

**Part 2A of Form ADV: Trinity Hunt Management, L.P. - *Brochure***

**Item 1 - Cover Page**

February 13, 2012

Trinity Hunt Management, L.P.  
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Dallas, Texas 75201  
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This Brochure provides information about the qualifications and business practices of Trinity Hunt Management, L.P. (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (214) 777-6600. 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.

Trinity Hunt Management, L.P. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Trinity Hunt Management, L.P. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2 - Material Changes**

Trinity Hunt Management, L.P. is a new registrant. Therefore, this is its initial “Brochure” with the SEC. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide a summary of such changes. We will also reference the date of our last annual update of our Brochure.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials 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.

Currently, our Brochure may be requested by contacting Ms. Cheryl Small, the Adviser’s Chief Compliance Officer at (214) 777-6600 or [csmall@trinityhunt.com](mailto:csmall@trinityhunt.com).

Additional information about the Adviser is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

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#### Item 4 - Advisory Business

- A. Trinity Hunt Management, L.P. (the "Adviser" or "Trinity Hunt") is a private equity firm located in Dallas, Texas. The Adviser provides investment supervisory services on a discretionary basis to private investment limited partnerships making privately negotiated equity and equity-related investments in leveraged buyouts and recapitalizations and expansion capital financings of lower middle-market companies located primarily in the Southwest region of the United States (each, a "Fund", and together, the "Funds").<sup>1</sup>

In connection with sponsoring a Fund, the Adviser is responsible for evaluating and monitoring Fund investments and providing day-to-day managerial and administrative services to the Fund. The general partner of a Fund (the "General Partner") will make all investment decisions on behalf of the Fund.

Trinity Hunt and Trinity Hunt Partners III, L.P. ("Fund III") were formed in 2004 as the independently managed successor to Hunt Capital Fund I ("Fund I") and II ("Fund II") (collectively, "Hunt Capital"), the exclusive vehicles through which the Lamar Hunt family had conducted its private equity investing activities with its own capital and on behalf of third party institutional investors. Most recently, Trinity Hunt formed Trinity Hunt Partners IV, L.P. ("Fund IV"). The Funds are managed by the six senior members of Trinity Hunt, consisting of Daniel S. Dross, Peter J. Stein, James R. Holland, Jr., Scott H. Colvert, William K. Bixby III and Hunter R. Peterson (collectively, the "Principals"). The Principals have more than 160 years of combined private equity investing and operating experience. Messrs. Stein and Holland formed Hunt Capital in 1993 with \$50 million of equity capital in Fund I to make direct private equity investments on behalf of the Lamar Hunt family. They were joined in 1999 by Scott Colvert, formerly of Banc of America Capital Investors, with the closing of the \$70 million Fund II which was comprised of \$50 million from the Lamar Hunt family and \$20 million from third party institutional investors. In 2005, Trinity Hunt further established itself as an institutional, independently managed private equity firm with the closing of \$215 million of capital in Fund III which consisted of \$50 million from the Lamar Hunt family and \$165 million from third party institutional and high net worth investors. In connection with the formation of Trinity Hunt, Mr. Dross, formerly of Hicks Muse and Thomas Weisel Capital Partners, joined to augment the Adviser's investing capabilities. The investment team was subsequently bolstered during Fund III by the additions of Mr. Bixby, formerly of The Riverside Company, Banc One Capital and Citicorp Venture Capital, and Mr. Peterson, formerly of Blue Sage Capital and TA Associates. The Principals believe their collective experience in private equity investing is extensive and has enabled Trinity Hunt to incorporate best practices from their prior experience at several well-known private equity firms.

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<sup>1</sup> As an SEC-registered investment adviser, Trinity Hunt owes a fiduciary duty to all of its clients. In 2006, the decision by the Court of Appeals for the D.C. Circuit in *Goldstein v. SEC*, 451 F.3d 873 (D.C. Cir. June 23, 2006), with respect to private funds, clarified that the "client" of an investment adviser to a private fund is the fund itself and not an investor in the fund. For purposes of this Brochure, the terms "Fund" or "Funds" refer to the advisory clients of the Adviser.

#### **Item 4 – Advisory Business (continued)**

The Principals also have a long-standing professional relationship that extends beyond Trinity Hunt as several partners have worked together in various prior capacities. For example, Dan Dross and Pete Stein worked together at Prudential Securities in the late 1980's and Pete Stein and Will Bixby worked together at Banc One Capital in the early 1990's. Pete Stein and Jim Holland have been partners at Hunt Capital since 1993 and Scott Colvert joined them in 1999.

- B. Investment supervisory services include establishing each Fund's investment objective and selecting portfolio investments according to each Fund's specific investment strategy. The investment activity of the Adviser generally focuses on buyouts, buy-and-builds, recapitalizations and later-stage growth equity investments in established, lower middle-market companies in the Southwest. Trinity Hunt's region comprises 11 states: Texas, Arizona, Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Nevada, Oklahoma and Utah. Although the Adviser has a strong preference for companies based in the Southwest, it may also selectively entertain opportunities in the Southeast, a region with similarly attractive growth prospects.

Led by highly regarded investment professionals and sponsored by Unity Hunt, Inc., the Lamar Hunt family's holding company, Trinity Hunt is uniquely positioned to capitalize on attractive investment opportunities in one of the nation's most promising regions. Trinity Hunt is built on a proven model for identifying and investing in preeminent middle-market companies and working in partnership with management to add value to its Funds' portfolio companies.

Since the firm pursues only a limited number of investments each year, Trinity Hunt is able to execute transactions on a timely basis and structure flexible solutions tailored to the particular needs of the seller. Trinity Hunt focuses on building long-term relationships with management teams, as demonstrated by the fact that it has invested with several management teams on multiple occasions.

The services provided by the Adviser to the Funds include, among others: (1) proactive deal origination and initial screen of potential portfolio investments, (2) a preliminary investment review, (3) in-depth due diligence, (4) thorough review and approval by the Adviser's investment committee, and (5) comprehensive, ongoing oversight and development of the portfolio companies. The advice of the Adviser is limited to the advisory services discussed above.

- C. While each of its Funds will follow the general strategy stated above, the Adviser may tailor the specific advisory services with respect to each Fund at the Adviser's discretion and based on the individual investment strategy of each Fund.
- D. The Adviser does not participate in wrap fee programs.
- E. As of January 1, 2012, the Adviser manages \$262,504,159 million in discretionary portfolios.

## Item 5 - Fees and Compensation

- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to the Funds. The Adviser may enter into different fee arrangements on a Fund by Fund basis.

### Capital Commitments

Each Fund will seek capital commitments (“Commitments”) from investors in one or more closings up to an amount stated in the Fund’s Private Placement Memorandum. Capital calls may be required from time to time for a period of up to five years after the initial closing of the Fund (the “Commitment Period”). Thereafter, the limited partners will be released from any further obligation with respect to their undrawn Commitments, except to the extent necessary to (i) cover the expenses of the Fund, including Management Fees and indemnification obligations, (ii) complete investments by the Fund in respect of transactions that were in process as of the end of the Commitment Period, (iii) make follow-on investments in portfolio companies in an aggregate amount of up to a stated percentage of the total Commitments and (iv) fund portfolio company guarantees or pay loans that exist as of the end of the Commitment Period. In no event will a limited partner be required to make a capital contribution in an amount in excess of its unfunded Commitment.

Commitments will be drawn down *pro rata* based on original Commitments on an as-needed basis to fund investments and pay Fund expenses. Such contributions will represent each Partner’s “Capital Contributions.”

### Management Fees

Each Fund will pay the Adviser an annual management fee (the “Management Fee”) of up to 2% of total Commitments for services provided by the Adviser to the Fund, payable quarterly in advance from the date of the initial closing of a Fund until the end of the Commitment Period. After such time the Management Fee will be applied to a reducing base amount to be determined as of the commencement of each payment period. The base amount for each payment period will be equal to the aggregate cost basis of the portfolio company investments held by the Fund as of the commencement of such payment period, to the extent that at such time such investments have not been written-off.

A stated percentage of all “transaction fees” (defined below) and all organizational expenses in excess of a predetermined amount stated in each Private Placement Memorandum will reduce the Management Fee payable on an aggregate basis.

During the Commitment Period and at the election of the Adviser, all or a portion of the amounts contributed by the limited partners will be employed by the Fund as part of an alternative compensation program (the “Executive Capital Program”) for the benefit of the Adviser. Such contributions (the “Executive Capital Program Contributions”) employed in the Executive Capital Program will reduce the Management Fees that would otherwise be payable to the Adviser. The Executive Capital Program Contributions will be invested in Fund investments and the Adviser will, subject to available profits, receive distributions from such investments equal to the amount it would have received if it had invested an amount equal to such Executive Capital Program Contributions in such Fund investments.

## **Item 5 – Fees and Compensation (continued)**

In addition to its initial Capital Contribution, a limited partner admitted at a closing occurring after the initial closing will be charged interest on its proportionate share of the Management Fee at a percentage stated in the Fund's Private Placement Memorandum. Any such amounts will be paid to the Adviser.

### Transaction Fees

In connection with the investments of a Fund, various "transaction fees" may be paid to the Adviser by the target company or other third parties. Such fees may be retained in full by the Adviser, provided that an amount equal to a stated percentage of all such net fees paid to the Adviser will reduce the Management Fee payable, on an aggregate basis. "Transaction fees" include any fees received in connection with the consummation, disposition or termination of an investment attributable to the Fund and/or any fees received from a portfolio company, such as break-up fees, commitment fees, investment banking fees, termination fees, portfolio company management fees, directors' fees and similar fees.

### Distributions

Net proceeds attributable to the disposition of an investment in a portfolio company, together with any dividends or interest income with respect to such investment ("Disposition Proceeds") will be distributed to a Fund's partners participating in such investment according to a schedule stated in the Fund's Private Placement Memorandum. Generally, the schedule apportions Disposition Proceeds in the following amounts and order:

- (a) first, 100% to the partners in proportion to Capital Contributions with respect to such investment to allow for a return of capital and fees and expenses of the Fund;
- (b) second, 100% to the partners for payment of a stated preferred return;
- (c) third, 20% to the partners and 80% to the General Partner until such time as the General Partner has received a stated percentage aggregate distributions (including the preferred return); and
- (d) thereafter, 80% to the partners in proportion to Capital Contributions with respect to such investment and 20% to the General Partner.

Distributions to the General Partner under paragraphs (c) and (d) are referred to as the "carried interest."

Distributions to the Partners will be subject to certain adjustments and reserves as stated in more detail in the Fund's Private Placement Memorandum.

Upon the final liquidation of a Fund and distribution of its remaining assets, the General Partner will be required to restore funds to the partnership for distribution to the limited partners (up to the amount of its cumulative net after-tax carried interest) to the extent, if any, that the amount previously distributed to the General Partner as its carried interest exceeds the aggregate amount due to the General Partner as its carried interest on a cumulative basis.

**Item 5 – Fees and Compensation (continued)**

- B. Management Fees may be paid out of current income and Disposition Proceeds of the Fund and from drawdowns of Commitments. Disposition Proceeds are made as indicated in Item 5.A. above.
- C. The General Partner and the Adviser will pay all of their respective ordinary administrative and overhead expenses, including salaries, benefits and rent.

Each Fund will pay all other expenses attributable to the activities of the Fund including, without limitation: (i) expenses incurred in connection with the identification, discovery, screening, evaluation, acquisition or disposition of investments, including private placement fees, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, reasonable travel, entertainment and other out-of-pocket expenses, and legal, accounting, investment banking, consulting, information services and professional fees; (ii) expenses incurred in connection with the carrying or management of investments, including custodial, trustee, record keeping and other administration fees; (iii) expenses incurred in connection with the Fund's financial statements, tax returns and K-1's; (iv) attorneys' and accountants' fees and disbursements; (v) taxes and other governmental charges levied against the Fund; (vi) insurance (including premiums), regulatory or litigation expenses (and damages), including regulatory expenses of the General Partner and the Adviser; (vii) expenses incurred in connection with the winding up or liquidation of the Fund; (viii) expenses relating to defaults by partners in the payment of any capital contributions; (ix) expenses for transactions not consummated; (x) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund and related entities, including the General Partner and the Adviser; (xi) expenses incurred in connection with distributions to the partners and in connection with any meetings with partners called by the General Partner; and (xii) expenses related to the Fund's indemnification obligations.

Each Fund will reimburse the General Partner for up to a predetermined amount of the Fund's organizational expenses, including legal, accounting, filing, capital raising and other organizational expenses. Organizational expenses in excess of such predetermined amount will be borne by the General Partner. All fees and expenses due to placement agents will not be subject to the limitation set forth above, but such fees will reduce the Management Fee otherwise payable by the limited partners by an identical amount.

The Adviser does not maintain any trading accounts and does not use "soft" dollars.

Please refer to Item 12, Brokerage Practices, for more information.

- D. As stated above, Management Fees are payable quarterly in advance. Distributions to partners are discussed in Item 5.A. above.
- E. Other than as described above, neither the Adviser nor any of its supervised persons receives any compensation from the sale of securities or other investment products.



## **Item 6 - Performance-Based Fees and Side-By-Side Management**

As stated in Item 5 above, the General Partner of a Fund will receive performance-based fees in connection with any Disposition Proceeds that are distributed to partners relating to dispositions of investments in portfolio companies. Distributions to the General Partner under paragraphs (c) and (d) of Item 5.A. are referred to as the “carried interest.” Such payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (the “Advisers Act”) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee.

The Adviser may manage multiple Funds with similar investment strategies on a side-by side basis. As a result of the foregoing, the Adviser, its principal(s), and/or affiliate(s) may have conflicts of interest in: (i) allocating their time and activity among the multiple Funds; (ii) allocating investments among the multiple Funds; and (iii) effecting transactions among the multiple Funds, including ones in which the Adviser, its principal(s), and/or affiliate(s) may have a greater financial interest. These conflicts of interest may create an incentive for the Adviser to favor a Fund in which the Adviser, its principal(s), and/or affiliate(s) have a greater financial interest with respect to allocation of time and activity, limited investment opportunities, or investments that the Adviser regards as more attractive or better performing investments.

To address these conflicts of interest, the Adviser has implemented policies and procedures to ensure all funds receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

**Item 7 - Types of Clients**

As mentioned in Item 4, the Adviser provides investment supervisory services on a discretionary basis to pooled investment partnerships investing in private equity transactions.

Generally, the minimum Commitment by a limited partner to a Fund will be \$5 million, although the General Partner reserves the right to accept Commitments of lesser amounts.

## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

### **A. Introduction**

The Adviser targets recapitalizations, buyouts, buy-and-builds, corporate divestitures and selected growth capital investments, typically investing \$10 million to \$30 million per portfolio company, in companies with enterprise values up to \$100 million. Trinity Hunt focuses on proactively originated investment opportunities that can be purchased at lower purchase multiples with lower financial leverage. Focus industries include business services, healthcare services, industrials, and to a lesser extent, consumer products and media/entertainment. The Adviser is led by a team of experienced investment professionals (the “Principals”) with a long history of working together and a proven record of investing in the lower middle market dating back to the early 1990’s.

Over the past 19 years, the Principals have developed and refined a proven private equity investing model based on the proactive sourcing of unique, proprietary deal flow in selected focus industries, which in turn has resulted in the completion of 35 platform investments with attractive purchase multiples (5.9x EBITDA in its latest fund), conservative leverage (2.1x average total leverage in its latest fund) and strong realized returns (29% gross and 19% estimated net IRR on 29 realized investments). As of December 31, 2010, Trinity Hunt has successfully exited three of the nine investments in its latest Fund, generating a total value of \$99.6 million on invested capital of \$48.7 million and a gross IRR of 41%. Trinity Hunt believes that its proprietary sourcing model distinguishes the firm from other private equity firms as its latest fund’s entire portfolio was acquired on a non-auctioned basis. Further, Trinity Hunt represented the first source of institutional equity capital in all its Fund III portfolio companies and these investments have commonly been characterized by a high level of retained equity ownership by the sellers.

Additionally, Trinity Hunt believes that companies in the lower middle market with \$15 million to \$100 million of enterprise value have sufficient scale to generate meaningful earnings and attract high quality management, yet are small enough to respond quickly and dramatically to strategic initiatives designed to create value. Trinity Hunt will continue its successful strategy of targeting undermanaged, undercapitalized businesses which can be purchased for a reasonable price and can benefit from active operational and strategic direction to substantially grow their earnings. The Principals have a history of achieving superior risk-adjusted returns by capitalizing on proactively generated investment opportunities as well as by scaling their portfolio companies through organic and external growth initiatives and infrastructure enhancements. In summary, Trinity Hunt’s ability to generate superior returns stems from: (i) its strength in originating unique, proprietary deal flow; (ii) its focus on the underserved Southwest region; (iii) its conservative, value-oriented investment strategy; and (iv) its value-added role with portfolio companies. Further, the Principals believe the Adviser’s long-term association with the Lamar Hunt family has a positive impact on the attractiveness of Trinity Hunt to owners of the closely held businesses in the region, given the family’s reputation for integrity, fair dealing and business success.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)**

### Market Opportunity

Trinity Hunt will primarily pursue opportunities in the Southwest, a region that has historically been underserved by Trinity Hunt's competition and where the Principals believe they have a competitive advantage in negotiating attractive deals given their extensive local network. The Southwest region of the U.S. is a large, vibrant market that is experiencing continued economic, population and job formation growth. The Southwest has benefited from a multi-decade trend of migration from the Northeast, Midwest and West regions of the U.S. as well as a burgeoning labor pool due to immigration from Latin America. The U.S. Census Bureau reported that over 33% of the total population growth in the U.S. from 2000 to 2010 occurred in the Southwest. Texas, in particular, represents the fastest growing state in the country, with a population growth of 20.6% over the past 10 years. As a result, Texas alone is the 14th largest economy in the world with a state GDP of roughly \$1.2 trillion, approximately the same size as Russia. Texas's economic success is a direct result of its low cost of living, absence of state income taxes, central location, and extensive transportation and logistics infrastructure providing a favorable operating environment for small and medium sized businesses. However, despite the significant growth and economic opportunity in Texas and the Southwest, this region remains largely underserved in contrast to other economically significant regions of the country where there are large concentrations of private equity capital.

Furthermore, Trinity Hunt targets closely-held businesses in the lower middle market sector. Trinity Hunt believes that its proactive calling efforts to lower middle market, owner-operator businesses provides the Principals with superior access to unique, family owned businesses in niche industries that can be acquired at more reasonable valuations than in competitive auction processes. As a result, the median EBITDA purchase multiple paid by Fund III for its nine portfolio companies was 5.9x EBITDA versus the 7.3x median multiple reflected in disclosed M&A transactions from calendar year 2005 through 2010 (S&P LCD data).

### Proactive Deal Origination

A key element in Trinity Hunt's strategy is differentiated and proactive deal origination. The Adviser focuses its outbound solicitation efforts on a select group of industries where it has developed domain expertise, management relationships, a demonstrated record of past investment success, or has performed extensive industry due diligence. Based upon their primary research, the Principals develop targeted sub sectors to thoroughly examine for investment opportunities. The Adviser employs a number of retained buy-side sourcing agents to augment Trinity Hunt's outreach program to companies in industries of interest. These buy-side intermediaries assist Trinity Hunt in contacting hundreds of target companies each year. As a result, the Adviser meets on average with over 120 companies annually from which it typically completes two to three investments per year. Since Trinity Hunt's relationship building process with business owners can often span years, these remaining companies continually form a portion of the Adviser's backlog of future investment opportunities.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)**

### Investment Process

The Principals believe that the Adviser's proactive origination strategy also promotes a more thorough and extensive due diligence process. Because the Principals must devote substantial time to the establishment of personal and professional relationships with business owners, the investment team enjoys greater access to their future management partners and is able to track performance of target companies over longer periods of time than usually afforded through an auction process. While Trinity Hunt also employs third party professionals to assist with accounting, tax, legal, industry and environmental due diligence once a letter of intent has been executed, the Principals believe that the ability to foster management relationships and monitor company performance over an extended period of time prior to an investment represents the critical foundation to the Adviser's due diligence process and investment discipline.

### Post-Closing Value Creation

Subsequent to closing an investment, the Principals have historically taken an active role in the oversight and development of their portfolio companies. Because these businesses are often entrepreneurially managed, Trinity Hunt devotes substantial time in providing advice and direction to its management partners on how to transform these companies into professionally managed businesses which are capable of exploiting incremental growth opportunities. This transformation typically entails hiring supplemental management resources, introducing budgeting and reporting tools for goals setting and performance measurement, implementing enhanced IT systems for stronger reporting and operational control, and creating incentive programs, including performance bonuses and stock option plans for management. Additionally, Trinity Hunt provides ongoing capital support and strategic advice in evaluating both organic and acquisition driven growth strategies. As a result of these undertakings, these portfolio companies are often transformed into larger, more professionally managed enterprises that become marketable to a large universe of strategic and financial buyers.

Investing in securities (including private equity portfolio company investments) involves the risk of loss, which investors should be prepared to bear.

- B. Investments by a Fund in portfolio companies involve a high degree of business and financial risk that can result in substantial losses. Some of these risks include, without limitation, the following: A portfolio company may be in an early stage of development, may not have a proven operating history, may have products that are not yet developed or ready to be marketed or that have no established market, may be reliant on developing unproven technology, may be operating at a loss or have significant fluctuations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition. A portfolio company may be highly leveraged and, as a consequence, subject to restrictive financial and operating covenants. The leverage may impair the ability of a portfolio company to finance its future operations and capital needs. As a result, a portfolio company may lack the flexibility to respond to changing business and economic conditions, or to take advantage of business opportunities.

**Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)**

A portfolio company may face intense competitive pressure, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a large number of qualified managerial and technical personnel. A portfolio company may also incur leverage that may have important adverse consequences. For example, a portfolio company may be subject to restrictive financial and operating covenants. As a result, a portfolio company may lack the flexibility to respond to changing business and economic conditions or to take advantage of business opportunities.

In addition, the Adviser's investment strategy includes certain other material risks, including risks of investing in privately held companies, risks of investing in junior securities of an issuer, potential investment concentration in one industry or one industry segment, possible lack of sufficient investment opportunities, risks associated with the use of leverage by a Fund, and the lack of a readily available market for Fund investments, among others.

For a more complete description of the risks associated with investing in a Fund, investors should refer to the relevant Private Placement Memorandum for each Fund.

C. See Item 8.B. above.

**Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of management.

**Item 10 - Other Financial Industry Activities and Affiliations**

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. The Adviser has no relationships or arrangements with any related person listed in the instructions to Item 10.C. that are material to its advisory business or to the Funds.
- D. The Adviser does not recommend or select other investment advisers for the Funds.



## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. The Adviser has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the “Code”). The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Adviser prohibits personal trading of certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an IPO or a new private placement; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

While the Adviser very rarely has access to non-public information relating to public companies, as part of its Code, the Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non- public information, and, therefore, may not trade on the basis of that information.

The Adviser will provide a copy of the Code to any partner or prospective partner upon request.

- B. Affiliates of the Adviser serve as the General Partners to the Funds, which issue partnership interests to third party investors. Other than with respect to these structures, neither the Adviser nor any of its related persons recommend to the Funds, or buy or sell for Funds, investments in which the Adviser or any related persons have a material financial interest.
- C. Certain principals of the Adviser are allowed to invest in the same or related securities that the Adviser recommends to the Funds. In such situations, the Adviser has adopted policies and procedures to deter conflicts of interest among the Adviser, its related persons and the Funds.
- D. See item 11.C. above.

**Item 12 - Brokerage Practices**

- A. The Adviser's investment strategy involves making negotiated investments in privately held companies. As a result, the Adviser does not select or recommend broker-dealers for Fund transactions.

The Adviser does not maintain any trading accounts and does not use "soft" dollars.

- B. See item 12.A. above.

**Item 13 - Review of Accounts**

- A. The Adviser maintains comprehensive review procedures for the ongoing monitoring of portfolio investments. In connection therewith, the Adviser conducts regular reviews of all portfolio company investments held in each Fund portfolio. All firm investment and operational staff participate in the ongoing monitoring of Fund portfolios.
- B. See Item 13.A. above.
- C. Annually, each Fund will furnish all limited partners with (i) audited financial statements prepared in accordance with generally accepted accounting principles, accompanied by the report of its independent certified public accountants, and (ii) tax information necessary for the completion of tax returns. In addition, on a quarterly basis, each limited partner will be furnished with unaudited financial statements of the Fund.

**Item 14 - Client Referrals and Other Compensation**

- A. No persons other than the Funds provide an economic benefit to the Adviser for providing investment advice or other advisory services to the Funds.
- B. The Adviser compensates third-party placement agents to sell Fund interests. All such engagements are undertaken pursuant to a written agreement and in accordance with all applicable laws and regulations, including Rule 206(4)-3 of the Advisers Act. The compensation paid to any third-party placement agent is negotiated on a case-by-case basis.

**Item 15 - Custody**

An affiliate of the Adviser is the general partner of each Fund and is therefore deemed to have custody of the Fund's assets. The Adviser provides account statements to the Funds directly.

Please refer to Item 13.C. for a description of reports that are provided to investors in the Funds.

**Item 16 - Investment Discretion**

Pursuant to an agreement of limited partnership, the General Partner is granted broad authority to determine the type and amount of securities to be bought and sold, as well as the timing of such purchases and sales for the Funds. In connection with this discretionary authority, the General Partner and the Adviser select portfolio company investments on behalf of the Funds.

**Item 17 - Voting Client Securities**

In connection with its investment supervisory services, the Adviser does not invest in public equity securities and therefore does not receive proxies on behalf of the Funds.

**Item 18 - Financial Information**

- A. The Adviser charges Management Fees in advance on a quarterly basis. Because the Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, there is no requirement to provide a balance sheet for the most recent fiscal year.
- B. Registered investment advisers are required in this Item to provide certain financial information or disclosures about the adviser's financial condition. The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to the Funds, and has not been the subject of a bankruptcy proceeding.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.