iCI, an organization which seeks to analyze and manage climate-related financial risk and GHG emissions in line with TCFD recommendations. iCI signatories commit to publicly acting on climate change, integrating climate change considerations into their investment processes, and actively engaging with their portfolio companies to reduce greenhouse gas emissions.

Sponsors are in various stages of implementing climate initiatives, with 6% of respondents indicating they have definitive plans in place to implement firm-level sustainability initiatives or climate commitments in the coming years. One sponsor reported being the first private markets firm to set targets approved by the SBTi in 2021, while another reported being the first building in the U.K. to achieve Net Zero certification through their use of sustainable materials such as smart light and ventilation systems.

36% of respondents calculate GHG emissions at the firm-level.

11% of respondents have conducted carbon footprinting exercises, leveraging verified third-party providers including ISS-Ethix, Anthesis, Persefoni, Normative.io, and myclimate.org, among others. Most of the respondents who reported calculating their GHG emissions leverage the Greenhouse Gas Protocol Corporate Standards to measure Scope 1, Scope 2, and Scope 3 emissions. Sponsors primarily report their Scope 1 and Scope 2 emissions. Of the sponsors that reported Scope 3 emissions, it was typically limited to business-related airfare, however some sponsors also included cloud service providers, employee commute, and remote working-related emissions. We anticipate Scope 3 reporting will become more widely adopted in the coming years as increased transparency and more robust technologies enable more efficient management.

One sponsor, who has been carbon neutral since 2019, noted that their most recent carbon footprint from 2020-2021 was 87% lower than the previous year as the Covid-19 pandemic brought about a sharp decrease in carbon emissions. As office and business travel-related emissions were negligible, this sponsor focused on new categories of carbon emissions associated with remote working and IT equipment. The break from the traditional office model ultimately helped this sponsor re-examine how to reduce its carbon footprint in ways it had not initially thought to. In 2021, this sponsor continued to make improvements, rolling out energy performance reviews and shifting to renewable energy sources to power its offices. Another sponsor noted its switch from on-premise data storage to cloud-based data storage to achieve electricity and water savings through increased efficiencies.

11% of respondents reported offsetting their carbon emissions, leveraging verified third-party providers such as Nature Capital Partners, Climate Partner, CarbonFund.org, and Verified Carbon Standard Program, among others, to purchase carbon offsets.

DIVERSITY, EQUITY & INCLUSION

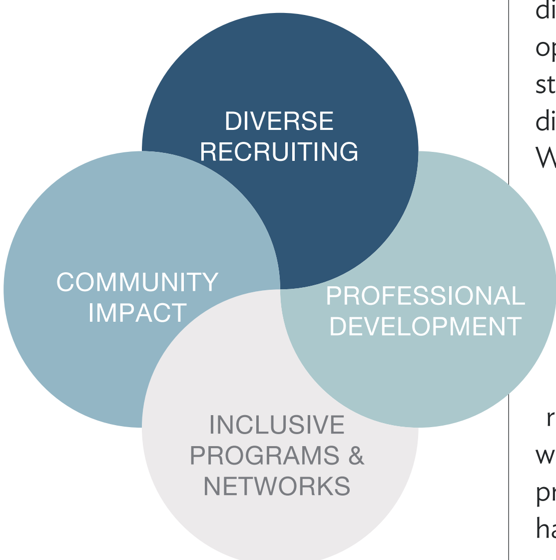
70% of respondents indicated they have a formal DEI policy or initiative.

This represents a 6% and 17% increase compared to our 2021 and 2020 findings, respectively. Respondents noted that these policies and/or initiatives are typically included in ESG policies, website statements, employee handbooks, or publicly available standalone documents. Of the respondents without a DEI policy or initiative, 10% of respondents indicated that they have plans to implement one next year.

Diversity, Equity, and Inclusion

Lexington believes a talented workforce possessing a wealth of diverse experiences, skills, and perspectives promotes superior results – enhanced decision making, continued strong performance for our limited partners, and a rich firm culture. To spearhead these efforts, Lexington has established a DEI Committee led by three of the firm's partners. The mission of the DEI Committee is to strengthen Lexington's core values by attracting, retaining, and advancing diverse talent and engaging with the communities in which we live and work.

DEI PILLARS



DIVERSITY SNAPSHOT

43% of global professionals are diverse (30% of investment professionals)

56% of 2022 professional hires are diverse (43% of investment professionals)

RECENT PROMOTIONS

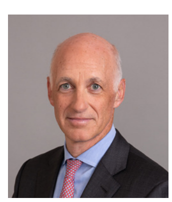
2023: 39% Diverse
2022: 43% Diverse
2021: 40% Diverse
2020: 47% Diverse
2019: 40% Diverse

We are committed to fostering an inclusive work environment that celebrates differences and encourages input from all perspectives. Lexington is an equal opportunity employer that has zero tolerance for any form of discrimination. We strive to create a safe work environment where all individuals are treated with dignity and respect and are accorded equitable career development opportunities. We strongly encourage open and honest dialogue to ensure that Lexington remains at the forefront of contributing to positive, enduring social change.

Cultivating an inclusive work environment begins with our ability to identify and attract strong, diverse talent. We engage with our recruiting partners to source diverse applicant pools and increase accountability for diverse candidate considerations. We believe our strong record of promotion and retention is a direct result of Lexington's rich culture, inclusive and collaborative work environment, and alignment of interests. Since 2010, apart from professionals that retired or became advisors to Lexington, only one partner has departed. During that period, Lexington has added 20 partners, all of whom were promoted from within. We provide our employees with training and experiences that develop their skills to maximize performance and realize their full potential. Lexington has implemented regular training for all employees focused on identifying and mitigating unconscious bias and building a positive and supportive workplace culture. DEI training is also incorporated into the onboarding process for all new employees.

DEI COMMITTEE

Jennifer Kheng
Partner, Secondaries



Bart Osman
Partner, CIP

Victor Wu
Partner, Secondaries

*Diversity data reflects Lexington professionals as of December 31, 2022. Gender data reflects all professionals globally and race/ethnicity information reflects non-white professionals in the U.S. and Europe based on the definitions in ILPA's latest Diversity Template.

"Over the years, we have built a truly special firm and culture at Lexington. Our high retention is a testament to that. We believe diversity of thought and perspective are essential to continue driving strong, positive outcomes. We remain dedicated to our core DEI principals and constantly strive to be more inclusive and representative of the global communities in which we operate."

Jennifer Kheng
Partner, Secondaries

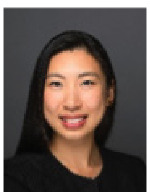
Lexington formalized our internal mentorship program in 2021. The program's mission is to encourage the development of relationships across geographies and functional groups and to provide access to the experience and insights of senior professionals beyond that of day-to-day work interaction. We believe the mutual learning from these mentorship relationships builds broader networks and further strengthens our commitment to retention and promotion from within.

In 2020, Lexington established Women Who Lead, an employee resource group formed to cultivate a supportive culture for women and provide opportunities for all Lexington employees to participate in educational, philanthropic, and community building events and discussions to foster inclusivity. This year, Women Who Lead successfully hosted several events, including a firmwide steps challenge to support Restore NYC, a non-profit focused on providing survivors of trafficking with access to improved well-being, safe homes, and career opportunities. Women Who Lead also sponsored a professional development workshop in partnership with LifeLabs Learning focused on presentation and delivery skills.

Lexington has consistently devoted time and resources to engage with and give back to our local communities, sponsoring and making charitable contributions aligned with our DEI mission. The non-profit organizations and causes that Lexington supported this year include Sponsors for Educational Opportunity ("SEO") as a sponsor of the Alternative Investments Fellowship Program, the Waterside School, the One Love Foundation, Girls Who Invest, Restore NYC, and the Cornelia Connelly Center, among others.

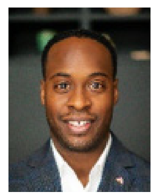
In addition, Lexington is pleased to share that we were selected as the exclusive secondary commitment of the Greater Share initiative. Greater Share is a philanthropic investment model through which returns are shared with a selection of high-impact education NGOs. As part of our partnership with Greater Share, Lexington professionals will have the opportunity to further support Greater Share in a financial or non-financial capacity.

Over the course of several years, Lexington has established partnerships with leading organizations focused on DEI objectives. Lexington has helped foster career advancement and leadership of underrepresented talent through its support of The Robert Toigo Foundation ("Toigo"), which through its MBA program has developed a network of more than 1,300 high-performing graduates from top MBA programs. Lexington has made a multi-year commitment to partner with Toigo to sponsor a scholarship and summer internship for first-year Toigo fellows. In 2022, Lexington welcomed two Toigo summer interns. In addition, Lexington hosted an intern from Girls Who Invest, an organization committed to increasing the number of women in portfolio management and leadership in finance. While at Lexington, the interns had the opportunity to work with various groups, including our secondary, co-investment, and investor relations teams and participated in team-building events and outings.



"Working alongside Lexington's talented professionals gave me firsthand experience learning the ins and outs of private equity in the growing secondary and co-investment markets. Having direct exposure to industry pioneers gave me a new perspective as I build a career in finance."

Lisa Yang,
MBA Candidate, the Wharton School
Toigo Fellow



"A highlight of my internship at Lexington was the team and the decades-old culture of broad knowledge sharing and people-oriented growth. I look forward to carrying these values and skills with me in my future endeavors."

Loyd Bradley,
MBA Candidate, the Wharton School
Toigo Fellow

Lexington is a signatory to ILPA's Diversity in Action initiative, a group of limited partners and general partners with the aim of making the private equity industry more diverse and inclusive by adopting specific actions to advance DEI practices within our organizations over time. As a signatory, among other activities, Lexington has committed to: (i) maintain a publicly-communicated DEI strategy that addresses recruitment and retention, (ii) track internal hiring and promotion statistics, (iii) identify organizational goals that result in more inclusive recruitment and retention practices, and (iv) provide the ILPA Metrics Template to prospective investors during new fundraises. In 2022, Lexington participated in Diversity in Action roundtables and collaborated with other private equity sponsors on practical and actionable DEI practices.

LOOKING FORWARD TO 2023

We are proud of the progress Lexington made towards our ESG objectives in 2022 and acknowledge that we still have more to achieve. In 2023, Lexington will continue to pursue ESG initiatives which support our signatory commitments, advance the ESG interests of our stakeholders, and strengthen our core values. We will strive to be exemplary corporate citizens and leverage our position as a global investor to broadly share information and increase awareness of ESG issues and best practices across a broad group of private investment sponsors. We appreciate the strong support of our limited partners and look forward to continuing our commitment to transparency, alignment, and partnership as we begin a new year.

2023 PRIORITIES

- Complete firm-level carbon footprint assessment (Scopes 1, 2, and 3)
- Explore climate-focused disclosures in line with key industry frameworks such as TCFD
- Further develop DEI metrics in accordance with ILPA's guidance
- Broaden our partnership with leading DEI organizations such as TOIGO, Girls Who Invest, and SEO
- Continue to provide customized ESG & DEI training
- Pursue initiatives that promote sustainability, charity and social responsibility across global platform
- Explore synergies with Franklin Templeton's Stewardship and Sustainability Council
- Join the Tuck Business School's Gender Equity Consortium with the goal of advancing gender equity in private markets

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While Lexington may consider ESG factors when making an investment decision, unless otherwise specified in a fund's investment strategy, the Lexington funds do not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Any reference herein to environmental or social considerations is not intended to qualify our duty to maximize risk-adjusted returns.

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