November 12, 2021

Children's Minnesota

Dear Limited Partner,

We are pleased to provide you with our September 30, 2021 Reporting Package of Searchlight Capital II, L.P., as well as the required notices and statements, as outlined in the Limited Partnership Agreement ("LPA"). We hereby enclose the following:

(i) Our Quarterly Investor Letter;
(ii) Appendix I - the Fund's unaudited financial statements;
Please also refer to the following financial statement information:
1. Schedule of the Fund's Portfolio Companies, valuations and activity: The schedule of investments and Note 3;
2. The combined schedule of aggregate partners' capital (Partner ID: SC2030);

(iii) Appendix II - the Capital Account statements;

The supplemental Fee Reporting Template prepared in accordance with ILPA guidance has also been provided in a separate excel file as part of our standard quarterly reporting package.

If you have any questions regarding the foregoing, please contact us at ir@searchlightcap.com.

Sincerely,

Searchlight Capital Partners

Searchlight Capital II

Quarterly Letter – Q3 2021

Dear Limited Partner,

We are pleased to report on the performance of Searchlight Capital II, L.P. ("Fund II" or "Searchlight") for the quarter ended September 30, 2021. As of Q3 2021, Fund II has a realized IRR and MOIC of 40% and 3.3x, respectively. The Fund has returned $2,939 million of capital inception to date, including the proceeds of the EOLO sale in October 2021. This represents a 1.6x DPI, which is in the top 5% of funds of the same vintage.[1]

Realized Investments

EOLO SpA ("EOLO"): In October 2021, Searchlight completed the full exit of its 49% investment in EOLO via a private trade sale to Partners Group. Searchlight invested $188 million in EOLO in December 2017. In April 2021, the shareholders launched a competitive sale process which led to a successful signing in July and subsequent closing in October. The transaction underscores the success of Searchlight's investment, returning ~$554 million to the Fund (including a $68 million dividend recap in 2019), resulting in a 2.9x MOIC and a 35% IRR (excluding the impact of the FX hedge).

Portfolio Company Updates

Bezeq the Israel Telecommunications Corporation, Ltd. ("Bezeq"): For the quarter ended June 2021, Bezeq generated NIS 2,200 million of revenue, up 2% versus the prior year, and EBITDA of NIS 852 million, up 1% versus the prior year. These results were largely driven by continued growth in the fixed line business, which benefited from a strong increase in broadband demand, partially offset by wholesale broadband performance and COVID-related temporary travel limitations, which had a negative impact on mobile roaming services. On a year-to-date basis, Bezeq's revenue and EBITDA are up 2% and 1%, respectively.

After officially commercializing its fiber network in March, Bezeq has rapidly deployed its fiber infrastructure and is on track to pass one million homes by the end of the year, with strong retail demand for its fiber broadband offering. In July, the Ministry of Communications approved Bezeq's request to merge its International and Yes divisions, which will result in additional cost savings and the ability to offer more attractive bundles for consumers.

Hemisphere Media Group ("Hemisphere"): During the quarter ended September 2021, Hemisphere generated $51 million of revenue and $5 million of EBITDA, up 37% and down 68% year-over-year, respectively. This performance was impacted by the consolidation of Pantaya, the American Spanish-language streaming service, which Hemisphere acquired in March 2021. Excluding Pantaya, revenue increased by 1% and EBITDA decreased by 8% year-over-year, respectively. Revenue growth in the core business was driven by increased subscriber fees as a consequence of contractual rate hikes. The acquisition of Pantaya, now 100% owned by Hemisphere, represents a strategically important element of Hemisphere's distribution strategy. While not an EBITDA contributor today, it currently has approximately 1 million subscribers and is growing rapidly.

Latécoère S.A ("Latécoère"): During the quarter ended September 2021, Latécoère successfully completed a comprehensive recapitalization including (i) raising €130 million of state-backed loans ("PGE"), existing facilities maturity extensions, covenant reset of the EIB facility (only covenanted debt), additional financing flexibility through improved debt incurrence baskets and ability to pursue synergistic M&A supported by Airbus / Boeing; (ii) the successful completion of a €222 million rights issue (€170 million net of Searchlight shareholder loan repayment), backstopped by Searchlight and (iii) customer support through temporary and permanent price increases. Searchlight increased its ownership from 66% to 75% as a result of the rights issue. This

[1] Cambridge Associates 2015 vintage benchmarking indices as of June 30, 2021.

recapitalization puts the company in the best possible position to create value during the recovery phase by bolstering its balance sheet, and providing a significant war chest to pursue accretive M&A.

Following the rights issue, Latécoère announced the completion of two M&A transactions: (i) the acquisition of Technical Airborne Components ("TAC") as previously announced and (ii) the acquisition of Shimtech de Mexico, a strategic composites facility that will enable the company to competitively serve the North American market and potentially de-risk the realization of synergies for future M&A transactions. Inorganic growth remains a central part of Searchlight's investment thesis and the company is actively pursuing both bolt-on and transformational acquisitions, making use of the additional capital secured through the rights issue.

In August, Latécoère announced the promotion of Thierry Mootz to CEO. Thierry has been with the company since 2015, most recently as deputy CEO and Head of Interconnection Systems. Philippe Salats joined as CFO (joined in September from Photonis) and Christopher Seherr-Thoss as Head of M&A (joined over the summer, from Stemcor).

Mitel Networks Corporation ("Mitel"): On November 9th, Mitel signed definitive agreements with respect to a strategic transaction and partnership with RingCentral, a market-leading provider of UCaaS solutions globally. As part of the transaction, Mitel sold the intellectual property underlying its core UCaaS solution, MiCloud Connect ("Connect"), to RingCentral for $650 million and on a go forward basis, RingCentral will become Mitel's exclusive provider of UCaaS solutions. In addition, as part of a new long-term commercial partnership between the companies, Mitel will migrate its existing installed base of approximately 37 million users to RingCentral over time in return for an ongoing series of payments based on the recurring revenue generated by RingCentral from these customers. In conjunction with these transactions, the Mitel investor group invested $200 million in a convertible preferred equity security in RingCentral to partially finance the purchase of intellectual property from Mitel.

This transaction is highly strategic and transformational for Mitel in that it monetized Mitel's UCaaS assets at a compelling valuation and allows Mitel to partner with the market-leading provider of UCaaS solutions to capitalize on the value of its most valuable asset, its large embedded installed base. Converting Mitel's customers to cloud-based solutions is a core tenet of Searchlight's investment thesis in Mitel and doing so in partnership with RingCentral allows Mitel to maximize the number of customer migrations and accelerate the speed of this transition given that RingCentral brings significant scale, incremental product capabilities and meaningful sales resources to bare.

During the quarter ended September 30, 2021, Mitel generated $221 million of revenue (down 1% year-over-year) and $21 million of EBITDA. The slight revenue decline can be attributed to flat UC revenue and a decline in legacy UCaaS offerings, offset by growth in Connect (up 22% year-over-year). EBITDA for the quarter was impacted by planned investments in operating expenses, primarily in cloud operations and support as well as R&D. Pro forma for the strategic transaction and partnership with RingCentral, we expect Mitel's financial profile to improve materially, which we anticipate will be reflected in future results.

Roots Corporation ("Roots"): For the second quarter of fiscal 2021 (quarter ended July 2021), Roots generated revenue of C$38.9 million and EBITDA of C$2.9 million, representing growth of 1.8% and 152.4%, respectively. Following store closures during the quarter due to provincially mandated lockdowns in April 2021, stores began re-opening in early June, with nearly all opened by the end of July 2021. Subsequent to stores re-opening, consumers started shifting back from e-commerce to bricks and mortar retail. As such, overall revenue growth was driven by a strong recovery in brick-and-mortar sales (+32.8%), partially offset by a decline in eCommerce.

EBITDA growth in the quarter was driven by the higher sales and improved gross product margins (+345 basis points) as the business continues to focus on driving reduced promotional activity, partially offset by higher payroll costs and reduced government subsidies. As a result, liquidity and leverage levels have improved significantly. Searchlight is encouraged by the progress made during this quarter, with the company well positioned for the upcoming holiday shopping season.

Shift4 Payments ("Shift4"): For the quarter ended September 31, 2021, Shift4 grew net revenue and adjusted EBITDA 69% and 94% year-over-year, respectively. Shift4 continues to see strong growth via new and larger merchant wins and the continued COVID recovery. Notable customer wins during the period include Toyota

Stadium in Frisco, Texas, T-Mobile Arena in Las Vegas, Nevada, DC United, and the Los Angeles Football Club. Shift4 has continued to make headway for payments solutions in the gaming industry by gaining 8 gaming licenses and several integrations with gaming software companies, gaming merchants, and alternative payment methods, all of which are necessary to compete and win in the vertical. Shift4 also announced an entry into four new verticals with the customer wins of Allegiant Airlines, a multibillion-dollar airline and hospitality provider, St. Jude Children's Research Hospital, an organization which opens the door to both non-profit and health care industries, and SpaceX’s Starlink broadband service.

With respect to historical acquisitions, 3DCart (now Shift4Shop) has increased site count to over 72,000 sites (from 14,000 when acquired in Q3 2020), launched a crypto acceptance service with bit pay and advanced several strategic partnerships while booking notable wins like adventurer company, Himali.

In August 2021, Searchlight conducted a block sale resulting in net proceeds of $356 million. Searchlight will continue to evaluate additional share sales going forward. As of September 30, 2021, Searchlight owns approximately 1.0 million shares and has realized 97% of the position at an implied overall return of 12.5x MoM and 80% IRR.

Uniti Group (“Uniti”): During the quarter ended September 2021, Uniti generated $267 million of revenue and $206 million of adjusted-cash EBITDA, up 3.1% and 6.6% year-over-year, respectively. The growth in EBITDA was primarily driven by increased activity in Uniti’s leasing segment, both with Windstream (through its negotiated return on tenant-capital-improvement (“TCI”) capex as part of the Windstream bankruptcy proceedings) and with third parties. This was partially offset by various asset sales that Uniti has undertaken over the past year, including the sale of its Midwest Fiber and Tower operations. In Q2 2021, Uniti completed the sale of its Uniti Fiber Northeast operations to Everstream. Given the contracted nature of Uniti’s revenues, there is little underlying volatility in earnings, other than as a result of inorganic activities (acquisitions, divestitures, etc.).

Ziply Fiber (“Ziply”): For the quarter ending September 2021, Ziply generated $128 million of revenue, down 5% year-over-year, and $45 million of adjusted EBITDA (35% margin) . Since closing a little over a year ago, Ziply has successfully assumed control of the business, transitioned off of the Transition Services Agreement, started upgrading its network to fiber, and turned around broadband subscriber growth. Today, broadband subscribers are growing at a roughly 5% annualized rate (and accelerating) and Ziply has upgraded >125k premises to fiber. Importantly, initial market receptivity to Ziply’s fiber product and pricing has been strong, with initial cohort penetration significantly outperforming our underwriting (Ziply is currently achieving ~17% penetration after ~130 days, as compared to the assumed penetration rates of 9% and 18% after 12 and 24 months, respectively). For the year-to-date period ended September 2021, Ziply averaged +2.3k residential fiber net adds per month vs. average of -0.5k during the prior year period under Frontier’s ownership. In September 2021, Ziply successfully raised an additional $350 million of Secured Notes (4.75% coupon) to fund additional fiber builds and add liquidity to the balance sheet.

Organizational Update

We are pleased to announce the addition of Owen Cartier as Managing Director, leading our Portfolio Value Creation effort in Europe. Prior to joining Searchlight in 2021, Mr. Cartier worked as a Partner at Bain & Company for 14 years across London, Madrid, Amsterdam, and Copenhagen, during which time he overlapped with Amanda Good, Head of our Portfolio Value Creation efforts. During his time at Bain, Owen worked on both private equity and listed companies on strategy, end to end execution of radical transformations, mergers / carve-outs and due diligence. Mr. Cartier received a Masters of Engineering from the University of Bristol and an MBA from Columbia Business School.

* * * * * * * * * * * *

As always, we greatly appreciate the trust and confidence that you place in our firm. Thank you for your support!

Sincerely,

Oliver Haarmann   Erol Uzumeri   Eric Zinterhofer

Performance Summary

Searchlight Capital II, L.P.

($mm)

As of September 30, 2021 Company	Date of Investment[A]	Invested Capital[B]	Realized Value[C]	Unrealized Value[D]	Total Value[E]	Gross IRR[F,H]	Gross Multiple of Invested Capital[G,I]
Roots	Dec-15	$117.4	$130.4	$42.7	$173.1	15%	1.5x
160over90	Feb-16	60.7	128.1	0.0	128.1	48%	2.1x
Shift4 Payments	May-16	150.0	1,806.9	74.3	1,881.2	80%	12.5x
Uniti Group & Windstream[2]	Jun-16	167.5	33.5	31.2	64.7	N/M	0.4x
EOLO	Dec-17	188.2	68.3	478.6	546.9	35%	2.9x
Global Eagle	Mar-18	157.6	0.0	0.0	0.0	N/M	0.0x
Rackspace	Nov-16	100.5	285.0	0.0	285.0	26%	2.8x
Fully & Partially Realized [1]		***$941.9***	***$2,452.2***	***$626.8***	***$3,079.0***	***40%***	***3.3x***
Hemisphere Media Group	Oct-16	$50.4	$0.0	$57.9	$57.9	3%	1.1x
Mitel Networks	Nov-18	207.9	0.0	207.8	207.8	N/M	1.0x
Latécoère	Jun-19	212.6	0.0	148.8	148.8	N/M	0.7x
Bezeq	Dec-19	129.9	0.0	178.9	178.9	19%	1.4x
Ziply Fiber	May-20	97.8	0.0	125.7	125.7	19%	1.3x
Unrealized		***$698.6***	***$0.0***	***$719.1***	***$719.1***	***1%***	***1.0x***
Portfolio Hedges	Feb-20		*$26.8*	*$0.0*	*$26.8*		
Total Gross Fund Performance[H,I]		**$1,640.5**	**$2,479.0**	**$1,345.9**	**$3,824.9**	**34%**	**2.3x**
Total Net Fund Performance[J,K]						**24%**	**1.9x**

1. Reflects investments in which approximately 30% or more of Searchlight's invested capital has been realized on a partnership or accounting/tax basis.

2. Reflects the aggregate combined investment amounts in Uniti Group Inc. and Windstream Holdings. Fund II invested $74.7mm in Uniti on June 10, 2016 and $92.8mm in Windstream on February 26, 2019 for a total investment of $167.5 as noted above. The current fair market value of Uniti is $31.2mm and Windstream is fully realized. Even though the investments were made at separate times, Searchlight views the investments as connected and therefore is showing them as one in the chart above.

Notes to Fund II Investment Performance

In considering prior performance information, investors and prospective investors should bear in mind that (i) past performance described herein is not indicative of future results, (ii) there can be no assurance that the Fund or any individual investment will achieve comparable results or will be able to avoid losses, including substantial or entire capital losses and (iii) in some cases the Fund utilizes a subscription facility when making investments which may have a material effect on performance as further described below. Dollar totals may not correspond to the sum of the constituents' parts because of rounding. General Partner contributions are not included for the purposes of Net IRR calculations, but are included for the purposes of invested capital, total value and Gross IRR.

A. **Date of Investment** means the date of the initial funding or the date of the first trade made by the Fund for such Portfolio Investment regardless of the source of capital (i.e., whether capital is called from the Fund's Partners or drawn from the Fund's subscription facility)
B. **Invested Capital** represents capital called from the Fund's Partners and capital considered originally funded by the Fund as a whole.
C. **Realized Value** represents the sum of proceeds generated from dispositions and distributions, cash dividends, and interest, as applicable, without including transaction fees or deducting taxes paid, compensation, or carried interest.
D. **Unrealized Value** has been determined as of September 30, 2021. The Unrealized Value represents estimated fair value calculated in accordance with US GAAP. The valuation of the Fund's non-public investments requires significant judgment by the General Partner due to the inherent lack of liquidity, restrictions as to resale and the absence of quoted market values. Actual results could materially differ from those estimates as (1) there can be no assurance that the Fund will be able to realize the Unrealized Value of such Portfolio Investments, and (2) are dependent, among other factors, on future operating results, the value of the net assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of disposition. Portfolio Investments may be held via intermediate entities or investment vehicles and, where applicable, their Unrealized Value has been determined by reference to the fair value of the net assets of such entities.
E. **Total Value** represents Realized Value plus Unrealized Value.
F. **Gross IRR** represents an annually compounded gross internal rate of return and does not reflect the deduction of any management fees, carried interest, taxes and allocable expenses borne by investors, which in the aggregate may be substantial. All IRRs presented are annualized and calculated on the basis of daily cash flows (i) the date Partner capital calls are due for such portfolio investment (ignoring the effects of subsequent fund closes) and (ii) combined Fund cash distribution outflows to Partners. IRRs for Unrealized Portfolio Investments have been calculated by assuming that the remaining interest has been sold as of September 30, 2021 at the unrealized value shown and such cash equivalent amounts are distributed to Partners. Amounts exclude allocations of net permitted Fund expenses incurred in pursuing investment opportunities that do not materialize. "N/M" indicates that the determination is not meaningful for performance reporting purposes or is used in instances where the Investment Date is less than twelve months prior as of the quarter end. When the Fund makes an investment which includes the use of the Fund's subscription facility, the Gross IRR calculation for a portfolio company does not begin until the date that capital calls from its Partners are due for such investment and the impact on performance may be material.
G. **Gross Multiple of Invested Capital** has been calculated by dividing the Total Value by the amount of the Invested Capital, which does not reflect the deduction of any management fees, carried interest, taxes, and allocable expenses borne by investors.

H. **Fund Performance Gross IRR** reflects Fund level results for the Fund's Partners using daily cash flows and is used to determine each of the Portfolio Investment level Gross IRRs, which does not reflect the deduction of any management fees, carried interest, taxes, and allocable expenses borne by investors.

I. **Fund Performance Gross Multiple of Invested Capital** represents Total Portfolio Investment Value as of the indicated date over total capital called, which does not reflect the deduction of any management fees, carried interest, taxes, and allocable expenses borne by investors.

J. **Fund Performance Net IRR** represents the gross aggregate Limited Partner IRR adjusted to reflect the deduction of any Fund management fees, carried interest, taxes and allocable expenses borne by investors, and is inclusive of any distributions payable as of the reporting date. Assumes Limited Partner allocations are in accordance with the Fund's distribution methodology, including carried interest, if any, for any Unrealized Investments and is based on Realized Value and Unrealized Value, as applicable, without including transaction fees or deducting taxes paid by such Limited Partners. Performance results for an individual Limited Partner's capital account may vary from these returns based on the timing of capital transactions, differing management fee and carried interest arrangements, etc. A Limited Partner paying the full management fees and carried interest may have net returns that are lower than those reflected in the chart. As noted above reflects the use of the Fund's subscription facility as applicable and the impact on the Fund's Net IRR may be material.

K. **Net Multiple of Invested Capital** represents the aggregate Limited Partners' capital account balance (net of any management fees, carried interest, taxes and allocable expenses borne by investors) as of September 30, 2021 divided by the net capital contributions funded to date reducing unpaid commitments. Performance results for an individual Limited Partner's capital account may vary from these returns based on the timing of capital transactions, differing management fee and carried interest arrangements, etc. A Limited Partner paying the full management fees and carried interest may have net returns that are lower than those reflected in the chart. Reflects the use of the Fund's subscription facility as applicable and as noted above such impact may be material. The Fund may be required to call additional capital contributions or use proceeds from the sale of Portfolio Investments to reduce the Fund's outstanding borrowings.

Appendix I

Searchlight Capital II (a group of related entities)

Combined Financial Statements and Supplemental Schedule of Partners' Capital For the quarter ended September 30, 2021

Contents

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Searchlight Capital II (a group of related entities)
Combined Statement of Assets, Liabilities and Partners' Capital
September 30, 2021
(Unaudited)

	As of September 30, 2021 (unaudited)		As of December 31, 2020 (audited)	
Assets				
Investments, at fair value (cost of $501,926,866 and $531,953,868 respectively)	$	695,079,047	$	987,334,213
Cash		16,407,341		935,217
Derivatives purchased, at fair value (premiums: $4,745,107 and $4,745,107 respectively)		4,750,741		1,385,710
Due from Portfolio Companies		1,207,858		154,830
Other assets		277,514		557,675
Total assets	$	717,722,501	$	990,367,645
Liabilities and Partners' Capital				
Liabilities				
Borrowings under Credit Facility (accrued interest $253,096 and $8,872 respectively)	$	15,721,946	$	9,896,776
Accrued expenses		414,869		1,482,385
Due to Management Company		448,823		57,530
Due to Portfolio Companies		4,822,063		372,545
Due to broker		4,691,494		4,526,348
Management fee payable		2,532,798		-
Other payables		-		353,095
Total liabilities		28,631,993		16,688,679
Commitments and contingencies (Note 8)				
Partners' capital				
General Partner and affiliates (Note 5)		76,797,737		111,400,442
Limited partners		612,292,771		862,278,524
Total partners' capital		689,090,508		973,678,966
Total liabilities and partners' capital	$	717,722,501	$	990,367,645

The accompanying notes are an integral part of these combined financial statements.

Searchlight Capital II (a group of related entities)
Combined Schedule of Investments – For the Fund
September 30, 2021
(Unaudited)

Investments	Country [14]	Initial Investment Date/Exit Date	Searchlight Managed Funds' Effective Ownership %	Fund: Effective Ownership %	Fund: Shares/ Units/Principal	Fund: Total Invested Capital	Fund: Current Adjusted Cost	Fund: Cumulative Realized Proceeds	Fund: Reported Value	Fund: % of Partners' Capital [1]	Fund: Investment Multiple [8]
Equity Investments:											
Realized Investments [10]											
Advertising:											
One Sixty Over Ninety, LLC											
Searchlight II TAAT, L.P.		12-Feb-16/									
Partnership Interests	US	25-Jan-18	-	-	-	$ 30,190,415	$ -	$ 63,729,546	$ -	-	2.1
Telecommunications:											
Windstream Holdings, Inc.											
Searchlight II BRZ, L.P.		26-Feb-19									
Partnership Interests	US	17-Jun-20	-	-	-	46,156,019	-	4,977,276	-	-	0.1
Global Eagle Entertainment, Inc.											
Searchlight II TBO/TBO-W, L.P.		27-Mar-18									
Partnership Interests	US	21-Jun-21	-	-	-	78,393,551	-	-	-	-	-
IT Services:											
Rackspace Technology, Inc.		03-Nov-16									
Common Stock	US	08-Jun-21	-	-	-	50,000,275	-	141,743,448	-	-	2.8
Total Realized Investments						**204,740,260**	**-**	**210,450,270**	**-**	**-**	
Unrealized or Partially Realized Investments:											
Consumer Goods:											
Roots Corporation [3]											
Common Stock	CA	01-Dec-15	48.6%	24.1%	10,163,332	59,030,505	34,109,121	65,497,258	21,219,352	3.1%	1.5
Merchant Services:											
Shift4 Payments [6][15]											
Equity Interests	US	31-May-16	1.1%	0.6%	-	74,595,833	1,641,878	898,679,476	36,946,676	5.4%	12.5
Telecommunications:											
Uniti Group Inc. [6]											
Searchlight II CLS II, L.P.											
Partnership Interests	US	10-Jun-16	100.0%	50.7%	-	37,847,907	30,390,115	11,914,040	15,820,961	2.3%	0.7
EOLO S.p.A [4][5][6][7]											
SCP EPC II UK Limited											
Common Stock	IT	22-Dec-17	70.0%	34.8%	78,289,809	93,625,884	59,646,602	33,979,282	238,072,878	34.5%	2.9
Mitel Networks Corporation [6]											
Searchlight II MLN, L.P.											
Partnership Interests	US	30-Nov-18	100.0%	15.0%	-	103,378,550	103,378,550	-	103,328,556	15.0%	1.0
Bezeq the Israel Telecommunications Corporation, Ltd. [6][12]											
Searchlight II BZQ, L.P.											
Partnership Interests	IL	26-Nov-19	100.0%	53.4%	-	68,521,133	68,521,133	-	95,451,582	13.9%	1.4
Ziply Fiber [6]											
Searchlight II OPT, L.P.											
Partnership Interests	US	01-May-20	100.0%	7.9%	-	48,634,669	48,634,669	-	62,530,226	9.1%	1.3
Total Telecommunications						352,008,143	310,571,069	45,893,322	515,204,203	74.8%	
Media:											
Hemisphere Media Group, Inc. [5][6]											
Searchlight II HMT, L.P.											
Partnership Interests	US	21-Oct-16	38.3%	38.3%	-	19,319,585	19,319,585	-	22,167,536	3.2%	
Warrants	US	21-Oct-16	61.7%	11.4%	-	5,772,436	5,772,436	-	6,623,366	1.0%	
			100.0%	49.7%		25,092,021	25,092,021	-	28,790,902	4.2%	1.1
Aircraft & Parts:											
Latécoère S.A. [4][5][6]											
SCP EPC II UK Limited											
Common Stock	FR	26-Jun-19	27.2%	13.5%	28,688,852	105,749,369	130,512,777	-	92,917,914	13.5%	0.7
Total Unrealized or Partially Realized Investments						**616,475,871**	**501,926,866**	**1,010,070,056**	**695,079,047**	**101.0%**	
Total Investments [2]						**$ 821,216,131**	**$ 501,926,866**	**$ 1,220,520,326**	**$ 695,079,047**	**101.0%**	**2.3**

The accompanying notes are an integral part of these combined financial statements.

Searchlight Capital II (a group of related entities)
Combined Schedule of Investments – For the Fund and Parallel Fund
September 30, 2021
(Unaudited)

Investments	Country [14]	Initial Investment Date/Exit Date	Searchlight Managed Funds' Effective Ownership %	Fund and Parallel Fund: Effective Ownership %	Shares/ Units/Principal	Total Invested Capital	Current Adjusted Cost	Cumulative Realized Proceeds	Reported Value	% of Partners' Capital [1]	Investment Multiple [8]
Equity Investments:											
Realized Investments [10]											
Advertising:											
One Sixty Over Ninety, LLC											
Searchlight II TAAT, L.P.		12-Feb-16/									
Partnership Interests	US	25-Jan-18	-	-	-	$ 60,700,000	$ -	$ 128,132,843	$ -	-	2.1
Telecommunications:											
Windstream Holdings, Inc.											
Searchlight II BRZ, L.P.		26-Feb-19									
Partnership Interests	US	17-Jun-20	-	-	-	92,800,000	-	10,007,175	-	-	0.1
Global Eagle Entertainment, Inc.											
Searchlight II TBO/TBO-W, L.P.		27-Mar-18									
Partnership Interests	US	21-Jun-21	-	-	-	157,615,877	-	-	-	-	-
IT Services:											
Rackspace Technology, Inc.		03-Nov-16									
Common Stock	US	08-Jun-21	-	-	-	100,529,149	-	284,985,520	-	-	2.8
Total Realized Investments						**411,645,026**	**-**	**423,125,538**	**-**	**-**	
Unrealized or Partially Realized Investments:											
Consumer Goods:											
Roots Corporation [3]											
Common Stock	CA	01-Dec-15	48.6%	48.4%	20,434,105	118,686,912	68,578,831	131,686,947	42,663,023	3.1%	1.5
Merchant Services:											
Shift4 Payments [6][15]											
Equity Interests	US	31-May-16	1.1%	1.1%	-	149,980,287	3,301,120	1,806,859,731	74,278,265	5.4%	12.5
Telecommunications:											
Uniti Group Inc. [6]											
Searchlight II CLS II, L.P.											
Partnership Interests	US	10-Jun-16	100.0%	100.0%	-	74,724,123	60,000,000	23,522,218	31,235,746	2.3%	0.7
EOLO S.p.A[4][5][6][7]											
SCP EPC II UK Limited											
Common Stock	IT	22-Dec-17	70.0%	70.0%	157,407,581	188,241,533	119,923,686	68,317,847	478,663,481	34.9%	2.9
Mitel Networks Corporation[6]											
Searchlight II MLN (CD)/MLN L.P.											
Partnership Interests	US	30-Nov-18	100.0%	30.2%	-	207,850,000	207,851,490	-	207,751,044	15.1%	1.0
Bezeq the Israel Telecommunications Corporation, Ltd. [6][12]											
Searchlight II BZQ, L.P.											
Partnership Interests	IL	26-Nov-19	100.0%	100.0%	-	128,316,957	128,316,957	-	178,748,613	13.0%	1.4
Ziply Fiber [6]											
Searchlight II OPT, L.P.											
Partnership Interests	US	01-May-20	100.0%	15.9%	-	97,783,494	97,783,494	-	125,721,493	9.2%	1.3
Total Telecommunications						696,916,107	613,875,627	91,840,065	1,022,120,377	74.5%	
Media:											
Hemisphere Media Group, Inc. [5][6]											
Searchlight II HMT, L.P.											
Partnership Interests	US	21-Oct-16	38.3%	38.3%	-	19,319,585	19,319,585	-	22,167,536	1.6%	
Warrants	US	21-Oct-16	61.7%	61.7%	-	31,129,730	31,129,730	-	35,718,647	2.6%	
			100.0%	100.0%		50,449,315	50,449,315	-	57,886,183	4.2%	1.1
Aircraft & Parts:											
Latécoère S.A. [4][5][6]											
SCP EPC II UK Limited											
Common Stock	FR	26-Jun-19	27.2%	27.2%	57,681,000	212,616,702	262,405,453	-	186,818,191	13.6%	0.7
Total Unrealized or Partially Realized Investments						**1,228,649,323**	**998,610,346**	**2,030,386,743**	**1,383,766,039**	**100.8%**	
Total Investments [2]						**$ 1,640,294,349**	**$ 998,610,346**	**$ 2,453,512,281**	**$ 1,383,766,039**	**100.8%**	**2.3**

The accompanying notes are an integral part of these combined financial statements.

Searchlight Capital II (a group of related entities)
Combined Schedule of Investments – For the Fund and Parallel Fund (continued)
September 30, 2021
(Unaudited)

Derivatives - Hedging:

Investments	Fund Notional	Total Invested Capital	Current Adjusted Cost / Premiums	Cumulative Realized Proceeds	Reported Value	% of Partners' Capital [1]	Investment Multiple [8]
Realized Options Purchased and Written:							
Exchange Traded Funds Put [13]	$ -	$ -	$ -	$ 13,327,430	$ -	0.0%	n/a
Unrealized Options Purchased / Forward Contracts:							
USD-EUR Put [9]	151,357,152	-	3,913,660	-	1,254,464	0.2%	n/a
USD-ILS Put [11]	57,743,821	831,447	831,447	-	104,339	0.0%	n/a
USD-EUR Forward [9]	234,126,607	-	-	-	3,391,938	0.5%	n/a
	$ 443,227,580	$ 831,447	$ 4,745,107	-	$ 4,750,741	0.7%	n/a

Derivatives - Hedging:

Investments	Fund and Parallel Fund Notional	Total Invested Capital	Current Adjusted Cost / Premiums	Cumulative Realized Proceeds	Reported Value	% of Partners' Capital [1]	Investment Multiple [8]
Realized Options Purchased and Written:							
Exchange Traded Funds Put [13]	$ -	$ -	$ -	$ 26,795,757	$ -	0.0%	n/a
Unrealized Options Purchased / Forward Contracts:							
USD-EUR Put [9]	304,315,000	-	7,868,710	-	2,522,195	0.2%	n/a
USD-ILS Put [11]	108,134,693	1,557,020	1,557,020	-	195,392	0.0%	n/a
USD-EUR Forward [9]	470,728,000	-	-	-	6,819,730	1.0%	n/a
	$ 883,177,693	$ 1,557,020	$ 9,425,730	$ -	$ 9,537,317	1.2%	n/a

(1) Percentage represents reported value over the Fund's combined net assets at the Fund level or the Fund and Parallel Fund's combined net assets at an aggregate level.
(2) Investments are jointly owned with affiliates (Note 1). Effective ownerships reflect the Fund's or the Fund and Parallel Fund's direct holdings, except as noted otherwise.
(3) Denominated in Canadian Dollars.
(4) Denominated in Euros.
(5) Searchlight's effective ownership of the investment is subject to fluctuation on a fair value basis as a result of portfolio company level allocation mechanics.
(6) This investment is held via intermediary entities and the combined schedule of investments reflects the Fund's or the Fund and Parallel Fund's pro-rata interest in the net assets of the intermediary entities (investments at fair value plus/minus net assets/ liabilities) on an effective look through basis (Note 3).
(7) The shares of the portfolio company, held via an intermediary entity, have been pledged as collateral for third party financing.
(8) Investment Multiple has been determined by reference to (a) the sum of (i) the current fair value for financial reporting purposes, net of certain borrowings and (ii) cumulative realized income and proceeds, as a multiple of (b) the sum of (i) the gross cumulative cash flows from net capital contributions and (ii) capital contributions called subsequent to the end of the period, if any. Total Investment Multiple calculation includes realized proceeds and income from investments.
(9) Hedging instrument established at or around investment entry/exit date for and held in connection with investment in EOLO S.p.A.
(10) Excludes realized toe-hold investments and any investment-related terminated foreign currency hedging instruments.
(11) Hedging instrument established at or around investment date for and held in connection with investment In Bezeq the Israel Telecommunications Corporation, Ltd.
(12) Denominated in Israeli Shekels.
(13) Put option hedging strategy referencing certain indices for fixed income securities and public equities with short dated expiries. Cumulative Realized Proceeds represent net realized gains from disposition less cumulative premiums paid or received on all trades.
(14) Country classification relates to the jurisdiction of ultimate investment referenced as opposed to intermediary entity, as applicable.
(15) Effective ownerships reflect the Fund and Parallel Fund's indirect ownership of the underlying portfolio company.

Searchlight Capital II (a group of related entities)
Combined Statement of Operations
For the quarter ended September 30, 2021
(Unaudited)

	Current Quarter (Jul 1, 2021 - Sep 30, 2021)	Year-to-Date (Jan 1, 2021 - Sep 30, 2021)	Inception-to-Date (Nov 11, 2015 - Sep 30, 2021)
Investment Income			
Income distributions from Portfolio Companies	$ -	$ -	$ 12,255,865
Interest income	1,135,136	1,135,640	1,135,640
Total investment income	1,135,136	1,135,640	13,391,505
Expenses			
Management fee (net of offsets, see Note 4)	3,476,328	7,218,612	87,368,314
Organizational expenses	-	-	1,305,470
Investment expenses	-	-	9,014,805
Portfolio Company expenses	234,109	503,599	573,652
Other expenses	213,556	835,431	7,083,059
Total expenses	3,923,993	8,557,642	105,345,300
Net investment income/(loss)	(2,788,857)	(7,422,002)	(91,953,795)
Realized and unrealized gain/(loss) on investments and foreign currency			
Net realized gain/(loss) on investments	174,815,426	470,517,906	869,497,295
Net realized gain/(loss) on options	-	-	13,327,428
Net realized gain/(loss) on transactions of other assets and liabilities in foreign currencies	(30,888)	(30,888)	(30,888)
Net change in unrealized gain on investments	(157,677,514)	(262,228,164)	193,152,181
Net change in unrealized gain on derivatives	3,353,292	3,365,031	5,634
Net change in unrealized gain/(loss) on translation of other assets and liabilities in foreign currencies	(52,088)	584,346	150,640
Net realized and unrealized gain/(loss) on investments and foreign currency	20,408,228	212,208,231	1,076,102,290
Net increase/(decrease) in partners' capital from operations	$ 17,619,371	$ 204,786,229	$ 984,148,495

The accompanying notes are an integral part of these combined financial statements.

Searchlight Capital II (a group of related entities)
Combined Statement of Changes in Partners’ Capital
For the quarter ended September 30, 2021
(Unaudited)

(unaudited)	Current Quarter (Jul 1, 2021 - Sep 30, 2021)			Year-to-date (Jan 1, 2021 - Sep 30, 2021)			Inception-to-Date (Nov 11, 2015 - Sep 30, 2021)		
	General Partner[1]	**Limited Partners**	**Total**	**General Partner**[1]	**Limited Partners**	**Total**	**General Partner**[1]	**Limited Partners**	**Total**
Partners' capital - beginning of period [3]	$ 103,110,579	$ 689,252,149	$ 792,362,728	$ 111,400,442	$ 862,278,524	$ 973,678,966	$ -	$ -	$ -
Capital contributions	779,285	42,927,820	43,707,105	851,943	49,887,991	50,739,934	17,881,415	915,250,094	933,131,509
Net increase/(decrease) in partners' capital from operations	561,084	17,058,287	17,619,371	4,906,360	199,879,869	204,786,229	24,881,763	959,266,732	984,148,495
Carried Interest allocation [2]	1,841,696	(1,841,696)	-	39,023,046	(39,023,046)	-	186,973,124	(186,973,124)	-
Distributions	(29,494,907)	(135,103,789)	(164,598,696)	(79,384,054)	(460,730,567)	(540,114,621)	(152,938,565)	(1,075,250,931)	(1,228,189,496)
Partners' capital - September 30, 2021	$ 76,797,737	$ 612,292,771	$ 689,090,508	$ 76,797,737	$ 612,292,771	$ 689,090,508	$ 76,797,737	$ 612,292,771	$ 689,090,508

Total Commitment - September 30, 2021	$ 21,295,000	$ 943,107,208	$ 964,402,208	$ 21,295,000	$ 943,107,208	$ 964,402,208	$ 21,295,000	$ 943,107,208	$ 964,402,208
Unfunded commitment - beginning of period (Note 5) [3]	8,593,244	278,223,452	286,816,696	8,613,127	276,078,519	284,691,646	-	-	-
Increase in new commitments	-	-	-	-	-	-	21,295,000	943,107,208	964,402,208
Less contributions called - Fund	(779,285)	(42,927,820)	(43,707,105)	(851,943)	(49,887,991)	(50,739,934)	(17,333,555)	(916,661,029)	(933,994,584)
Contributions not impacting unfunded commitment	-	-	-	-	-	-	136,513	-	136,513
Plus recallable distributions	-	-	-	52,775	9,105,104	9,157,879	3,930,783	208,849,453	212,780,236
Distributions not impacting unfunded commitment	-	-	-	-	-	-	(214,782)	-	(214,782)
Unfunded commitment - September 30, 2021	$ 7,813,959	$ 235,295,632	$ 243,109,591	$ 7,813,959	$ 235,295,632	$ 243,109,591	$ 7,813,959	$ 235,295,632	$ 243,109,591

Searchlight Capital II and Parallel Fund

(unaudited)	Current Quarter (Jul 1, 2021 - Sep 30, 2021)			Year-to-date (Jan 1, 2021 - Sep 30, 2021)			Inception-to-Date (Nov 11, 2015 - Sep 30, 2021)		
	General Partner[1]	**Limited Partners**	**Total**	**General Partner**[1]	**Limited Partners**	**Total**	**General Partner**[1]	**Limited Partners**	**Total**
Total commitment	$ 39,000,000	$ 1,900,000,000	$ 1,939,000,000	$ 39,000,000	$ 1,900,000,000	$ 1,939,000,000	$ 39,000,000	$ 1,900,000,000	$ 1,939,000,000
Unfunded commitment - beginning of period	15,988,109	571,836,001	587,824,110	16,030,261	567,493,817	583,524,078	-	-	-
Increase in new commitments	-	-	-	-	-	-	39,000,000	1,900,000,000	1,939,000,000
Less contributions called	(1,398,714)	(86,210,343)	(87,609,057)	(1,531,782)	(100,166,664)	(101,698,446)	(31,422,304)	(1,835,309,746)	(1,866,732,050)
Plus recallable distributions	-	-	-	90,916	18,298,505	18,389,421	7,011,699	420,935,404	427,947,103
Unfunded commitment - September 30, 2021	$ 14,589,395	$ 485,625,658	$ 500,215,053	$ 14,589,395	$ 485,625,658	$ 500,215,053	$ 14,589,395	$ 485,625,658	$ 500,215,053

[1] Includes General Partner and affiliates (see note 5).

[2] Carried Interest allocation is related to the net unrealized and realized appreciation of portfolio investments.

[3] Audited as of December 31, 2020 as applicable.

The accompanying notes are an integral part of these combined financial statements.

Searchlight Capital II (a group of related entities)
Combined Statement of Cash Flows
For the quarter ended September 30, 2021
(Unaudited)

	Current Quarter (Jul 1, 2021 - Sep 30, 2021)	Year-to-Date (Jan 1, 2021 - Sep 30, 2021)	Inception-to-Date (Nov 11, 2015 - Sep 30, 2021)
Cash flows from operating activities			
Net increase/(decrease) in partners' capital from operations	$ 17,619,371	$ 204,786,229	$ 984,148,495
Adjustments to reconcile net increase/(decrease) in partners' capital from operations to cash provided by/(used in) operating activities:			
Net change in unrealized gain on investments	157,677,514	262,228,164	(193,152,181)
Net change in unrealized gain on derivatives	(3,353,292)	(3,365,031)	(5,634)
Net change in unrealized (gain)/loss on translation of other assets and liabilities in foreign currencies	(293,208)	(939,787)	(520,374)
		-	
Net realized (gain)/loss on investments	(174,815,426)	(470,517,906)	(869,497,295)
Net realized (gain)/loss on options	-	-	(13,327,428)
(Increase)/decrease in other assets	(184,346)	280,161	(277,514)
Increase/(decrease) in accrued expenses	8,512	14,046	414,869
Increase/(decrease) in due to Management Company	72,945	391,293	448,823
Increase/(decrease) in management fee payable	1,223,000	2,532,798	2,532,798
Increase/(decrease) in other payables	(40,170)	(353,095)	-
Increase/decrease in due to broker	56,316	165,146	777,834
Increase/(decrease) in loan interest payable	95,451	253,096	253,096
Increase/decrease in due to/from Portfolio Companies	22,892,397	3,241,643	3,408,924
Net purchases of investments, at cost	(62,900,220)	(66,190,765)	(933,164,138)
Proceeds from dispositions of investments and returns of capital	190,161,794	565,832,555	1,300,972,317
Payments for option contracts	-	-	(11,674,651)
Proceeds from option contracts	-	-	24,170,632
Net cash provided by/(used in) operating activities	148,220,638	498,358,547	295,508,573
Cash flows from financing activities			
Capital contributions	43,707,105	50,739,934	933,131,509
Borrowings under Credit Facility	48,486,244	75,457,385	563,465,620
Repayment of borrowings under Credit Facility	(62,547,407)	(68,969,121)	(547,508,865)
Distributions to Partners	(164,598,696)	(540,114,621)	(1,228,189,496)
Net cash provided by/(used in) financing activities	(134,952,754)	(482,886,423)	(279,101,232)
Net change in cash	13,267,884	15,472,124	16,407,341
Cash			
Beginning of period	3,139,457	935,217	-
End of period	$ 16,407,341	$ 16,407,341	$ 16,407,341
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest	$ 65,281	$ 66,628	$ 1,141,848

The accompanying notes are an integral part of these combined financial statements.

1. Organization

Searchlight Capital II (the “Fund”) is comprised of Searchlight Capital II, L.P. (the “Partnership”), its Alternative Investment Vehicles (“AIVs”), as described below, and its wholly owned consolidated subsidiaries used for investment transactions and other purposes. The Partnership is a Cayman Islands exempted limited partnership which commenced operations on November 11, 2015, the date of the initial capital call. The Fund is expected to terminate on December 17, 2025, unless terminated earlier or extended in accordance with the provisions of the Fourth Amended and Restated Exempted Limited Partnership Agreement dated November 10, 2015 (as further amended on July 1, 2020, the “Partnership Agreement”).

Searchlight Capital Partners II GP, L.P. (the “General Partner”), a Cayman Islands exempted limited partnership, is the general partner of the Fund. Pursuant to the Partnership Agreement, the General Partner elected to terminate the Partnership’s Commitment Period (the “Commitment Period”) effective July 1, 2020.

Searchlight Capital Partners, L.P. (the “Management Company”), a Delaware limited partnership and an affiliate of the General Partner, provides management and investment assistance and advice, as well as administrative services to the Fund. The Management Company is a registered investment advisor under the Investment Advisors Act of 1940, as amended.

The principal purpose of the Fund is to make private equity and distressed investments in North American and European businesses.

The Fund invests on a side-by-side basis with Searchlight Capital II PV, L.P. (the “PV Fund”) and as needed any related AIVs (collectively the “Parallel Fund”). The Fund and Parallel Fund invest and divest proportionally in investments, as applicable. The co-investment percentages of the Fund and the Parallel Fund are generally based upon the relative capital commitments to the Fund and the PV Fund.

The Partnership Agreement provides for investments to be held directly by the Partnership or AIVs, which are investment vehicles used for the purpose of holding investments alongside the Partnership, due to legal, tax, regulatory or other similar reasons. As of September 30, 2021, the Partnership’s AIVs are Searchlight Capital II (FC) AIV, L.P., (“FCAIV”), Searchlight Capital II (FC) AIV II, L.P., (“FCAIVII”), Searchlight Capital II EXU AIV, L.P., (“EXUAIV”) and Searchlight Capital II USD AIV, L.P., (“USAIV”), all Delaware limited partnerships, as well as Searchlight Capital II UNR AIV, L.P., (“UNRAIV”), and Searchlight Capital II (FC) MLN AIV, L.P. (“FCMLNAIV”), both Cayman Islands exempted limited partnerships. These AIVs are established for Limited Partners of the Partnership and the PV Fund. All contributions, distributions and allocations made to or by the AIVs from or to partners, where applicable, are aggregated with those of the Partnership for reporting contributions, distributions and allocations made pursuant to the Partnership Agreement.

The Fund and the Parallel Fund have total combined capital commitments of approximately $1.9 billion, of which $39.0 million has been committed by the General Partner and Searchlight Capital Advisors II, L.P. (“its affiliated Limited Partner”, collectively the “Sponsor”). The Fund itself has capital commitments of approximately $964.4 million, or 49.7% of the combined capital commitments, including approximately $21.3 million from the Sponsor.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Fund's combined financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Fund is considered an investment company under GAAP and follows the accounting and reporting guidance applicable to investment companies.

The General Partner has concluded that given the common ownership of the Partnership and the AIVs, presentation of the financial statements on a combined basis provides the most meaningful information. The combined financial statements include the accounts of the Fund and its subsidiaries in which it has a controlling interest. The Fund uses various subsidiaries to make investment transactions, undertake financing or for other special purposes. The Fund consolidates those subsidiaries which are wholly-owned investment companies. All inter-entity transactions and balances within the combined group are eliminated upon combination.

Use of Estimates

The preparation of combined financial statements in conformity with GAAP requires the General Partner 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 combined financial statements and the reported amounts of revenues and expenses during the period. In particular, estimates are made relating to the fair value of investments. Actual results could materially differ from those estimates.

Investment Income, Operating Expenses and Investment Transactions

Interest income is recognized on an accrual basis and includes amortization and accretion of premiums and discounts, respectively, if any. Interest income is not accrued when collection is in doubt. The Fund may have portfolio investments which contain a payment-in-kind, or PIK provision. The PIK interest is added to the cost basis and principal of the investment and recorded as income. Dividend income is recorded on the ex-dividend date and when reasonable expectation of collection exists. Distributions from portfolio companies are recognized as income or return of capital based on information reported by each respective portfolio company. Operating expenses consist of permitted Fund expenses in accordance with the terms of the Partnership Agreement, which are accrued as incurred. Such expenses generally include audit fees, tax preparation fees and other expenses associated with the operation of the Fund.

Investment transactions are recorded on trade date or when contractual obligations or closing conditions have been met or satisfied. Realized gains and losses are recorded on a specific identification basis. Unrealized gains and losses represent the difference between the fair value and the Fund's cost basis in such investment.

Pre-acquisition deal costs incurred in connection with the evaluation of specific investments are deferred and capitalized as a component of the cost basis of such investments when the transactions are consummated, are recorded as other assets on an interim basis, or are recorded as investment expenses when management believes the transaction will not be consummated. Post-acquisition costs incurred in connection with the ongoing holding of portfolio company investments are expensed as incurred.

Debt issuance costs are the costs of setting up the Fund's revolving Credit Facility. Such costs are capitalized as an asset and are amortized over the term of the facility. The Credit Facility can be drawn upon and repaid as needed, subject to the terms of the facility.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation

The Fund applies the authoritative guidance under GAAP on fair value measurements and disclosures. The guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The guidance provides a consistent definition of fair value which focuses on an exit price, which is the price that would be expected to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The valuation of non-public investments requires significant judgment by the General Partner due to the absence of quoted market values, inherent lack of liquidity, and the long-term nature of such assets. Valuations are reviewed periodically using a market and/or income approach, as appropriate, utilizing available market data and where possible precedent transactions to determine if the carrying value of these investments should be adjusted. The General Partner evaluates non-public investments using recent available financial statements and forecasts. The General Partner also consults with the portfolio investments' senior management to obtain further updates on the portfolio company's performance, including information such as industry trends, new product development and other operational matters. Non-public investments may also be valued at their original transaction price, where applicable, for a period of time after an acquisition as the best indicator of fair value. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values in the investment's principal market under current market conditions. For certain investments, the General Partner may determine fair value by aggregating the individual fair values of portions of the company. This may be the case in situations where an underlying company has distinct segments where market participants would apply different metrics to value each segment, as applicable. In such circumstances, the General Partner may first determine the fair value of each segment and then aggregate the values to determine the overall fair value of the investment.

Under the market approach, the General Partner typically uses the enterprise value methodology to determine the fair value of an investment. There is no one methodology to estimate enterprise value, and for any one portfolio investment, enterprise value is generally best expressed as a range of values, from which the General Partner judgmentally derives a single estimate of enterprise value. The market approach generally consists of valuations derived by reference to observable valuation measures for comparable companies or transactions (e.g., multiplying a key performance metric of the investee company such as EBITDA, EBIT, EBITDA less capital expenditures, revenues or projected net earnings by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted by the General Partner for differences as a result of company-specific issues, the lack of liquidity inherent in a non-public investment and the fact that comparable public companies are not identical to the companies being valued.

The income approach provides an indication of fair value based on the present value of future cash flows that a portfolio investment or security, such as an individual debt investment, is expected to generate. The most widely used methodology is the discounted cash flow method. Inherent in the discounted cash flow method are assumptions of expected results and a calculated discount rate.

The General Partner prepares a weighted average cost of capital for use in the discounted cash flow model for each investment, based on factors including, but not limited to: current pricing and credit metrics for similar proposed or executed investment transactions of private companies; the portfolio company's historical financial results and outlook; and the portfolio company's current leverage and credit quality as compared to leverage and credit quality as of the date the investment was made.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation (continued)

In addition, in deriving valuations a variety of additional factors are reviewed by the General Partner, including, but not limited to, subsequent rounds of financing and pending sales transactions with third-parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third-party financing environment. In determining valuation adjustments resulting from the investment review process, emphasis is placed on market participants' assumptions and market-based information over entity-specific information.

For debt investments for which there is no or limited secondary market trading, the primary valuation technique used to estimate the fair value is the discounted cash flow method. However, if there is deterioration in credit quality or a debt investment is in workout status, the Fund may consider other methods in determining the fair value, including the value attributable to the debt investment from the enterprise value of the portfolio investment or the proceeds that would be received in a liquidation analysis. The General Partner's discounted cash flow models estimate a range of fair values by applying an appropriate discount rate (for example, using an estimated implied yield based on comparable debt securities) to the future cash flow streams of its debt investments, based on future interest and principal payments as set forth in the associated loan agreements.

The General Partner may also consider the following factors when determining the fair value of debt investments: the portfolio investment's ability to make future scheduled payments; prepayment penalties; estimated remaining life; the nature and realizable value of any collateral; and changes in the interest rate environment and the credit markets that generally may affect the price at which similar investments may be made. The General Partner estimates the remaining life of its debt investments to generally be the estimated holding period of the instrument, as the Fund generally intends to hold its loans for investment purposes, subject to changes in the capital structure. However, if the General Partner has information available to it that the loan is expected to be repaid in the near term, it would use an estimated remaining life based on the expected repayment date.

Investments may also include debt instruments traded in the over-the-counter market or publicly-held equity investments. Such publicly-held equity investments are generally obtained on open markets for the purposes of a take-private transaction, through the initial public offering of privately-held equity investments or in connection with a private transaction. Publicly-held investments that trade on an active exchange are marked-to-market at the quoted public value, less adjustments for security level restrictions, where applicable. Discounts for restrictions are estimated by analyzing the length of the restriction period and the volatility of the equity security and result in the security not being classified as level 1 in the fair value hierarchy. Debt instruments traded in the over-the-counter ("OTC") market are generally fair valued at the mid-point of the bid and asked quotes obtained from pricing services or from dealers and market makers in the instruments, if available.

The Fund may receive warrants from its portfolio investments or acquire warrants of its portfolio investments upon making an investment in the debt or equity of the target company or intermediary entity. The Fund or its portfolio investments may enter into derivative transactions, such as purchasing or writing options, to manage or obtain exposure to an underlying reference input or instrument, such as equities, debt securities, or related indices as well as foreign currencies. The fair value of OTC warrants, options and similar instruments are valued using the Black-Scholes option pricing model. This pricing model takes into account the contract terms (including maturity) as well as multiple inputs, including implied volatility, interest rates, forward rates and the fair value of the underlying assets. The fair value of warrants or options which are listed on an active exchange, are valued at their last reported sales price as of the valuation date.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation (continued)

Furthermore, while the General Partner believes its valuation methods are appropriate, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different estimate of fair value at the reporting date. The General Partner's estimates are based on historical experiences and other factors, including expectations of future events that the General Partner believes to be reasonable under the circumstances. Those estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and these differences could be material to the combined financial statements. The net changes in fair value of unrealized investments are included in net change in unrealized gain/(loss) on investments in the combined statement of operations. A realized loss is recognized in the combined statement of operations when an investment is written down and no estimated recoverable amounts are expected by the General Partner.

The guidance also establishes a hierarchical framework which categorizes and ranks the level of market price observability used in measuring fair value and requires enhanced disclosures about fair value measurements. Market price observability is impacted by a number of factors, including the type of investment, the characteristics specific to the investment, and the state of the marketplace (including the existence and transparency of transactions between market participants). Investments with readily available, actively quoted or published prices or for which fair value can be measured from actively quoted or published prices in an orderly market will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments recorded at fair value are categorized based upon the level of observability and judgment associated with the inputs used to measure their fair value. Hierarchical levels directly related to the amount of subjectivity associated with inputs to fair valuation of these assets are as follows:

Level 1 – Quoted or published prices are available in active markets for identical investments as of the reporting date. The type of investments included in level 1 includes listed equities, actively-traded fixed income securities, and warrants or options which are listed on an active exchange. As required by GAAP, the Fund does not adjust the quoted or published price for these investments, even in situations where the Fund may hold a large position and a sale could reasonably impact the quoted price.

Level 2 – Pricing inputs are other than quoted or published prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Publicly-held investments with security level restrictions and investments valued based on certain broker dealer and/or pricing service quotes are classified in level 2 of the fair value hierarchy.

Level 3 – Pricing inputs are unobservable and significant to the overall fair value measurement for the investment. Includes situations where there is little, if any, market activity for the investment and investments for which only one broker quote is available or for which it is unclear if brokers are willing to transact at a quoted price and therefore alternative valuation procedures may need to be undertaken. The inputs into the determination of fair value require significant management judgment or estimation. Non-public private equity investments are classified in level 3 of the valuation hierarchy.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation (continued)

The fair value of OTC derivative contracts depends on the contractual product and transaction terms and can be modeled taking into account the counterparties' creditworthiness and using a series of techniques, including simulation models. Many pricing models do not entail material subjectivity because the methodologies employed do not necessitate significant judgments, and the pricing inputs are observed from actively quoted markets, as is the case of interest rate swap and option contracts. OTC derivative products valued using pricing models may fall into this category and would be reported within level 2 of the fair value hierarchy.

Investments where the portfolio investments are held via intermediary entities or where such portfolio investments are structured as partnerships are generally fair valued based on the net assets of such portfolio investment as a practical expedient. The net assets of such underlying entities or portfolio investments are generally valued based on each underlying investment within such entity taking into consideration the Fund's valuation policies.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The valuation process involved for portfolio investments categorized as level 3 is designed to subject the valuation of level 3 investments to an appropriate level of consistency, oversight, and review. The Management Company has established a valuation committee (the "Valuation Committee"), comprised of individuals from the Management Company, which is responsible for overseeing and determining the valuation of investments held by the Fund. The Valuation Committee meets quarterly and on an as-needed basis to review the methodology and/or significant inputs used in the fair valuation and changes in fair value. For investments held by the Fund or intermediary entities and classified as level 3, the investment professionals with responsibility for the underlying portfolio company prepare preliminary valuations using the methodologies described above which are first reviewed by the finance and operations team. These preliminary valuations are then reviewed by the Valuation Committee. After reflecting any input from the Valuation Committee, the final valuations are then re-reviewed where applicable and approved.

Foreign Currency Translation

The combined financial statements and the books and records of the Fund are maintained in U.S. Dollars. Assets and liabilities denominated in non-U.S. Dollar currencies are translated into U.S. Dollar equivalents using valuation date exchange rates, while revenues and expenses are translated at the transaction date exchange rates or average quarterly exchange rates as applicable.

The Fund does not isolate the portion of the results of operations arising as a result of changes in foreign exchange rates from the fluctuations arising from changes in the value of investments during the period. Foreign currency exchange differences arising on translation and realized gains and losses on disposals or settlements of other assets and liabilities denominated in foreign currencies are recognized within net change in unrealized gain/(loss) on translation of other assets and liabilities in foreign currencies and net realized gain/(loss) on transactions of other assets and liabilities in foreign currencies, respectively, in the combined statement of operations.

2. Summary of Significant Accounting Policies (continued)

Cash

Cash consists of cash on deposit with financial institutions. At September 30, 2021, the Fund's cash balance was approximately $16.4 million and principally held at Citibank, N.A., with certain holdings at JPMorgan Chase Bank, N.A. Additional information on cash receipts and payments is presented in the combined statement of cash flows.

Due from/to Portfolio Companies

Amounts due from/to portfolio companies represent short-term advances transacted in the ordinary course of business in connection with funding requirements, expenses paid for or by the portfolio companies, or other amounts receivable from or payable to the portfolio companies. These amounts are recorded in the combined financial statements at cost which the General Partner believes approximates fair value.

Due from/to Broker

Amounts due from/to broker represent amounts receivable from/owed to counterparties of derivative hedge transactions.

Taxes

The Partnership, FCMLNAIV, and UNRAIV, (collectively the "Cayman Entities") are governed by The Exempted Limited Partnership Law (Revised) in the Cayman Islands and have received undertakings by the Cayman Islands' government that no taxes of any kind will be levied on the Cayman Entities for fifty years from the date the Cayman Islands decides to levy taxes. The Cayman Entities have elected to be treated as partnerships for U.S. tax purposes. The remaining AIVs are Delaware limited partnerships. As such, the Fund is treated as transparent from a tax perspective, profits and losses are attributed to partners such that they are then taxed on their respective share resulting in taxation not being provided for in the Fund's financial statements. No provision is made in the accompanying combined financial statements for partnership level U.S. federal, state, or local taxes, since any such liabilities are generally the responsibility of individual partners and not the Fund, except as a result of a U.S. federal tax audit assessment. The Fund may be subject to taxes imposed in other countries in which it invests. Such taxes are generally based on investment income and/or gains earned.

However, (i) certain U.S. dividend income and interest income may be subject to a maximum 30% withholding tax at the Federal level, (ii) the disposition of U.S. investments treated as partnerships for U.S. tax purposes may result in withholding taxes under certain circumstances. This is a result of the investment structure or in the absence of treaty benefits for those Limited Partners that are foreign entities or foreign individuals. Further, certain non-U.S. dividend income may be subject to tax at prevailing treaty or standard withholding rates with the applicable country or local jurisdiction. The Fund files an income tax return in the U.S. federal jurisdiction and may file income tax returns in various U.S. states and foreign jurisdictions.

2. Summary of Significant Accounting Policies (continued)

Taxes (continued)

In addition, where applicable, the Fund's subsidiaries or intermediary entities (collectively the "Subsidiaries") use the liability method in accounting for income taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, using statutory tax rates in effect for the period in which the temporary differences are expected to reverse. A valuation allowance is provided against deferred tax assets when it is more likely than not that some portion or all of the deferred tax asset will not be realized. Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses. Taxable income generally excludes net unrealized appreciation or depreciation, as investment gains or losses are not included in taxable income until they are realized. The Subsidiaries hold certain portfolio investments for the Fund.

The Subsidiaries are not consolidated with the Fund for income tax purposes and may generate income tax expense as a result of their ownership of various portfolio investments. Pursuant to the Partnership Agreement, such income tax expense or withholding tax, where applicable, is attributed to the Limited Partner that holds an indirect interest in the related portfolio investment via the Subsidiary. For financial statement purposes such attributed taxes are initially treated as an advance and are reflected in the Fund's combined statement of changes in partners' capital as a net change in advances for withholding and blocker taxes.

Authoritative guidance on accounting for and disclosure of uncertainty in tax positions requires the General Partner to determine whether a tax position of the Fund is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more-likely-than-not threshold, the tax amount recognized in the combined financial statements is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. At September 30, 2021, the General Partner has determined that no reserve is necessary due to the absence of uncertain tax positions and does not believe that this position will change within the next twelve months.

The Fund files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Fund is subject to examination by federal, state, local, and foreign jurisdictions, where applicable. Generally, the Fund is subject to income tax examinations by major taxing authorities during the three-year period prior to the current fiscal year.

3. Investments

As of September 30, 2021, the Fund's investments reported at fair value have been categorized based on a fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Other Investments	Total
			(in millions)		
Investments and derivative assets, at fair value					
Common Stock	$ 21.2	$ 3.2	$ 331.0	$ -	$ 355.4
Partnership Interests	-	-	-	333.0	333.0
Warrants	-	-	-	6.6	6.6
Options	-	1.4	-	-	1.4
Currency Forward Contracts	-	3.4	-	-	3.4
Total Investments and derivative assets, at fair value	$ 21.2	$ 8.0	$ 331.0	$ 339.6	$ 699.8

3. Investments (continued)

Other Investments held within partnership interests or related warrants are fair valued based on their net assets as a practical expedient and are classified as other investments in the valuation hierarchy.

The level 3 investment values have been estimated by the General Partner using the market approach, the income approach, precedent transactions, and other valuation techniques in the absence of readily ascertainable fair values. Significant level 3 unobservable inputs are summarized below:

Quantitative Information about Level 3 Fair Value Measurements

	Fair Value at September 30, 2021 (in millions)	Valuation Methodology	Unobservable Inputs	Value/Range	Weighted Average
Equity Interests	$331.0	Market approach	EBITDA multiple	10.7x	10.7x
			Revenue multiple	1.5x	1.5x
			Liquidity discount	0% - 10%	7%
		Income approach	Discount rate	6.9% - 9.8%	7.7%
			Terminal EBITDA multiple	5.5x - 6.0x	5.6x
		Precedent transactions	EBITDA multiple	10.9x	10.9x

The classification of investments within level 3 is based upon the significance of the unobservable inputs to the overall fair value measurement. However, level 3 investments may include, in addition to the use of unobservable inputs, observable inputs (that is, inputs that are actively quoted, published or can be validated to market sources and data); accordingly, gains and losses may include changes in fair value due in part to changes in observable inputs that are part of the valuation methodology.

Purchases and transfers of investments classified within level 3 for the quarter ended September 30, 2021 as follows:

	Common Stock
Purchases	$ 64,256,283
Transfers in/(out) of Level 3	-

The Fund and Parallel Fund hold a 48.4% interest in Roots Corporation (“Roots”), a publicly traded Canadian Corporation. Roots is a heritage branded apparel retailer operating in Canada, Asia and the United States within a global e-commerce delivery model. Following the company’s IPO in 2017, the investment in Roots is classified as level 1 in the valuation hierarchy.

3. Investments (continued)

The Fund and Parallel Fund ultimately hold an investment in Shift4 Payments, LLC (“Shift4”), a leading provider of integrated payment processing and point of sale solutions in the U.S. Following Shift4’s IPO and related activity, the Fund’s interest in Shift4 is held via (1) less than 0.1 million Class C shares and 0.4 million Class B shares in Shift4 Payments, Inc, and (2) partnership interests in Searchlight II GWN, L.P. (“SGWN LP”), a Delaware limited partnership (0.5 million Class C shares, 0.4 million Class B shares and partnership interests in SGWN LP for the Fund and Parallel Fund). In connection with Shift4’s IPO, the Fund, Parallel Fund and SGWN LP also entered into a Tax Receivable Agreement (“TRA”) with Shift4 Payments, Inc. and are entitled to future receipts based on certain realized tax savings by the company. As of September 30, 2021, the Fund and company have fully reserved against such TRA. As of September 30, 2021, the Fund effectively has a 0.6% interest in Shift4 (1.1% for the Fund and Parallel Fund). During the quarter ended September 30, 2021, the Fund distributed net proceeds of $164.6 million ($330.9 million for the Fund and Parallel Fund) from a partial sale of its interest in Shift4.

The Fund and Parallel Fund ultimately hold an equity interest in Uniti Group Inc. (“Uniti”), a publicly traded U.S. based real estate investment trust focused on broadband communications infrastructure. The Fund’s pro-rata ownership of 3.4 million Uniti common shares (6.7 million for the Fund and Parallel Fund) is indirectly held via its partnership interest in Searchlight II CLS II, L.P. (“SCSL II LP”), a Delaware limited partnership. As of September 30, 2021, the fair value of the consolidated net assets of SCSL II LP was $31.2 million, principally comprised of (1) the investment in Uniti common shares with a fair value of $83.1 million, net of (2) financing of $54.4 million, including accrued interest, due in 2021 under the revolving credit agreement with Citibank, N.A. to which SCSL II LP is a party, and (3) other net assets of $2.5 million, principally comprised of cash, amounts receivable from the Fund and Parallel Fund, and dividends receivable. The Fund entered into a covered call options hedging strategy with written options on the Uniti shares with a value of $0.6 million as of quarter-end.

The Fund and Parallel Fund ultimately hold an equity interest in Hemisphere Media Group, Inc. (“HMTV”), a publicly traded Spanish-language media operator with cable networks and broadcast television assets in the United States, Puerto Rico and Latin America. The Fund’s indirect pro-rata economic ownership of 7.8 million HMTV Class B common shares (15.7 million Class B common shares for the Fund and Parallel Fund) is held via partnership interests and warrants in Searchlight II HMT, L.P. (“SHMT LP”), a Delaware limited partnership. As of September 30, 2021, the fair value of the net assets of SHMT LP was $57.9 million, principally comprised of (1) the investment in Gato Investments LP with a fair value of approximately $192.1 million, principally comprised of HMTV Class B shares, net of (2) debt financing of $132.9 million, including accrued interest, due in 2021 under the revolving credit agreement with Citibank N.A. to which SHMT LP is a party, and (3) other net liabilities of $1.3 million, principally amounts receivable from the Fund and Parallel Fund.

The Fund and Parallel Fund hold an equity interest in EOLO S.p.A. (“EOLO”), a fixed wireless access broadband provider in Italy, active in residential and business markets. The Fund’s indirect pro-rata economic ownership of 1.3 million EOLO Class B common shares (2.6 million class B shares for the Fund and Parallel Fund representing an effective 47.4% interest in EOLO) is held via SCP EPC II UK Ltd (“EPC II”), a UK operating entity held by the Fund, Parallel Fund and third-party investors. As of September 30, 2021, the fair value of the net assets of EPC II representing an indirect interest in EOLO, was $495.3 million, on a U.S. Dollar equivalent basis, principally comprised of (1) the investment in EOLO common shares with a fair value of $592.0 million, net of (2) debt financing of $103.8 million due in 2024 under the PIK facilities agreement with third-party financing providers, and (3) other net assets of $7.1 million, principally comprised of cash. Subsequent to September 30, 2021, the Fund and Parallel Fund sold their interest in EOLO.

3. Investments (continued)

In connection with its investment in EOLO, the Fund entered at origin into a put option hedge with Nomura Holdings PLC, to sell €136.8 million for an aggregate long exposure of $151.3 million (€275.0 million and $304.3 million, respectively, for the Fund and Parallel Fund on a combined basis) in December 2017. The option contract provides the Fund the right, but not the obligation, to sell the specified amount of Euro currency at the contracted price on December 19, 2022. The total premium cost of the put option hedge, including financing charges, of approximately $5.0 million ($10.0 million for the Fund and Parallel Fund) is due on expiry of the option in December 2022 or at exercise and has been committed by the Fund, subject to certain conditions. The put option is classified as level 2 in the valuation hierarchy.

Furthermore, in connection with its investment in EOLO, the Fund also entered on July 22, 2021 into a forward currency contract hedge with Nomura Holdings PLC, to sell €198.9 million for an aggregate long exposure of $234.1 million (€400.0 million and $470.7 million, respectively, for the Fund and Parallel Fund on a combined basis). The forward currency contract requires the Fund to sell the specified amount of Euro currency at the contracted price on the closing date for the sale of EOLO. The forward currency contract is classified as level 2 in the valuation hierarchy. The net change in unrealized gain on these two hedging derivatives during the quarter of $3.4 million has been included in the combined statement of operations. Subsequent to September 30, 2021, the Fund has exercised the forward currency contract hedge.

The Fund, Parallel Fund and a Searchlight managed investment vehicle hold controlling interests in Mitel Networks Corporation and Clearspan, a former affiliate (collectively "Mitel"), privately held providers of voice and unified communications services to businesses in primarily North America and Europe, and including Asia. The Fund's investment in Mitel is held via a partnership interest in Searchlight II MLN, L.P., a Cayman Islands exempted limited partnership ("SLMLN"). As of September 30, 2021, the fair value of the consolidated net assets of SLMLN was $688.9 million, principally comprised of the investment in Mitel. Subsequent to September 30, 2021, the Fund, Parallel Fund, and a Searchlight managed investment vehicle, made a follow-on in Mitel in order to enable a strategic transaction.

The Fund, Parallel Fund and a Searchlight managed investment vehicle indirectly hold a controlling interest (approximately 75.4%) in Latécoère S.A. ("Latécoère"), a publicly traded leading Tier-1 aerospace manufacturer of aerostructures and interconnection systems. The Fund's pro-rata economic ownership in 117.8 million Latécoère common shares (400.2 million shares for the Fund, Parallel Fund and a Searchlight managed investment vehicle) are held via SCP EPC II UK Ltd ("EPC II"), a UK operating entity held by the Fund, Parallel Fund and third-party investors. As of September 30, 2021, the fair value of the net assets of EPC II representing an indirect interest in Latécoère, was $188.9 million, on a U.S. Dollar equivalent basis, principally comprised of the investment in Latécoère common shares. During the quarter ended September 30, 2021, the Fund participated in the rights offering completed by Latécoère, received a full repayment on the shareholder loan, including associated amounts, and completed an ownership transfer of Technical Airborne Components to Latécoère.

3. Investments (continued)

The Fund and Parallel Fund hold an equity interest in Bezeq the Israel Telecommunications Corporation, Ltd. ("Bezeq"), a publicly traded communications services operator providing fixed-line broadband and voice, mobile, and pay-TV services to consumers and businesses in Israel. The Fund's indirect pro-rata economic ownership of 37.4 million B Communications ("Bcom") common shares (70.0 million common shares for the Fund and Parallel Fund) is held via a partnership interest in Searchlight II BZQ, L.P. ("SLIIBZQ"), a Cayman Islands exempted limited partnership. Bcom is a publicly traded holding company that owns a 26.3% stake in Bezeq. As of September 30, 2021, the fair value of the net assets of SLIIBZQ was $178.7 million, on a U.S. Dollar equivalent basis, principally comprised of the Israeli Shekel investment in Bcom common shares.

In connection with its investment in Bezeq, the Fund entered at origin into a put option hedge with Citibank, N.A., to sell ILS 220.5 million for an aggregate long exposure of $57.7 million (ILS 413.0 million and $108.1 million, respectively, for the Fund and Parallel Fund on a combined basis) in December 2019. The option contract provides the Fund the right, but not the obligation, to sell the specified amount of Israeli Shekel currency, at the contracted price on December 1, 2022. The upfront premium cost of the put option hedge, was approximately $0.8 million ($1.6 million for the Fund and Parallel Fund). The put option is classified as level 2 in the valuation hierarchy. The net change in unrealized loss on the option during the quarter of $0.1 million has been included in the combined statement of operations.

The Fund, Parallel Fund, and other Searchlight managed investment vehicles hold a controlling interest in Ziply Fiber ("Ziply"), which provides residential and commercial communications services over its owned networks in the Northwest U.S. The Fund's investment in Ziply is held via a partnership interest in Searchlight II OPT, L.P. ("SLIIOPT"), a Delaware limited partnership. As of September 30, 2021, the fair value of the net assets of SLIIOPT was $791.8 million, principally comprised of the investment in Ziply.

The Fund and Parallel Fund previously made investments in Global Eagle Entertainment Inc. ("Global Eagle"), a global provider of satellite connectivity and entertainment content services, which filed for bankruptcy in October 2020. Following further significant developments in the bankruptcy process, the investment in Global Eagle was fully written down during the quarter ended March 31, 2021.

Rackspace Technology, Inc. ("Rackspace"). is a U.S. based global provider of managed IT infrastructure and services, offering outsourced cloud computing and managed hosting to small and mid-sized businesses, as well as enterprise customers. During the quarter ended June 30, 2021, the Fund sold its remaining interest in Rackspace.

4. Related Party Transactions

Management Fee

The Management Company or its designee is entitled to receive an investment management fee (the "Management Fee") payable semi-annually in advance by the Fund with respect to each Limited Partner (each a "Limited Partner" and collectively the "Limited Partners"), other than any affiliated Limited Partner, in the amount of 2.0% per annum of the commitment of such Limited Partner, and a pro-rata portion thereof for any partial fiscal year during the Initial Fee Period. Thereafter, such Management Fee will be an amount equal to 1.5% per annum of such Limited Partner's pro-rata share of the adjusted cost of all unrealized investments as of the first date of such semi-annual period. The Management Company is entitled to receive the Management Fee commencing as of the Initial Closing Date based on the commitment of such Limited Partner, regardless of when such Limited Partner is actually admitted to the Fund.

To the extent, the General Partner or any of its affiliates earns any fees, net of related Fund expenses or other unreimbursed Fund expenses from portfolio companies or broken deals, the Limited Partners' pro-rata portion of such net fees will generally be applied to reduce subsequent installments of the Management Fee but shall not be carried back to prior periods. The current period's Management Fee was reduced by $0.3 million to account for other fees received by the Management Company. As of September 30, 2021, $0.1 million in unapplied other fees have been received by the Management Company. Such fees will be applied to reduce future Management Fees.

In a previous fiscal period, the Management Company had irrevocably waived $1.5 million of Management Fees payable by the Fund ($3.0 million for the Fund and Parallel Fund). As at September 30, 2021, the outstanding Waived Fee Obligation is $0.1 million ($0.2 million for the Fund and Parallel Fund) and will be funded as capital contributions by the Limited Partners in the future.

Other

In the normal course of operations, the Management Company pays for permitted Fund expenses and other costs on behalf of the Fund. As of September 30, 2021, approximately $0.4 million of Fund expenses were due to the Management Company as reimbursement.

5. Partners' Capital

Capital Commitments

Each Limited Partner has made a Capital Commitment to the Fund pursuant to the acceptance of such Limited Partner's Subscription Agreement by the General Partner on behalf of the Fund. The Limited Partners had total Capital Commitments of approximately $943.1 million and the Sponsor had total Capital Commitments of approximately $21.3 million to the Fund as of September 30, 2021. At September 30, 2021, on a combined basis the Limited Partners and Sponsor of the Fund and the Parallel Fund had Capital Commitments totaling $1.9 billion and $39.0 million respectively. As of September 30, 2021, on a combined basis two Limited Partners of the Fund and Parallel Fund had aggregate Capital Commitments representing 11.6% and 10.3%, respectively, of the Fund and Parallel Fund's aggregate Capital Commitments.

As permitted by the Partnership Agreements of the Fund and the Parallel Fund, the General Partner, as General Partner of the Fund and the applicable Parallel Fund, has made its contributions for portfolio investments either via Searchlight Capital II, L.P., its affiliated AIVs, subsidiary Intermediate Entities, other entities affiliated to the General Partner or a Searchlight managed investment vehicle, as applicable – thereby utilizing its commitment to the Fund.

5. Partners' Capital (continued)

Capital Commitments (continued)

At September 30, 2021, there remains approximately $243.1 million ($500.2 million for the Fund and Parallel Fund) of unfunded commitments representing 25% of the total Partners' Capital Commitments on a net basis – approximately $235.3 million for Limited Partners and approximately $7.8 million for the Sponsor.

Contributions

The Partners will generally make capital contributions in cash, on a pro-rata basis in accordance with their respective commitments, as and when called from time to time by the General Partner, to permit the Fund to make investments and to pay the Fund's obligations and other liabilities, or to establish adequate reserves. For any capital contributions required with respect to the Management Fee, contributions are made by each Limited Partner in an amount determined as described in Note 4.

Where applicable, capital contributions by Partners for investments and associated Fund expenses may be directed to AIVs or Intermediate Entities as a result of their admission as partners or shareholders to those AIVs or Intermediate Entities. As a result of the termination of the Commitment Period on July 1, 2020, capital contributions will only be made for purposes of follow-up and follow-on investments or to pay Fund expenses.

Distributions

At the sole discretion of the General Partner, distributions may be made in cash, marketable securities or other in-kind distributions of securities ("Distributable Proceeds"). Generally, Distributable Proceeds will be apportioned as follows:

Distributable Proceeds attributable to portfolio investments will first be apportioned as an interim step among the Partners in accordance with their percentage interest in such portfolio investment (the "Subject Investment"). Amounts apportioned to the Sponsor will then be distributed to such partner. Subject to the previous sentences, each Limited Partner's share of such distribution of Distributable Proceeds shall be divided between such Limited Partner and the General Partner as follows:

i. First, 100% to such Limited Partner until such Limited Partner has received an amount equal to the sum of (a) all net capital contributions made by such Limited Partner applied to the Subject Investment, (b) unrecouped losses on dispositions on realized investments, bridge financings and temporary investments, (c) the Limited Partner's net unrealized loss, if any; and (d) the Management Fee and other Fund expenses of such Limited Partner allocated to all realized investments;

ii. Second, 100% to such Limited Partner until the cumulative amount previously and currently distributed to the Limited Partner is sufficient to provide such Limited Partner their preferred return. Preferred return is an amount equal to an 8% cumulative annual return, compounded annually, and calculated based upon each Limited Partner's aggregate capital contributions that are described in clause (i) above;

iii. Third, 20% to the Limited Partner and 80% to the General Partner as a catch-up to 20% overall carried interest distribution, to the extent necessary for the aggregate of such distributions, up to and including the current distribution, to equal 20% of the cumulative amounts of distributions made to such Limited Partner under clause (ii) above, as well as tax distributions and this clause; and

iv. Thereafter, 80% to the Limited Partner and 20% to the General Partner.

5. Partners' Capital (continued)

Distributions (continued)

The 20% allocation in clauses (iii.) and (iv.) above is termed the "Carried Interest".

The General Partner may at any time elect not to receive any or all portion of any distribution that otherwise would be made to it with respect to its Carried Interest. Such amounts shall, in the General Partner's sole discretion, either be retained by the Fund or distributed to the Limited Partners. If the General Partner elects to distribute such amounts to the Limited Partners, beginning on the date determined by the General Partner, 100% of any and all subsequent distributions by the Fund of distributable proceeds available shall be distributed to the General Partner until the General Partner has received the same aggregate amount of carried interest it would have received had it not waived receipt of these distributions.

The General Partner is allocated profits and may participate, where available, in Fund distributions taking into account the notional amount of Waived Fee Contributions and capital commitments. Fund intermediary entity, blocker expenses and withholding taxes may be treated as Distributable Proceeds, together with amounts paid to the attributable Limited Partner, as if apportioned and distributed to such Limited Partner pursuant to the above.

Under the circumstances described in the next sentence, in the event the General Partner has received distributions of Carried Interest in respect of any Limited Partner, the General Partner will be obligated to make clawback amount contributions for the benefit of such Limited Partner within 120 days (i) after the end of the sixth full Fiscal Year of the Fund and every third full Fiscal Year thereafter, and (ii) after the liquidation of the Fund (each a "Determination Date").

The clawback amount is determined separately for each Limited Partner and is equal to the greater of (i) the amount, if any, by which cumulative Carried Interest distributions received by the General Partner in respect of such Limited Partner as of the Determination Date less all clawback amounts previously contributed by the General Partner with respect to such Limited Partner exceed 20% of the amount of the aggregate distributions made by the Fund in respect of such Limited Partner as of the Determination Date in excess of the sum of (a) the aggregate capital contributions made by such Limited Partner that are described in clause (a)(i) above as of the Determination Date, and (b) without duplication, the net unrealized loss as of the Determination Date, if any, or (ii) the positive shortfall amount, if any, by which the sum of the Preferred Return as of the applicable Determination Date and the amounts described in subclauses (a) and (b) of clause (i) above exceeds the cumulative distributions to such Limited Partner as of the Determination Date.

5. Partners' Capital (continued)

Distributions (continued)

The clawback amount will not exceed on a cumulative basis the after-tax amounts received by the General Partner as aggregate Carried Interest distributions with respect to such Limited Partner. The General Partner will maintain an escrow account and deposit into it 12.5% of the Carried Interest amount otherwise distributable to the General Partner to provide support for any clawback amount. Any applicable clawback of Carried Interest will be accrued as appropriate.

Where applicable, Distributable Proceeds from investments held via AIVs are determined as if the Limited Partner had received such distribution from the Partnership when determining the above.

The Fund may also withhold distributions to pay any taxes the Fund is required to withhold with respect to any amount allocable to a Partner and any amounts so withheld will be deemed to be a distribution to the Partner. If the cumulative withholdings for any period exceeds the Distributable Proceeds attributable to the Partner, the excess will be considered a loan from the Fund to the Partner with interest at the Prime Rate.

Allocation of Profits and Losses

Except as otherwise provided for in the Partnership Agreement, any profits and losses of the Fund will be allocated to the Partners such that a partner's capital account, immediately after making such allocation, is equal (proportionately) to the distributions that would be made to such partner pursuant to the distribution provisions above if the Fund were dissolved, its affairs wound up and its assets sold for cash equal to their carrying value, all Fund liabilities were satisfied (limited with respect to each nonrecourse liability to the carrying value of the assets securing such liability), and the net assets of the Fund were distributed in accordance with the distribution provisions above to the Partners immediately after making such allocation.

Any applicable Carried Interest related to unrealized appreciation will be accrued as an allocation for financial statement purposes, even though an appreciated investment is not currently realized. There can be no assurance that such unrealized appreciation will be realized in the future. Accordingly, any applicable Carried Interest, as calculated and accrued would not necessarily be distributable under the Partnership Agreement, and may never be paid based upon the computation of Carried Interest in subsequent periods.

As of September 30, 2021, the cumulative recorded Carried Interest amounted to $187.0 million which includes an allocation of $1.8 million from the Limited Partners to the General Partner in the current quarter ended September 30, 2021. Total Carried Interest of $125.7 million has been paid since inception of the Fund, of which $11.3 million has been set aside by the General Partner for the purpose of a Carried Interest related escrow account and, as determined under the Partnership Agreement, no clawback amount is required to be accrued as of September 30, 2021.

Withdrawals and Transfers

As further described in the Partnership Agreement, Limited Partners of the Fund are generally not permitted to withdraw their capital from the Fund. Similarly, the transfer of a partner's interest is generally not permitted without the General Partner's prior consent.

6. Risks

The following summary of certain risks factors is not intended to be a comprehensive summary of all risks inherent in investing in the Fund and describes only certain of the risks associated with the Fund's investment strategy. The market for investments suitable for the Fund is highly competitive and the Fund may not be able to locate, complete and exit investments that satisfy the Fund's investment objectives or realize upon their values.

The Fund's investments are subject to various risk factors including, but not limited to, market, credit, industry, and currency risks. Market risk represents the potential loss in value of financial instruments caused by movements in market variables, such as interest and foreign exchange rates and equity prices. Investment performance of a more concentrated sector may have a significant impact on the performance of the Fund.

Illiquidity in the markets in which the Fund invests could also adversely impact the performance and the valuation of the Fund's underlying investments. The Fund may also invest in debt obligations and other securities of distressed companies, and the unstable financial condition of these companies may entail substantial risks. As of September 30, 2021, the Fund was invested in certain entities which generally do not permit redemptions or transfers except as specified in the respective agreements.

The Fund's investments will also be subject to general global economic conditions and fluctuations in the debt and equity markets, which conditions could include interest rates, availability of credit, inflation rates, economic uncertainty, and changes in national or international political circumstances, public health crises and other events. The COVID-19 pandemic has led, and for an unknown period of time, will continue to lead to disruptions in markets and economies. Due to the international scope of its investing strategy, the Fund's investments may also be susceptible to foreign currency and exchange restrictions, as well as foreign investment and repatriation restrictions. Furthermore, the Fund is exposed to economic risk concentrations related to concentrations of investments in certain industries and geographies.

Due to the private equity nature of the Fund's investments, portfolio valuation inherently is highly subjective and may not reflect the price at which the Fund could dispose of its interests in a particular portfolio company at any given time. In addition, the significant unobservable inputs used in the fair value measurement of the Fund's investment are EBITDA, EBIT or revenue multiples and discounts for lack of marketability. Significant decreases (increases) in observed market prices, EBITDA, EBIT or revenue multiples or increases (decreases) in the discount for lack of marketability or discount rates in isolation as inputs would result in a significantly lower (higher) fair value measurement. Furthermore, investments in private equity securities are illiquid, can be subject to various restrictions on resale, and there can be no assurance that the Fund will be able to realize the value of such investments in a timely manner.

The Fund invests in assets and accesses financing that have stated interest rates determined by reference to LIBOR. As a result of various regulatory and market participant decisions, LIBOR will be replaced as a reference benchmark after 2021. At this time, it is not possible to predict the nature or effect of any such change. As market participants in many jurisdictions have begun transitioning away from LIBOR, the uncertainty of such transition or other reforms may adversely affect the market for or value of the Fund's investments and financial obligations that are determined by reference to LIBOR.

6. Risks (continued)

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Fund's strategy may include the acquisition of debt securities. Investment portfolios with debt securities are subject to credit risk. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument. Securities that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such security.

The Fund and the portfolio investments may enter into transactions with broker-dealers in securities and may also use hedging strategies that could involve a variety of derivative transactions. The risks posed by these transactions include the risk that counterparties will default on their obligations.

In the normal course of operations, the Fund may enter into derivative transactions for hedging purposes that are cross-collateralized between the Fund and its Parallel Fund that enter into similar transactions with the same counterparty. In the event the Parallel Fund or their respective subsidiaries are unable to fulfill their obligation with the counterparty, the Fund may be required to perform to the extent the Parallel Fund has outstanding obligations. At September 30, 2021, the outstanding obligations of the Parallel Fund amounted to approximately $5.0 million.

The Fund is exposed to counterparty risk from the potential failure of an issuer of warrants to settle its exercised warrants. The maximum risk of loss from counterparty risk to the Fund is the fair value of the warrants. The Fund considers the effects of counterparty risk when determining the fair value of its investments in warrants and options.

The Fund's or intermediary entities' cash balances may be held at JPMorgan Chase Bank, N.A., Citibank, N.A., TD Securities Inc., or Société Générale S.A. and at times may exceed federally insured limits and they may therefore be subject to credit risk. Certain investments may also be held with (i) financial institutions as custodians or (ii) transfer agents as recordkeeper and for safeguarding due to Portfolio Company requirements. The bankruptcy or insolvency of one of the Fund's custodians may cause the Fund's rights with respect to the securities held by the custodians to be limited. The Fund monitors its custodians on a periodic basis and obtains monthly reporting.

The investments held by the Fund involve a high degree of business and financial risk that can result in substantial losses. The Fund's investments may utilize credit facilities from third-party lending institutions as important components of their capital structure. Certain economic conditions or company specific factors could increase funding costs, limit access to the credit markets or result in a decision by lenders not to extend credit to the Fund's investments. These circumstances, among others, may ultimately impact the value of the Fund's investments.

Because of the inherent uncertainty of the valuation of the Fund's investments, the allocation of profits and losses to all partners as reflected within these combined financial statements may not necessarily represent amounts that might ultimately be allocated and distributed.

As outlined in the Partnership Agreement, Limited Partners of the Fund cannot redeem or withdraw their capital and there are restrictions applicable to the sale or transfer of an investor's interest.

As discussed in Note 5, the Fund has significant individual investors. Any unfunded capital commitments are subject to the risk of default.

6. Risks (continued)

The Management Company and the General Partner provide investment management services to the Fund and its Parallel Fund as well as other investment vehicles. Also, the General Partner and/or its affiliates make co-investments with other investors and/or more Limited Partners. Other affiliated entities may also hold certain securities held by the Fund and its Parallel Fund. The Fund could be materially affected by the actions and liquidity of the General Partner and the Management Company. In addition, any unfunded partners' capital commitments are subject to the risk of default by such partners and the Fund could be materially affected by the actions of the Parallel Fund and other investment vehicles.

7. Credit Facility

The Partnership and Main Fund have a revolving credit agreement ("the Credit Facility") with Citibank, N.A., as the administrative agent and lender. The current aggregate commitment is $350.0 million with U.S. Dollar borrowings at a rate of US Libor plus 1.90% per annum, with a maturity date of December 10, 2021. Any borrowing by the Fund, Parallel Fund, Intermediate Entity, or portfolio company constitute the joint and several obligations of the Partnership and the Main Fund. Borrowing availability under the Credit Facility is limited to the lesser of the facility total and the calculated borrowing base, which is based on stipulated risk weighted percentages applied to the Fund's eligible Limited Partners' unpaid commitments. The Credit Facility permits the issuance of letters of credit. Letters of credit issued pursuant to the Credit Facility reduce the amount available for borrowing under the Credit Facility.

As permitted by the Partnership Agreement, Citibank, N.A. was granted a security interest in the General Partner's right to drawdown the Limited Partners' unpaid commitments. If the amount of such unpaid commitments securing the Credit Facility decreases as capital is called, the General Partner may be required to call additional capital contributions or use proceeds from the sale of portfolio investments to reduce the Fund's outstanding borrowings under the Credit Facility. The Fund is subject under its Credit Facility to i) financial covenants, including among other items, maintenance of certain funding requirements; ii) non-financial covenants, including among other items, restrictions on incurring additional financial indebtedness.

As of September 30, 2021, the Fund had outstanding borrowings of approximately $15.7 million, including accrued interest, and together with the Parallel Fund, amounts outstanding of $31.8 million, including accrued interest. Portfolio companies party to the Credit Facility had borrowings outstanding of $187.3 million, including accrued interest, under the Credit Facility. The fair value of outstanding borrowings approximates its carrying amount in the combined statement of assets, liabilities and partners' capital.

8. Commitments and Contingencies

Other than in connection with the Fund's investments denoted in Note 3 and Credit Facility in Note 7, there were no other unfunded investment commitments at September 30, 2021. Unfunded commitments to provide funds to portfolio investments are not reflected on the Fund's combined statement of assets, liabilities and partners' capital.

8. Commitments and Contingencies (continued)

In the normal course of business, the Fund enters into general contracts that contain a variety of representations and warranties and which provide general indemnifications, including with respect to the General Partner and certain affiliates. Contracts containing indemnification obligations include, but are not limited to, agreements with the General Partner and its affiliates and other service providers, under certain circumstances. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the General Partner expects the risk of loss to be remote.

The Fund is not currently subject to any material legal proceedings. From time to time, the Fund or its portfolio companies may be a party to certain legal proceedings in the ordinary course of business. While the outcome of these legal proceedings cannot be predicted with certainty, the Fund does not expect that these proceedings will have a material effect upon its financial condition or results of operations.

9. Financial Highlights

Financial highlights for the quarter ended September 30, 2021 are as follows:

Ratios to Weighted Average Limited Partners' Capital[(a)(b)]	
Ratio of net investment loss [(e)]	(1.3)%
Ratio of total expenses	1.3 %
Ratio of Carried Interest allocation	0.2 %
Ratio of total expenses and Carried Interest allocation	1.5 %

Limited Partners' Internal Rate of Return[(a)(c)]	
Inception to September 30, 2021	24.2 %
Inception to December 31, 2020 [(1)]	23.3 %

[(1)] Audited as of December 31, 2020

a) The ratios to average Limited Partners' capital and the Internal Rate of Return ("IRR") are calculated for the Limited Partners as a whole. The computation of such ratios and IRR based on the amounts allocated to an individual partner's capital account may vary from these ratios and IRR based on the timing of capital transactions.

b) The ratios are computed as a percentage of average monthly Limited Partners' capital for the quarter. The expense ratios are presented both inclusive and exclusive of the effects of Carried Interest, expense offsets and other credits.

c) The IRR, net of all fees and Carried Interest allocation to the General Partner, is computed using Limited Partners' cash inflows (capital contributions) and outflows (distributions) since inception and the Limited Partners' capital account at the end of the period.

d) Offset for other fees includes fees received from portfolio companies.

e) The net investment loss ratio does not include the effects of Carried Interest.

10. Subsequent Events

Events and transactions from October 1, 2021 through November 12, 2021, the date that these combined financial statements were available to be issued, have been evaluated by the General Partner, for the purpose of recognition and disclosure in these combined financial statements. There are no subsequent events that require adjustments to or disclosures in these financial statements.

Searchlight Capital II (a group of related entities)
Combined Supplemental Schedule of Partners' Capital
For the quarter ended September 30, 2021
(Unaudited)

	Partners' Capital beginning of quarter	Capital Contributions / Transfers In	Profits and other allocations	Distributions / Transfers Out	Partners' Capital end of quarter
Searchlight Capital II					
Limited Partners					
SC2003	$ 3,685,563	$ 226,196	$ 40,102	$ (712,853)	3,239,008
SC2004	10,909,098	669,540	118,726	(2,110,037)	9,587,327
SC2006	7,060,896	434,013	76,966	(1,367,802)	6,204,073
SC2007	3,994,756	245,666	43,221	(770,830)	3,512,813
SC2008	7,355,918	474,301	79,959	(1,427,117)	6,483,061
SC2009	5,158,629	318,089	55,962	(998,095)	4,534,585
SC2010	7,369,461	454,410	79,959	(1,425,851)	6,477,979
SC2011	16,949,776	1,045,146	183,891	(3,279,456)	14,899,357
SC2012	7,369,463	454,410	79,960	(1,425,851)	6,477,982
SC2013	14,742,007	904,786	160,447	(2,851,400)	12,955,840
SC2014	22,081,007	1,398,140	239,993	(4,279,853)	19,439,287
SC2015	2,211,295	135,721	24,071	(427,710)	1,943,377
SC2016	3,685,508	226,197	40,111	(712,851)	3,238,965
SC2017	1,790,717	113,387	19,464	(347,085)	1,576,483
SC2018	2,112,248	129,637	22,991	(408,550)	1,856,326
SC2019	606,476	37,223	6,602	(117,305)	532,996
SC2020	984,681	60,433	10,722	(190,456)	865,380
SC2021	44,226,061	2,714,338	481,337	(8,554,201)	38,867,535
SC2022	18,427,523	1,130,973	200,558	(3,564,251)	16,194,803
SC2024	73,710,090	4,523,908	802,228	(14,257,005)	64,779,221
SC2025	921,378	56,551	10,028	(178,212)	809,745
SC2026	25,761,191	1,631,162	279,992	(4,993,161)	22,679,184
SC2027	3,685,508	226,197	40,111	(712,851)	3,238,965
SC2028	737,094	45,241	8,025	(142,571)	647,789
SC2029	3,685,508	226,197	40,111	(712,851)	3,238,965
SC2030	7,360,340	466,045	80,002	(1,426,618)	6,479,769
SC2031	2,210,832	136,326	23,990	(427,754)	1,943,394
SC2032	1,474,206	90,479	16,041	(285,140)	1,295,586
SC2033	368,553	22,618	4,005	(71,285)	323,891
SC2034	2,211,295	135,721	24,071	(427,710)	1,943,377
SC2035	1,842,757	113,092	20,056	(356,425)	1,619,480
SC2036	3,685,508	226,197	40,111	(712,851)	3,238,965
SC2037	1,474,206	90,479	16,041	(285,140)	1,295,586
SC2038	2,208,103	139,817	23,998	(427,986)	1,943,932
SC2039	2,944,134	186,417	32,005	(570,647)	2,591,909
SC2040	5,896,804	361,912	64,181	(1,140,560)	5,182,337
SC2041	1,474,206	90,479	16,041	(285,140)	1,295,586
SC2042	1,474,206	90,479	16,041	(285,140)	1,295,586
SC2043	7,002,464	429,771	76,214	(1,354,415)	6,154,034
SC2044	167,682,763	10,282,197	1,834,552	(32,712,418)	147,087,094
SC2045	1,842,372	113,596	19,988	(356,462)	1,619,494
SC2046	29,477,860	1,817,643	319,814	(5,703,401)	25,911,916
SC2047	5,527,100	340,808	59,964	(1,069,388)	4,858,484
SC2048	34,643,742	2,126,237	377,047	(6,700,792)	30,446,234
SC2049	1,474,206	90,479	16,041	(285,140)	1,295,586
SC2050	737,094	45,241	8,025	(142,571)	647,789
SC2051	3,685,508	226,197	40,111	(712,850)	3,238,966
SC2052	737,094	45,241	8,025	(142,571)	647,789
SC2053	368,553	22,618	4,005	(71,285)	323,891
SC2054	54,545,463	3,347,696	593,660	(10,550,182)	47,936,637
SC2055	184,283	11,305	2,007	(35,643)	161,952
SC2056	162,160	9,952	1,766	(31,366)	142,512
SC2057	648,651	39,811	7,058	(125,462)	570,058
SC2058	1,658,487	101,780	18,048	(320,783)	1,457,532
SC2059	32,159,307	2,221,750	4,436,861	(7,001,793)	31,816,125
SC2060	22,212,933	1,583,368	3,866,397	(4,989,957)	22,672,741
SC2061	655,107	40,207	4,888	(126,709)	573,493
Subtotal	689,252,149	42,927,820	15,216,591	(135,103,789)	612,292,771
General Partner	103,110,579	779,285	2,402,780	(29,494,907)	76,797,737
Total	**792,362,728**	**43,707,105**	**17,619,371**	**(164,598,696)**	**689,090,508**
Parallel Fund	797,267,563	76,901,366	8,180,351	(199,701,669)	682,647,611
Total Searchlight Fund II	**$ 1,589,630,291**	**$ 120,608,471**	**$ 25,799,722**	**$ (364,300,365)**	**$ 1,371,738,119**

The information above should be read in conjunction with the associated combined financial statements and should not be used for tax purposes. This schedule has been prepared in accordance with the accounting policies described in the accompanying notes to the combined financial statements and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of exclusion of all required disclosures.

Appendix II

Searchlight Capital II, L.P.
Capital Account Statement
For the quarter ended September 30 2021

Limited Partner: Children's Minnesota | **Limited Partner ID: SC2030**

Commitment Amount:	10,000,000	% of Total Commitments[(2)]:	0.5%
Total Capital Contributions[(1)]:	7,537,505	% Contributed[(1)]:	75.4%
Total Unpaid Commitment:	2,462,495	% of Unfunded Capital:	24.6%

	Quarter-to-Date	Year-to-Date	Inception-to-Date
Beginning Capital	$ 7,092,843	$ 8,953,068	$ -
Capital Contributions			
Paid	464,474	538,275	9,506,946
Due[(3)]	-	-	-
Investment Income			
Interest Income and Dividends/Income distributions from Portfolio Companies	11,807	11,812	138,063
Realized gain/(loss) on investments	1,812,845	4,878,400	9,150,323
Net change in unrealized gain on investments and options	(1,708,026)	(2,817,368)	1,955,652
Net change in unrealized translation gain/(loss) on other assets and liabilities in foreign currencies	(541)	6,080	1,569
Net realized gain/(loss) on transactions of other assets and liabilities in foreign currencies	(321)	(321)	(321)
Fund Expenses			
Management Fee - Net			
Gross Management Fee	(40,514)	(83,964)	(1,076,687)
Reduction for Excess Organizational Expenses	-	-	3,295
Reduction for Other Fee offset	3,654	7,423	94,961
Reduction for Management Fee waiver	-	-	15,790
Reduction for Placement Fee offset	-	-	28,601
Organizational Expenses	-	-	(13,610)
Investment and other fund expenses	(4,199)	(14,619)	(181,236)
Placement Fees	-	-	(28,601)
Carried Interest allocation [(4)]	(20,001)	(423,140)	(2,021,309)
Distributions			
Paid	(1,426,618)	(4,870,243)	(11,388,033)
Due[(3)]	-	-	-
Ending Capital	$ 6,185,403	$ 6,185,403	$ 6,185,403

Notes:
(1) Reflects only Capital Contributions reducing your Unpaid Commitment net of any Distributions which are subject to recall inclusive of the Partnership Agreement Amendment dated July 1, 2020. Please refer to your ILPA statement for further details.
(2) % of Total Commitments of Searchlight Capital II, L.P. and the Parallel Fund.
(3) Net amounts receivable or due under inception-to-date results reflect an issued Drawdown Notice or Distribution Notice where payment has not been received or made.
(4) Carried Interest allocation is related to the net unrealized and realized appreciation of portfolio investments.
(5) Measurements in this Statement are expressed in U.S. Dollars.

The information above should be read in conjunction with the associated financial statements and should not be used for tax purposes. This schedule has been prepared in accordance with the accounting policies described in the accompanying notes to the combined financial statements and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of exclusion of all required disclosures.

Searchlight Capital II, L.P. c/o Searchlight Capital Partners, L.P.
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Searchlight Capital II UNR AIV, L.P.
Capital Account Statement
For the quarter ended September 30 2021

Limited Partner: Children's Minnesota **Limited Partner ID: SC2030**

Total Capital Contributions[1]:	275,617	% of Total Capital[2]:	9.4%

	Quarter-to-Date	Year-to-Date	Inception-to-Date
Beginning Capital	$ 267,497	$ 164,539	$ -
Capital Contributions			
Paid	1,571	1,571	275,617
Due[3]	-	-	-
Investment Income			
Net change in unrealized gain on investments and options	26,067	131,726	38,355
Fund Expenses			
Investment and other fund expenses	(769)	(3,470)	(19,606)
Carried Interest allocation [4]	-	-	-
Distributions			
Paid	-	-	-
Due[3]	-	-	-
Ending Capital	$ 294,366	$ 294,366	$ 294,366

Notes:

[1] Reflects only Capital Contributions reducing your Unpaid Commitment net of any Distributions which are subject to recall inclusive of the Partnership Agreement Amendment dated July 1, 2020. Please refer to your ILPA statement for further details.

[2] % of Total Capital of Searchlight Capital II UNR AIV, L.P. on a funded basis.

[3] Net amounts receivable or due under inception-to-date results reflect an issued Drawdown Notice or Distribution Notice where payment has not been received or made.

[4] Carried Interest allocation is related to the net unrealized and realized appreciation of portfolio investments.

[5] Measurements in this Statement are expressed in U.S. Dollars.

The information above should be read in conjunction with the associated financial statements and should not be used for tax purposes. This schedule has been prepared in accordance with the accounting policies described in the accompanying notes to the combined financial statements and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of exclusion of all required disclosures.

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