

Camden Partners Holdings, LLC

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I. Cover Page

This brochure provides information about the qualifications and business practices of Camden Partners Holdings, LLC. If you have any questions about the contents of this brochure, please contact us at (410) 878-6800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additionally, registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Additional information about Camden Partners Holdings, LLC, also is available on the SEC's website at www.adviserinfo.sec.gov.

Date: March 31, 2011

II. Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amended the disclosure document that we provide to clients as required by SEC rules. This Brochure dated 03/31/2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update to our brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Donald Hughes at 410-878-6820 or dhughes@camdenpartners.com. Our Brochure is also available on our web site www.camdenpartners.com, also free of charge.

Additional information about Camden Partners Holdings, LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Camden Partners Holdings, LLC who are registered, or required to be registered, as investment adviser representatives of Camden Partners Holdings, LLC.

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IV. Advisory Business

Camden Partners Holdings, LLC (the “Registrant”), together with related persons Camden Partners Private Equity Advisors, LLC (“CPEA”), Camden Equity Managers I, LLC (“CPEM”), and Camden Partners Strategic Manager, LLC (“CPSM”) provide investment advice to private investment funds. The Registrant is the sole owner of CPEA. CPEM and CPSM are under common control with the Registrant. CPEA, CPEM and CPSM are each registered as investment advisers under the Investment Advisers Act of 1940, as amended. The Forms ADV prepared for CPEA, CPEM, and CPSM describe the activities of each of them in detail.

The Registrant has been providing investment advisory services since 2002 and is principally owned by David Warnock, Richard Berkeley, Donald Hughes and WT Investments, Inc (“WTI”).

The Registrant provides investment advisory services to the private investment funds discussed below.

A. Advisory Services

The Registrant provides investment advisory services and acts as the management company to the private investment funds discussed below. However, the Registrant is not the General Partner of the below funds.

Cahill, Warnock Strategic Partners Fund, L.P. and Strategic Associates, L.P.

The Registrant provides management and investment advisory services to Cahill Warnock Strategic Partners Fund, L.P. (“Strategic Fund”) and Strategic Associates, L.P. (“Strategic Associates,” and together with Strategic Fund, “Fund I”). Cahill Warnock Strategic Partners, L.P., is the General Partner of the Strategic Fund and Strategic Associates. Detailed information about Strategic Fund is provided in the fund’s private placement memorandum; detailed information about Strategic Associates is provided in that fund’s partnership agreement.

Fund I is a private investment fund that invests primarily in late stage private companies, micro-cap and small-cap public companies, generally with a market capitalization or enterprise value of less than \$200 million. The fund’s investments are generally made through direct negotiated transactions as opposed to open market purchases and consist primarily of senior equity and equity-linked debt securities.

Camden Partners Strategic Fund II-A, L.P. and Camden Partners Strategic Fund II-B, L.P.

The Registrant provides management and investment advisory services to Camden Partners Strategic Fund II-A, L.P. and Camden Partners Strategic Fund II-B, L.P. (collectively “Fund II”). Fund II is a private investment fund that invests primarily in late stage private companies and to a lesser extent, smaller capitalization public companies. The fund’s investments generally are made through direct negotiated transactions and consist primarily of senior equity and equity-linked debt securities.

Camden Partners Strategic Fund III, L.P. and Camden Partners Strategic Fund III-A, L.P.

The Registrant provides management and investment advisory services to Camden Partners Strategic Fund III, L.P. and Camden Partners Strategic Fund III-A, L.P. (collectively “Fund III”). Fund III is a private investment fund that invests primarily in late stage private companies and to a lesser extent, smaller capitalization public companies. The fund’s investments generally are made through direct negotiated transactions and consist primarily of senior equity and equity-linked debt securities.

Camden Partners Strategic Fund IV, L.P. and Camden Partners Strategic Fund IV-A, L.P.

The Registrant provides management and investment advisory services to Camden Partners Strategic Fund IV, L.P. and Camden Partners Strategic Fund IV-A, L.P. (collectively “Fund IV”). Fund IV is a private investment fund that invests primarily in late stage private companies and to a lesser extent, smaller capitalization public companies. The fund’s investments generally are made through direct negotiated transactions and consist primarily of senior equity and equity-linked debt securities.

Camden Partners Limited Partnership

The Registrant provides management and investment advisory services to Camden Partners Limited Partnership, (“CPLP”). CPLP is a private investment fund that invests and trades domestic and foreign securities and financial instruments including, but not limited to, stocks, bonds, and cash equivalents. CPLP invests primarily in “small-cap” stocks with market capitalizations of less than \$4 billion. The registrant utilizes the services of a sub-advisor for investment management services.

B. Tailored Services

Generally, the Registrant does not tailor advisory services to the individual needs of its clients. The General Partner of each of the above private investment funds exercises final approval over

the selection of investments and determines the amount of capital committed to each investment. Each Limited Partnership agreement has investment criteria that the General Partner must adhere to when investing in certain securities.

C. Wrap Fee Programs

The Registrant does not provide portfolio management services to wrap fee programs.

D. Client Assets

The Registrant manages client assets. As of December 31, 2010, the following assets are under the Registrant's supervision:

Discretionary Basis	\$ 320,776,112
Non-Discretionary Basis	-
Total Assets under Management	<u>\$ 320,776,112</u>

V. Fees and Compensation

A. Management Fees

The Registrant provides investment advisory services for a percentage of the assets under its management. The Registrant is compensated through management fees as described below:

Fund	Timing of Fee Payment	Fee Calculation
Strategic Fund	Not Applicable	Not Applicable
Strategic Associates	Not Applicable	Not Applicable
Fund II	Quarterly in advance	Annual rate based on the capital committed to the fund
Fund III	Quarterly in advance	Annual rate based on the capital committed to the fund
Fund IV	Quarterly in advance	Annual rate based on the capital committed to the fund
CPLP	Quarterly in advance	Annual rate based on the value of the fund's assets at the beginning of each quarter

After a specified number of years, the management fee rate for each fund will decrease. The Registrant pays a sub-advisor 50% of the management fee received from CPLP. In return, the sub-advisor provides CPLP with investment research, advice and supervision and furnishes an investment program for CPLP consistent with the investment objectives and policies of CPLP.

Management fees are generally deducted from capital contributions made to each fund by the client. All directors' fees, consulting fees, investment banking fees and other remuneration paid to the Registrant will be credited against the management fees already discussed. Refer to the table above for details on the timing of management fees.

B. Additional Fees and Expenses

In addition to the management fees described above, the individual investment funds are responsible for a number of expenses that are incurred by or on behalf of the fund. Below is a list of general expenses and fees that could be expected to be incurred by a Registrant-managed private investment fund:

- Commissions, brokerage fees or similar charges incurred due to the purchase and sale of securities
- Expenses relating to the fund's annual and special meetings with its Limited Partners
- All expenses relating to litigation and threatened litigation involving the fund
- Normal and extraordinary investment banking, investment management, legal, custodial, auditing, tax and accounting services provided to the fund
- Other non-recurring or extraordinary expenses properly chargeable to the business of the fund

The above list is not all-encompassing and only provides a sampling of the fees and expenses that may be incurred in running an investment fund. For more information, please refer to each fund's offering documents. Clients will incur brokerage and other transaction costs as an investor in the above funds; refer to Item XII – Brokerage Practices within this brochure for details.

C. Compensation for Sale of Securities or Other Investment Products

As a registered investment adviser, the Registrant is required to disclose whether any officer, partner, director, or employee receives compensation for the sale of specific securities or other investment products. However, information required by this Item is not applicable to the Registrant.

VI. Performance-Based Fees and Side-By-Side Management

The Registrant does not directly receive performance-based fees. The General Partner of each fund receives a carried interest distribution from its fund, which is indirectly paid by the client. Carried interest distributions are based on the return of a fund in excess of the investors' original capital contributions plus a specified return. The principal owners of the Registrant are partners in the General Partner.

Conflicts of interest may exist where the Registrant and its affiliates manage more than one private investment fund. The Registrant or an affiliate may give advice to a client (including a fund client) which differs from the advice given to another client, even though the client's investment objectives may be the same or similar. Conflicts of interest also may exist in the allocation of an investment opportunity among the funds, for which CPEM and CPSM serve as the managing member, and funds advised by the Registrant and/or CPEA. Potential conflicts of interest among private equity funds are expected to be limited because the funds have different investment objectives.

Because of differing objectives or other factors, the members, managers, employees, and related persons of the Registrant and the funds they manage may take investment positions in securities that are different from, or opposite to, the positions taken by a fund. Generally, the Registrant, its members, managers, employees, or related persons may become aware of, and participate in, business opportunities in which a client and/or fund will not be given an opportunity to participate, even if such opportunity is of a character that, if presented to the client and/or fund, could be taken by the client and/or fund. The Registrant and its principals are contractually required, however, to make available to Fund IV all appropriate investment opportunities that come to their attention, except for investment opportunities in entities in which a different Camden-affiliated fund has previously invested.

Fund I, Fund II, Fund III and Fund IV generally do not invest in portfolio companies in which other private investment funds managed by the Registrant or a related person makes or has made an investment, and such other private investment funds generally will not invest in portfolio companies in which Fund I, Fund II, Fund III and Fund IV makes or has made an investment without the prior consent of the appropriate Valuation Committees. Similarly, it is the policy of the General Partner of CPLP that CPLP not invest simultaneously in the portfolio companies of Fund I, Fund II, Fund III and Fund IV, or the portfolio companies of any other fund of which an affiliate of the General Partner provides advisory services.

The Registrant has established Valuation Committees for Fund I, Fund II, Fund III and Fund IV that consists of up to three members who are representatives of the Limited Partners and have been selected by the General Partner. No person affiliated with the General Partner may be

selected. The Valuation Committee reviews and approves the semi-annual valuations of each fund's assets prepared by the General Partner. The Valuation Committee resolves conflicts of interest that may arise between a fund and a General Partner of any of its affiliates.

Fund I, Fund II, Fund III and Fund IV each have policies pursuant to which, where practicable, companies in which the funds invest are requested to offer co-investment opportunities to qualified Limited Partners.

The Registrant has adopted a code of ethics that sets forth standards of ethical conduct and requires compliance with federal securities laws. The code of ethics requires designated personnel report personal securities holdings and transactions and obtain preapproval of certain investments. The Registrant has also adopted an insider trading policy that restricts the use and communication of material nonpublic information.

VII. Types of Clients

The Registrant provides investment advisory services to the private investment funds discussed above in Item IV – A. Advisory Services. Each of these funds requires investors to make a specified minimum investment. The General Partner of each fund, at its sole discretion, may waive the minimum investment or reject any investment in the fund. For some funds, the minimum investment required is different depending on whether the client is an institutional investor or an individual accredited investor. Refer to the table below for details on each fund's minimum investment requirement:

Fund	Institutional Investor Min.	Individual Investor Min.	Negotiable?
Strategic Fund	\$2,000,000	\$2,000,000	Yes
Strategic Associates	\$6,000,000	\$6,000,000	Yes
Fund II	\$5,000,000	\$1,000,000	Yes
Fund III	\$5,000,000	\$1,000,000	Yes
Fund IV	\$5,000,000	\$1,000,000	Yes
CPLP	\$1,000,000	\$1,000,000	Yes

Fund I, Fund II and Fund III no longer make new investments; Fund IV is closed to new investors. Institutional investors may include pension and other funds subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Each fund may require certain customary representations or assurances from Benefit Plan Investors (as defined below)

to determine the fund's compliance with legal provisions applicable to them. Each fund intends to ensure that its members that are benefit plan investors as defined in 29 C.F.R. §251 0.3-1 01 ("Benefit Plan Investors") will not hold in the aggregate 25% or more of the aggregate value of any class of interests in that fund.

VIII. Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis & Investment Strategies

The General Partners of each Registrant-managed private investment fund developed unique investing strategies to identify potential portfolio companies. These strategies have resulted in each fund's performance as discussed below. As previously mentioned, Fund I, Fund II and Fund III are no longer making new investments.

Cahill, Warnock Strategic Partners Fund, L.P. and Strategic Associates, L.P.

Fund I invested primarily in late stage private and small capitalization public companies. The Registrant is responsible for managing the fund's existing investments. Through its senior securities investments, Fund I exercises control and influence over the strategy and management of several portfolio companies, which frequently includes the right to nominate directors. Fund I assets may be invested on an interim basis. Such interim investments may include money market funds, U.S. treasury obligations, bank certificates of deposit, and other instruments having short maturities.

Camden Partners Strategic Fund II-A, L.P. and Camden Partners Strategic Fund II-B, L.P.

Fund II invested primarily in late stage private and undervalued micro-cap public companies with superior growth prospects. Specifically, Fund II concentrated on companies in need of capital for expansion, financial restructuring, or significant ownership transfers. The Registrant identified and evaluated potential investments based on proprietary deal flow and original research. The Registrant is responsible for managing the fund's existing investments. Through its senior securities investments, Fund II influences the affairs and corporate management of portfolio companies, frequently including rights to nominate directors. Fund II assets may be invested on an interim basis pending investment or pending distribution to Limited Partners. Such interim investments may include money market funds, U.S. treasury obligations, bank certificates of deposit, and other instruments having short maturities.

Camden Partners Strategic Fund III, L.P. and Camden Partners Strategic Fund III-A, L.P.

The investment objective of Fund III is to identify and invest in late stage private and undervalued micro-cap and small-cap companies with superior growth prospects. Fund III concentrates on companies in need of capital for expansion or financial/ownership restructuring. The Registrant identifies and evaluates potential investments based on proprietary deal flow and original research. Through its senior securities investments, Fund III influences the affairs and corporate management of portfolio companies, which frequently includes the right to nominate directors. Fund III assets may be invested on an interim basis pending investment or pending distribution to Limited Partners. Such interim investments may include money market funds, U.S. treasury obligations, bank certificates of deposit, and other instruments having short maturities.

Camden Partners Strategic Fund IV, L.P. and Camden Partners Strategic Fund IV-A, L.P.

The investment objective of Fund IV is to identify and invest in late stage private and undervalued micro-cap and small-cap companies with superior growth prospects. Fund IV concentrates on companies in need of capital for expansion or financial/ownership restructuring. The Registrant identifies and evaluates potential investments based on proprietary deal flow and original research. Through its senior securities investments, Fund IV influences the affairs and corporate management of portfolio companies, which frequently includes the right to nominate directors. Fund IV assets may be invested on an interim basis pending investment or pending distribution to Limited Partners. Such interim investments may include money market funds, U.S. treasury obligations, bank certificates of deposit, and other instruments having short maturities.

Camden Partners Limited Partnership

The investment objective of CPLP is to obtain maximum total return (risk-adjusted to the funds) by investing and trading in domestic and foreign securities and financial instruments. These securities and instruments include stocks, bonds, and cash equivalents. A significant focus of CPLP's strategy is to invest in "small-cap" stocks with public market capitalizations of under \$4 billion. CPLP buy securities on margin and engage in "short sale" transactions. In selecting investments for CPLP, the Registrant utilizes the investment services of a sub-advisor. The Registrant also reviews reports in financial newspapers and magazines, reports of corporate activities, research material provided by others, company press releases and annual reports, and other filings with the SEC. The Registrant also frequently meets with company management and visits facilities, as well as communicates with customers, suppliers and competitors to form a qualitative judgment about a particular company. CPLP maintains long positions in companies that the Registrant believes have strong fundamentals

and short positions in companies that the Registrant believes have weak fundamentals. CPLP may use leverage in the course of its investment activities.

B. Risk Factors

Potential investors should be aware that an investment in any of the funds managed by the Registrant involves a significant degree of risk. There can be no assurance that the funds' investment objectives will be achieved, or that an investor will receive a return of capital. Risks associated with an investment in the funds include, but are not limited to, the following, and should be carefully evaluated before making an investment in the funds managed by the Registrant.

General

Private Equity investing involves a high degree of business and financial risk that can result in substantial losses. In order for the funds to succeed, they must be able to accurately identify potentially successful business enterprises, a process which is difficult even for those with extensive experience in the venture capital field.

An investment in the funds is highly speculative, involves a high degree of risk and could result in the loss of part or all of an investor's capital contribution. Therefore, investors should not subscribe for interests unless they can bear such a loss. Moreover, there can be no assurance that the funds' investment objectives will be achieved and investment results may vary materially from one reporting period to the next. Consequently, an investment in the funds is suitable only for sophisticated investors with substantial other assets who are capable of making an informed independent decision as to the risks involved in an investment in the funds.

Nature of Fund Investments

The portfolio companies in which the funds will invest are likely to face intense competition, including competition from companies with greater financial resources, more extensive development, production, marketing and service capabilities and a larger number of qualified managerial and technical personnel. There can be no assurance that the development or marketing efforts of any particular portfolio company will be successful or that its business will be profitable.

Many of the funds' portfolio companies may be unseasoned, unprofitable and/or have limited operating history or earnings. These companies may also lack technical, marketing, financial and other resources or be dependent upon the success of one product or service, a unique

distribution channel, or the effectiveness of a manager or management team. The failure of this one product, service or distribution channel, or the loss or ineffectiveness of a key executive or executives within the management team may have a materially adverse impact on such companies. Furthermore, these companies may be more vulnerable to competition and to overall economic conditions than larger, more established entities.

The funds may invest in companies at early stages of development, including the seed and start-up-stage. Particularly in early-stage enterprises, a major risk exists that a proposed service or product cannot be developed successfully with the resources available to the portfolio company. There is no assurance that the development efforts of any portfolio company will be successful or, if successful, will be completed within the budget or time period originally estimated.

Following their initial investment in portfolio companies, the funds anticipate that portfolio companies will require additional funding, and that the funds may have the opportunity to increase their investment in successful portfolio companies. There can be no assurance that the funds will make, or will have the resources to make, follow-on investments. Any decision by the funds not to make follow-on investments, or their inability to make them, may have a substantial adverse effect on a portfolio company in need of such an investment, may result in a missed opportunity for the funds to increase their participation in a successful enterprise, may result in significant dilution of any existing portfolio company investment, or may cause a decrease in the value of the funds' portfolio.

Lack of Diversification

The funds intend to participate in a limited number of portfolio investments and, as a consequence, the aggregate return of the funds may be materially and adversely affected by the unfavorable performance of even a single portfolio investment. In addition, while it is the intention of the General Partner of each fund to not invest more than 15% of each fund's committed capital in any one portfolio company, there is no assurance that sufficient diversification of investments can be properly achieved. The funds may invest more than 15% of their committed capital in a single company with Valuation Committee approval. The funds will focus on investments primarily in identifiable target industries. Thus, the performance of the funds will be closely linked to the performance of these industries and the funds could be severely impacted by adverse developments affecting these industries. There can be no assurance that the funds will be able to find a sufficient number of attractive investments to enable the full amount of the capital committed to the funds to be invested or find joint ventures or strategic alliances.

Reliance upon Portfolio Company Management

Although the General Partner of each fund will generally seek to secure representation on the board of directors of portfolio companies and hopes to develop a good working relationship with the management of such companies, the funds are not expected to have an active role in the day-to-day management of the companies in which they invest. To the extent that the senior management of a portfolio company performs poorly, or if a key manager terminates employment, the funds' investment in such company could be adversely affected.

Lack of Control

The funds generally will seek to structure investments so that they will have some level of control over portfolio companies, at least as to major corporate decisions. However, the funds expect that they will hold minority interests in most companies and, therefore, may have limited ability to protect their position and investment. Generally, as a condition to any investment, the funds will seek to obtain special rights and protective provisions, which will be negotiated at the time of the investment. There can be no assurance that the funds will be able to obtain such protective provisions or that, if such provisions are obtained, they will be effective.

Regulations Applicable to Portfolio Companies

The funds intend to invest in portfolio companies in identifiable target industries. Companies operating in these industries are sometimes subject to extensive state, federal and foreign regulations governing their business activities. The failure to obtain applicable regulatory approvals and maintain those approvals may subject the applicable portfolio company to civil penalties, suspension or withdrawal of regulatory approval obtained, product recalls and seizures, injunctions, operating restrictions and criminal prosecutions and penalties. Any of these events, individually or in the aggregate, have a material adverse effect on the funds' investment in such company.

Illiquid Fund Investments

Most of the portfolio companies in which the funds expect to make investments will initially be privately held. As a result there will be no readily available secondary market for the funds' interests in such portfolio companies, and those interests will be subject to legal restrictions on transfer. Therefore, there is no assurance that the funds will be able to realize liquidity for such investments in a timely manner, if at all. Unless a portfolio company subsequently succeeds in obtaining approval from the relevant authorities to list its shares on a recognized exchange, this avenue to liquidity will not be available to the funds, which must

then rely on other means to achieve liquidity. In addition, the funds may be precluded from selling their shares in a public portfolio company for some time after such portfolio company's initial public offering, if any. It may be difficult for the funds to value their interests in privately held portfolio companies.

Use of Leverage in Certain Investments

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. The funds' investments may involve varying degrees of leverage. As a result, economic downturns, operating problems and other general business and economic risk may have a more pronounced effect on the profitability or survival of such companies. Moreover, rising interest rates may significantly increase portfolio company interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the funds may suffer a partial or total loss of capital invested in the portfolio company. Additionally, the securities acquired by the funds may be the most junior in what will typically be a complex capital structure of the portfolio company, and thus subject to the greatest risk of loss.

Competition for Investments

The funds expect to encounter intense competition from other entities and investors having investment objectives similar to the funds'. Historically, the primary competition for private equity investments for later stage private companies and for privately negotiated investments in micro-cap public companies has been from venture capital funds and corporations, venture capital affiliates of large industrial companies, wealthy individuals and foreign investors. Additional competition is anticipated from industrial and financial companies, including hedge funds, investing directly, rather than through venture capital entities. There is no assurance that the funds will succeed in finding investments on similar or favorable terms in comparison to their competitors.

Difficulty of Locating Suitable Investments

The funds may be unable to find a sufficient number of attractive opportunities to meet their investment objectives. The investment performance of prior businesses or investments managed by any of the principals of the funds cannot be relied on as an indicator of the funds' future performance or success. An investor must rely on the ability of the General Partner and the principals of each fund to identify, structure, and implement investments consistent with the funds' objectives and policies. Investors will not have the opportunity to evaluate the business, financial and other information which will be used by the General

Partner and the principals of each fund in their analysis, selection, and monitoring of portfolio company investments for the funds.

Risks of Certain Dispositions of Assets

In connection with the disposition of an investment in a portfolio company, the funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. They may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the investors to the extent of their capital commitment to the funds or previous distributions made to them.

Reliance on the General Partner and its Principals

The General Partner of each fund will have exclusive responsibility for managing the fund's activities. Investors will not be able to make investments or any other decisions in the management of the funds. Additional partners may be admitted to the General Partner of each fund following the fund's initial closing, or existing partners may withdraw, and the investors will have no power to prevent any specific person from being admitted to, or withdrawing from, the General Partner of each fund. In the event that the principals are no longer engaged in the active day-to-day management of the General Partner, there is no assurance that the funds will be able to make further investments or successfully realize upon any existing investments. The loss of one or more Principals could have a material adverse effect on the business of the funds.

Reliance on the Management Company

The success of the funds depends, in part, on the ability of the Registrant to develop and implement investment strategies that achieve the funds' investment objectives. Subjective decisions made by the Registrant may cause the funds to incur losses or miss profit opportunities. In addition, the overall performance of the funds is also dependent upon the ability of the Registrant to select and allocate the funds' assets among their portfolio companies. There can be no assurance that the allocations made by the Registrant will prove as successful as other allocations that could have been made.

Distributions of Assets Other Than Cash

The funds may elect to make distributions to their investors of assets other than cash, including securities or other non-cash properties. An investor that receives assets other than cash from the funds may incur substantial costs and delays in converting those assets to cash.

Conflicts of Interest

The funds may invest in companies in which a conflict of interest, or an apparent conflict of interest, exists or may exist. Each fund's partnership agreement will contain certain protections for investors against conflicts of interest faced by the General Partner and its partners, but will not purport to address all types of conflicts that may arise. Moreover, as a practical matter, it may be difficult for investors to subject the behavior of the General Partner and its partners to close scrutiny. By acquiring an interest, each investor will be deemed to have acknowledged the existence of such actual and potential conflicts of interest.

Absence of Effective Remedies against the General Partner

There can be no assurance that adequate remedies will be available to any investor if the General Partner of a fund fails to perform its duties and the fund's partnership agreement does not afford the investors rights to remove the General Partner except in very limited circumstances. The funds' partnership agreements include provisions for exculpation and indemnification of the General Partner and its respective partners, members, managers, officers, directors, shareholders, employees and affiliates. Furthermore, the partnership agreements contain provisions which limit the ability of the investors to commence an action against the General Partner, its principals, and others unless a specified percentage in interest of the investors agree to commence such action. Therefore, investors may have more limited rights of action than they would have absent such limitation.

Establishment of Additional Partnerships

Subject to the terms of the partnership agreements, the General Partner and principals of each fund may organize a new private equity fund substantially similar to the funds. Any such new successor fund may be interested in the same investment opportunities as the funds. There is no assurance that investors in the funds will be offered the opportunity to participate in any subsequent partnerships.

Penalty for Failure to Make Capital Contributions

Failure of an investor to meet a capital call could have materially adverse consequences, including without limitation, forfeiture of all or a portion of the interests of the defaulting investor or forced sale of the defaulting investor's interest.

General Partner's Profits Interest

The capital contribution of the General Partner of each fund will represent only a small percentage of the fund's capital. Investors will invest greater amounts and receive a proportionately smaller interest in the profits of the funds than the General Partner.

Because the percentage of profits allocated to the General Partner will exceed the capital percentage of the General Partner, and because certain net losses otherwise allocable to the General Partner will be specially allocated to all investors, the General Partner may have an incentive to make investments that are riskier or more speculative than if the General Partner received allocations on a basis identical to that of the investors or were compensated on a basis not tied to the performance of the funds.

Restrictions on Transfer and Withdrawal

There will be no public market for investors' interests in the funds. In addition, the interests are not transferable except with the consent of the General Partner of that specific fund. Investors may not withdraw capital from the funds. Consequently, investors may not be able to liquidate their investments prior to the end of a fund's term. In addition, the interests have not been registered under the Securities Act or any other applicable securities laws, and such laws will further restrict an investor's ability to transfer interests in the funds.

Certain Litigation Risks

The funds will be subject to a variety of litigation risks, particularly if one or more of their portfolio companies face financial or other difficulties during the term of the funds. Legal disputes, involving any or all of the funds, the General Partner of the funds, their partners or affiliates, may arise from the foregoing activities (or any other activities relating to the operation of the funds or their General Partners) and could have a significant adverse effect on the funds.

Securities Law Matters

Investors' interests in the funds are not and will not be registered under the Securities Act, or any other securities laws, including state securities or blue sky laws. The interests will only be offered and sold to "accredited investors" as defined in Rule 501 of Regulation D promulgated under the Securities Act. Such interests will be offered without registration in reliance upon the Securities Act exemption for transactions not involving a public offering. Investors will be required to make certain representations to the funds, including that they are acquiring interests in the funds for their own account, for investment purposes only and not with a view to their distribution.

Investment Company Act Considerations

The funds are not registered under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"). Therefore, investors in the funds are not afforded the protection provided by the Investment Company Act and the extensive regulations thereunder.

Taxation

Investors are urged to consult their own tax advisors with respect to their own tax situations and the effect of an investment in the funds.

Service on the Board of Directors

One or more of the principals or other persons affiliated with the General Partner of a fund may serve as directors of certain of the fund's portfolio companies. Such service, especially in light of new statutes and regulations relating to corporate governance and increased scrutiny of corporate boards, could expose the funds or their General Partners and affiliates to regulatory action and/or claims by a portfolio company, its security holders and its creditors. While the funds' General Partners intend to manage the funds in a way that will minimize exposure to these risks, the possibility of successful claims or adverse regulatory actions cannot be eliminated, and such events may have a significant adverse effect on the funds.

In their capacity as directors of portfolio companies, such persons will be subject to fiduciary and other duties to the portfolio company on whose board they serve. These duties may on occasion conflict with the best interests of the funds. For example, the funds' ability to sell the publicly traded securities of a portfolio company may be limited if any such directors are in possession of material nonpublic information relating to such portfolio company.

Confidential Information

Each fund's partnership agreement will contain confidentiality provisions intended to protect proprietary and other information relating to the funds and the fund's portfolio companies. To the extent that such information is publicly disclosed, competitors of the funds and/or their portfolio companies, and others, may benefit from such information, thereby adversely affecting the funds, their portfolio companies, their General Partners, and the economic interests of the investors.

Lack of Separate Legal Counsel

Wilmer Cutler Pickering Hale and Dorr LLP ("WilmerHale") serves as legal counsel to the Registrant, the General Partners of the funds, the funds and certain of their affiliates. WilmerHale does not serve as legal counsel to any investor that becomes a limited partner of the funds by virtue of an investment in the funds. Although WilmerHale assisted in the preparation of this brochure and may from time to time advise the Registrant, the General Partner of the funds, the funds and certain of their affiliates with respect to their respective obligations to the funds, WilmerHale has not independently verified any factual assertions made in this brochure and is not responsible for either the funds' compliance with its investment program or applicable law. No person should invest in the funds as a result of participation in the preparation of this brochure by WilmerHale or its representation of the Registrant, the General Partner, the funds and certain of their affiliates. The General Partner, the funds, and WilmerHale urge each prospective investor to consult with his, her or its own legal, accounting, business, investment, pension and tax advisors to determine the appropriateness and consequences of an investment in the funds and arrive at an independent evaluation of the merits of such investment.

C. Recommending Specific Security-Types

As part of its role as the management company of the direct investment funds already discussed, the Registrant does not recommend specific types of securities to clients. As part of the direct investment funds' investing strategy, these funds seek to obtain senior securities in portfolio companies in exchange for their investment. As mentioned previously, senior securities give Registrant-managed funds the ability to influence the affairs and corporate management of portfolio companies.

IX. Disciplinary Information

As a registered investment adviser, the Registrant is required to disclose all material facts regarding any legal or disciplinary events that would materially affect an evaluation of the Registrant or the integrity of its management. However, information required by this Item is not applicable to the Registrant.

X. Other Financial Industry Activities and Affiliations

The Registrant is affiliated with the following financial industry entities in addition to the private investment funds previously discussed.

Camden Partners Private Equity Advisors, LLC

The Registrant is the sole owner of CPEA. CPEA is the management company of a group of private equity funds of funds products. The Registrant receives proceeds from CPEA's management of these funds of funds products. CPEA is a registered investment adviser with the SEC. The Form ADV prepared for CPEA describes its activities in more detail.

Camden Partners Equity Managers I, LLC and Camden Partners Strategic Manager, LLC

The Registrant is under common control with CPEM and CPSM. CPEM is the Managing Member of the General Partner of the funds of funds products mentioned above in the Camden Partners Private Equity Advisor section.

CPSM is the Managing Member of the General Partner of the Strategic Funds III and IV (of which the Registrant acts as the management company). CPEM and CPSM are investment advisers registered with the SEC. The Forms ADV prepared for CPEM and CPSM describe their activities in more detail.

Cahill, Warnock & Co., LLC and Camden Partners, Inc.

Cahill, Warnock & Co., LLC and Camden Partners, Inc. are investment advisers affiliated with the Registrant. Additionally, Camden Partners, Inc. is a member of the Registrant.

WT Investments, Inc. and Wilmington Trust Corporation

WTI is a subsidiary of Wilmington Trust Corporation, a financial services holding company. WTI has a 25% membership interest in the Registrant. WTI has the right to receive up to 50 basis points of the management fee paid to the Registrant for accounts referred by WTI and

its affiliates that invest in private equity fund offerings sponsored by the Registrant and its affiliates. Wilmington Trust or its affiliates provides custodian and banking services to Fund I, Fund II, Fund III and Fund IV, for which it is compensated.

Related persons of the Registrant are General Partners or Managing Members of other investment related Limited Partnerships and limited liability companies.

As part of its investing activities, the Registrant does not recommend or select other investment advisers to its clients where the Registrant receives direct compensation.

XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

The Registrant has adopted a code of ethics that sets forth standards of ethical conduct and requires compliance with federal securities laws. The code of ethics requires that designated personnel report personal securities holdings and transactions and obtain preapproval of certain investments. The Registrant has also adopted an insider trading policy that restricts the use and communication of material nonpublic information. The Registrant will provide a copy of the code of ethics and insider trading policy to clients and prospective clients upon request. The fundamental position of the Registrant is that, in effecting personal securities transactions, personnel of the Registrant must place the interests of clients ahead of their own pecuniary interests at all times. Key elements of the Registrant's Code of Ethics include the following:

- Officers, Directors and employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding these securities or communicating material non-public information to others.
- Employees are required to place the interest of clients above the interests of the Registrant or other Employees whenever a conflict may be present.
- Certain employees are required to submit annual and quarterly reports of security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest. However, reports are not submitted for accounts that are not directly or indirectly controlled by the Registrant or the reporting individual. Transactions in money market instruments, direct obligations of the United States government, and shares of U.S. registered open-ended mutual funds are also excluded.
- Employees are required to certify annually that they have complied with the Registrant's Code of Ethics.

- Employees may not give or accept gifts or entertainment that are inappropriate or could be seen as overly generous or which could influence Employee decision-making.
- Certain employees are required to obtain advance approval to serve as a director or trustee of for-profit organizations and disclose any service on the board of any organization, including non-profit organizations.
- Certain employees are required to pre-clear any transactions in privately offered securities and initial public offerings.
- Employees that become aware of any violation of the Code of Ethics are required to report such violation to the Chief Compliance Officer.

B. Conflicts of Interest

Due to the nature of its business activities, the Registrant and its related persons may experience times where a conflict of interest might arise between certain parties. Refer to the descriptions below where possible conflicts of interest are identified and the course of action the Registrant takes to mitigate these conflicts is explained.

Other Business Activities

WT Investments, Inc. engages in other business activities. The other members, managers and employees of the Registrant may engage in activities for other funds managed by the Registrant, CPEA, CPEM, and CPSM. However, generally members, managers and employees of the Registrant may not engage in outside activities for compensation. Several of the members and managers of the Registrant also are members and managers of CPEA, CPEM, and CPSM. See Schedule A of Form ADV for the Registrant, CPEA, CPEM, and CPSM for more details. Conflicts of interest may exist for the members, managers, and employees of the Registrant in allocating their time and activity among the funds. They are required, however, to devote the time necessary to carry out their duties.

Portfolio Companies

Members of the Registrant may receive cash and/or non-cash compensation (e.g., options) for serving as a director or consultant to portfolio companies in which Fund I, Fund II, Fund III or Fund IV invest. Pursuant to the applicable Limited Partnership agreement, any cash compensation received by a member of the Registrant will be credited against the management fee earned by the Registrant. Non-cash compensation granted prior to January 1, 2003 will be retained by the individual member and could confer a material benefit upon a member who retains such compensation. Non-cash compensation granted subsequent to January 1, 2003 will not be retained by the individual member and will be credited against

the management fee earned by the Registrant. Except in connection with such non-cash consideration, a member or employee of the Registrant may not invest for his or her own personal account in any securities held by the funds. Members and employees may invest for their personal accounts in the same areas of investment opportunity as those in which a fund may invest.

Managing Multiple Investment Funds

Conflicts of interest may exist where an adviser and its affiliates manage more than one private investment fund and/or separate account. The Registrant or an affiliate may give advice to a client (including a fund client) which differs from the advice given to another client, even though the clients' investment objectives may be the same or similar. Conflicts of interest also may exist in the allocation of an investment opportunity among the funds, for which CPEM and CPSM serve as the Managing Member, and funds and separate accounts advised by the Registrant and/or CPEA. Potential conflicts of interest among private equity funds are expected to be limited because the funds have different investment objectives.

Outside Investment Opportunities

It is possible that members, managers, employees and related persons of the Registrant and the funds they manage may take investment positions in securities that are different from, or opposite to, the positions taken by a fund because of differing objectives or other factors. Generally, the Registrant, its members, managers, employees, or related persons may become aware of, and participate in, business opportunities in which a client and/or fund will not be given an opportunity to participate. This may be true even if such opportunity is of a character that could be taken by the client and/or fund if it had been presented as an investment opportunity. The Registrant and its principals are contractually required, however, to make available to Fund IV all appropriate investment opportunities that come to their attention, except for investment opportunities in entities in which a different Camden-affiliated fund has previously invested.

Interaction between the Registrant-Managed Funds

Fund I, Fund II, Fund III and Fund IV generally do not invest in portfolio companies in which other Registrant-managed private investment funds make an investment without the prior consent of the appropriate Valuation Committees. Similarly, it is the policy of its General Partner that CPLP do not invest simultaneously in the portfolio companies of Fund I, Fund II, Fund III or Fund IV, or the portfolio companies of any other fund of which an affiliate of the General Partner provides advisory services.

Valuation Committee

The Registrant has established a Valuation Committee for Fund I, Fund II, Fund III and Fund IV that consists of up to three members who are representatives of the Limited Partners and have been selected by the General Partner. No person affiliated with the General Partner may be selected. The Valuation Committee reviews and approves the semi-annual valuations of each fund's assets prepared by the General Partners. The Valuation Committee resolves any conflicts of interest that may arise between a fund and the General Partner or any of its affiliates. Fund I, Fund II, Fund III and Fund IV each have policies pursuant to which, where practicable, companies in which the funds invest are requested to offer co-investment opportunities to qualified Limited Partners.

Fundraising Assistance

The Registrant, the fund(s), and/or the Managing Member of the fund(s) may enter into arrangements with SEC-registered broker-dealers pursuant to which the broker-dealers will provide the fund(s) with fundraising assistance for a fee. These fundraising activities will be conducted in accordance with applicable rules and regulations.

C. Advisors investing in Recommended Securities

Certain members of the Registrant and its related parties own securities in companies that have since become portfolio companies within the Registrant-managed funds. These securities are maintained outside of the scope of the private equity funds' business. These securities were owned by the aforementioned individuals before they became members of the Registrant and its related parties. The Valuation Committees of each fund are aware of the relationship between the members of the Registrant and its related parties and the specific portfolio companies. Prior approval by the Valuation Committee was needed before the funds themselves invested in the portfolio companies.

XII. Brokerage Practices

The Registrant is responsible for the day-to-day management of the funds. Thus, the Registrant has the authority to select brokers or dealers to be used and commission rates paid, where applicable. In selecting brokers to execute transactions, the Registrant generally will seek to obtain the best price and execution for transactions. The Registrant takes into account factors such as price, size of order, difficulty of execution and operational facilities of a brokerage firm. Additional considerations are given to the scope and quality of brokerage services provided, and the firm's risk in positioning a block of securities.

Subject to the Registrant's duty to obtain best execution, the Registrant may execute transactions through brokers that provide the funds with fundraising assistance. See Items X and XI for a description of these fundraising arrangements.

The Registrant receives free research from a number of broker-dealers. This research is in each case given to the Registrant because of the personal relationships between the Registrant's principals and persons at the broker-dealers. It is not the result of soft dollar arrangements or any other arrangements with the broker-dealers. The Registrant will continue to receive the free research regardless of whether the Registrant chooses to execute client transactions with any of the broker-dealers providing the research. The value of research received by the Registrant is not considered when selecting brokers for execution of transactions in client accounts. Nevertheless, it could be perceived to create the potential for a conflict of interest under certain circumstances.

The Registrant does not consider client referrals from a broker-dealer or third parties when selecting broker-dealers.

In selecting brokers to execute transactions, the Registrant generally will seek to obtain the best price and execution for transactions. The Registrant takes into account factors such as price, size of order, difficulty of execution and operational facilities of a brokerage firm. Additional considerations are given to the scope and quality of brokerage services provided, and the firm's risk in positioning a block of securities.

XIII. Review of Accounts

The Registrant's investment advisory personnel review and monitor investments on a periodic basis. Two of the Registrant's personnel are responsible for monitoring the investments of CPLP on a continuous basis. Seven of the Registrant's personnel are involved to varying degrees in the management of the portfolio companies held by Fund I, Fund II, Fund III and Fund IV. With respect to each investment, these activities are performed by an associate and supervising executive officer.

Investors in CPLP receive annual audited financial statements and all necessary tax reporting information. Additionally, a monthly letter is received that outlines the investment of fund assets for the previous month.

Investors in Fund II, Fund III and Fund IV receive annual audited financial statements and quarterly reports of operations as well as all necessary tax reporting information. Investors in Fund I, by agreement with the General Partner, do not receive annual audited financial statements. Investors in Fund I, Fund II, Fund III and Fund IV also receive a quarterly letter regarding significant portfolio company developments, which have occurred since the prior quarterly letter.

XIV. Client Referrals and Other Compensation

The Registrant or a related person do not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. The Registrant's Code of Ethics generally prohibits employees from accepting gifts, favors, and other inducements from counterparties or service providers, excepting certain common business courtesies. In addition, the Registrant or a related person directly or indirectly does not compensate any person who is not a supervised person of the Registrant for client referrals.

XV. Custody

The funds and securities of the funds are held by qualified custodians. With the exception of Strategic Associates, investors receive capital account statements at least quarterly. Limited partners invested in Strategic Associates receive monthly statements from their qualified custodian directly. Each fund (with the exception of Fund I) is audited at least annually by an independent public accountant registered with, and subject to regulation inspection by, the Public Company Accounting Oversight Board. All investors receive audited financial statements within 90 days of the end of the fund's fiscal year. All clients should carefully review these statements.

XVI. Investment Discretion

The General Partner of each fund has discretion to determine a fund's investments subject to the fund's investment strategy as set forth in that fund's private placement memorandum. The General Partner assumes such authority through the execution of the fund's limited partnership agreement. The Registrant provides investment advisory services to each fund through an advisory or sub-advisory agreement entered into between the Registrant and the fund's General partner.

XVII. Voting Client Securities

The Registrant is responsible for voting proxies in a timely manner and for the exclusive purpose of providing benefits to the applicable funds. In this regard, the Registrant generally will, consistent with its fiduciary role, seek to enhance the value of the affected funds' portfolio by voting each company proxy in a manner that is designed to maximize the company's stock price.

A copy of the Registrant's proxy voting policies and procedures, as well as information with respect to how the Registrant voted specific proxies, is available upon request. Such request

should be sent to the attention of Donald W. Hughes, Camden Partners Holdings, LLC, 500 East Pratt Street, Suite 1200, Baltimore, Maryland 21202.

XVIII. Financial Information

Information required by this Item is not applicable to the Registrant.