

**PART 2A OF FORM ADV**  
**FIRM BROCHURE**



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**This Brochure provides information about the qualifications and business practices of Mainsail Management Company, LLC (“Mainsail”). If you have any questions about the contents of this Brochure, please contact Lars Ahlstrom at (415) 391-3150 or by email at [lars@mainsailpartners.com](mailto:lars@mainsailpartners.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority, and references in this Brochure to Mainsail as a “registered investment adviser” are not intended to imply a certain level of skill or training.**

**Additional information about Mainsail is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES**

Mainsail's initial Brochure was filed on February 14, 2012. Mainsail is updating its Brochure and filing an amendment to reflect the following:

- As of September 24, 2012, Mainsail moved its principal office and place of business to One Front Street, Suite 3000 San Francisco, CA, 94111. Address updates are located in Item 1, "Cover Page" for both the Brochure and the Part 2B Brochure Supplements.

Pursuant to SEC rules, Mainsail will ensure that you receive a summary of any material changes to this brochure and subsequent brochures within 120 days of the close of Mainsail's fiscal year. You may request the most recent version of Mainsail's brochure by contacting Lars Ahlstrom, Mainsail's Chief Compliance Officer, at (415) 391-3150 or by email at [lars@mainsailpartners.com](mailto:lars@mainsailpartners.com).

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## ITEM 4 – ADVISORY BUSINESS

<p><b>Item 4.A</b></p>	<p><b>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</b></p> <p>Mainsail is a private equity fund manager with a focus on acquiring or investing in growing, privately-held companies. Mainsail is a Delaware limited liability company formed in July of 2004. Mainsail provides discretionary investment advisory services to private investment funds (the “Funds”).</p> <p>The principal owners of Mainsail are Gavin M. Turner and C. Jason Payne (the “Principals”). The Principals may own their interest indirectly through trusts.</p> <p>The Funds are Delaware Limited Partnerships:</p> <ul style="list-style-type: none"> <li>• Mainsail Partners, L.P., and</li> <li>• Mainsail Partners II, LP.</li> </ul> <p>In addition Mainsail provides discretionary advisory services to a private investment fund that was formed solely for the purpose of investing alongside Mainsail in a single privately held company (the “Single Purpose Fund”, together with the Funds, the “Advisory Clients”). It should be noted that the Single Purpose Fund is closed to investors, and, as of the date of the Brochure, the Single Purpose Fund no longer holds investments and is in the process of winding down. At the present, the only clients of Mainsail are the Advisory Clients.</p> <p>Affiliates of Mainsail serve as the general partners of the Advisory Clients (the “Affiliated General Partners”).</p> <p>In addition, a co-investment vehicle, Mainsail Incentive Program, LLC, has been established, for the Principals and employees of Mainsail (the “Co-Investment Vehicle”). Such vehicle is not subject to the management fee or performance allocation described below in item 4.B and such vehicle invests in portfolio companies of the Funds on the same terms as the Funds. Information relating to this Co-Investment Vehicle has been fully disclosed to investors in the Advisory Clients and to the extent any conflict of interest arises, the Advisory Committee of each of the Funds would address such conflicts.</p>
<p><b>Item 4.B</b></p>	<p><b>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</b></p> <p>Mainsail generally has broad and flexible investment authority with respect to the Advisory Clients. Each Advisory Client’s investment objectives and strategy are set forth in a Confidential Offering Memorandum. All investors in the Advisory Clients (“Investors”) are also provided with a limited partnership agreement.</p> <p>Mainsail seeks to invest in growing, profitable, “bootstrapped” companies</p>

	<p>identified through Mainsail’s proprietary sourcing program (each such company that Mainsail invests in a “Portfolio Company”). Mainsail seeks to invest in Portfolio Companies with senior preferred security at attractive valuations. Post-investment, Mainsail actively manages the investments with the goal of improving operating performance and enhancing shareholder returns, ultimately generating liquidity for the Funds by exiting investments through sales to larger private equity funds and strategic acquirers.</p> <p>Mainsail believes that superior returns can be generated by investing in a portfolio of “good” companies at what Mainsail believes are attractive valuations. Mainsail defines a “good” company as having a strong management team, high profit margins, recurring revenue, an established operating history of growth, and a large market opportunity. Mainsail further emphasizes companies which have grown from the start-up stage to profitability without external funding from professional investors. Mainsail believes that the success of these “bootstrapped” companies in a cash constrained environment is generally indicative of some combination of the attributes described above.</p> <p>Mainsail intends to provide both capital and management expertise to its Portfolio Companies. Mainsail believes that while bootstrapped companies often develop favorable discipline over resource allocation, as they grow, sole reliance on internally generated funding often creates artificial limits on management’s ability to sustain high growth and exploit expansion opportunities. Accordingly, Mainsail will seek to be actively involved at the board of directors level of its Portfolio Companies in evaluating strategic issues, prioritizing growth initiatives, and establishing corporate governance. Mainsail also seeks to provide constructive coaching and guidance to management and will assume direct involvement on certain tactical initiatives.</p>
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<b>Item 4.C</b>	<p><b>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</b></p> <p>As noted above, the clients of Mainsail are the Advisory Clients. Mainsail does not tailor its advisory services to the individual needs of Investors and does not accept any sort of investment restrictions as it relates to the Advisory Clients.</p> <p>Notwithstanding the fact that Mainsail has not accepted any sort of investment restrictions for individual Investors, it should be noted that Mainsail has agreed to modify certain rights and privileges for certain Investors which are not available to other Investors (including without limitation, transparency rights, reporting rights, capacity rights, co-investment rights, approval rights and certain other protections and the right to receive certain special allocations). Such modifications of rights and privileges are generally contained in side letters between the applicable Advisory Clients and limited partners of such Advisory Clients.</p>
<b>Item 4.D</b>	<p><b>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</b></p> <p>Not applicable. Mainsail does not participate in wrap fee programs.</p>

Item 4.E	<p><b>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date “as of” which you calculated the amounts.</b></p> <p>As of December 31, 2011, Mainsail manages \$136,508,977 of client assets on a discretionary basis. Mainsail does not currently manage any client assets on a non-discretionary basis.</p>
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## ITEM 5 – FEES AND COMPENSATION

<p><b>Item 5.A</b></p>	<p><b>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</b></p> <p>All clients of Mainsail are Qualified Purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940. In addition, each Investor in the Advisory Clients must meet certain eligibility provisions: interests in the Advisory Clients are generally offered to (A) U.S. Investors who are (i) accredited investors within the meaning of Regulation D of the U.S. Securities Act of 1933, as amended (“Accredited Investors”);(ii) qualified purchasers within the meaning of Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (“Qualified Purchasers”); (iii) qualified clients within the meaning of the Investment Advisers Act of 1940, as amended; and (B) non-U.S. Investors. Investors and prospective Investors should refer to the offering documents for the Advisory Clients for a detailed description of the fee schedules applicable to an investment in the Advisory Clients, but fees generally consist of a management fee of approximately 2.25% of limited partner capital commitments and carried interest allocations and distributions equal to 20% of net profits, assuming preferred return to the Investors is satisfied.</p> <p>Mainsail may also charge annual monitoring fees and transaction fees to portfolio companies of its Advisory Clients, and management fees are generally reduced by a percentage of these monitoring and transaction fees.</p> <p>It should be noted that the fees paid by Investors not are negotiable.</p> <p>Any new fund launched by Mainsail may have similar or materially different terms than those summarized above.</p>
<p><b>Item 5.B</b></p>	<p><b>Describe whether you deduct fees from <i>clients</i>’ assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</b></p> <p>Mainsail or an Affiliated General Partner, deducts fees applicable to the clients (and Investors) directly from the clients’ assets. Clients and Investors do not have the ability to choose to be billed directly for fees incurred.</p> <p>In general, Mainsail receives a management fee, directly or indirectly, based on a fixed percentage of each Advisory Client’s net assets. In addition, the Affiliated General Partners receive an allocation (“Carried Interest Distribution”), based on a percentage of net income of the respective Advisory Client (pursuant to the detailed terms as described in each Advisory Clients’ governing documents). The management fee is payable semi-annually but less than six (6) months in advance and the Carried Interest Distribution is generally made pursuant to the terms of the respective governing documents.</p> <p><b>It is critical that Investors refer to the relevant governing documents for a complete understanding of how fees are paid to Mainsail, or the Affiliated General Partners. The information contained herein is a summary only and is qualified in its entirety by such documents.</b></p>



Item 5.C	<p><b>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</b></p> <p>The Advisory Clients' expenses shall include: organizational expenses related to the Advisory Clients, all expenses relating to each Advisory Client's operations, including fees and expenses directly related to the purchase and sale of securities, including deal sourcing bonuses payable to investment professionals employed by Mainsail (other than the Principals), expenses of counsel, accountants (including, without limitation fees and expenses of the annual audit of the Advisory Clients, the preparation of the annual and interim financial statements of the Advisory Clients and the Federal and state tax returns of the Advisory Clients), advisors and consultants, any insurance, indemnity or litigation expense, taxes, and costs incurred in connection with transactions which are not consummated.</p> <p>Please refer to Item 12 of this Brochure for information regarding Mainsail MFV's brokerage practices.</p> <p><b>It is critical that Investors refer to the relevant governing documents for a complete understanding of expenses they may pay through an investment in the Advisory Clients. The information contained herein is a summary only and is qualified in its entirety by such documents.</b></p>
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Item 5.D	<p>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p> <p>As described in item 5.B. management fees applicable to Investors are paid semi-annually but less than six months in advance to Mainsail, directly or indirectly, as applicable.</p> <p>Investors may not terminate advisory contracts prior to the end of a billing period because they may not withdraw from their respective Advisory Client prior to dissolution, and may not transfer any of their interest rights or obligations under the offering documents of the respective Advisory Client without the prior written consent of Mainsail or the respective Affiliated General Partner. As such, there is no need for a refund mechanism.</p>
Item 5.E	<p>If you or any of your <i>Access Persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable to Mainsail.</p>
Item 5.E.1	<p>Explain that this practice presents a conflict of interest and gives you or your <i>Access Persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client's</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</p> <p>Not applicable to Mainsail.</p>
Item 5.E.2	<p>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable to Mainsail.</p>
Item 5.E.3	<p>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable to Mainsail.</p>
Item 5.E.4	<p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p>Not applicable to Mainsail.</p>

## ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

If you or any of your *Access Persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *Access Persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *Access Persons* face by managing these accounts at the same time, including that you or your *Access Persons* have an incentive to favor accounts for which you or your *Access Persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

As described in Item 5.B. above, the Affiliated General Partners of Mainsail receive performance-based compensation from all its clients (although performance-based compensation may be waived or reduced for certain Investors).

It should be noted that the possibility that Mainsail may receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for Mainsail to make investments that are riskier or more speculative than in the absence of such performance-based fees.

## ITEM 7 – TYPES OF CLIENTS

**Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

Mainsail provides investment advisory services to the Advisory Clients, as described in Item 4, above. During the periods of time when they were open to new Investors, the Advisory Clients were open only to Investors meeting certain suitability requirements. In addition, the Advisory Clients required a significant minimum capital commitment.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Item 8.A	<p><b>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</b></p> <p>There can be no assurance that Mainsail and the Advisory Clients will achieve their investment objectives or that the investment strategies employed by Mainsail will be successful.</p> <p>Mainsail seeks to utilize the following methods of analysis and investment strategies when formulating investment advice or managing assets for the Funds:</p> <ul style="list-style-type: none"> <li>• <b>Target Good Companies: Growing, Profitable and “Bootstrapped”</b> - companies that are well managed, have established operating histories, strong profit margins, and annual growth in revenues and profits in excess of 20%. The Funds will also target companies that have reached profitability without raising external institutional financing, a characteristic that Mainsail believes is an indicator of these positive attributes and presents a reduced risk profile.</li> <li>• <b>Capitalize on an Underserved Market-</b> Mainsail seeks to primarily target companies at the low-end of the middle market; generally companies with EBITDA of \$1 to \$5 million. These companies are smaller than those targeted by most private equity firms, and thus Mainsail believes there is less competition from professional investors resulting in greater negotiating leverage, attractive valuations and favorable legal terms.</li> <li>• <b>Utilize Proprietary Deal Sourcing Program</b> – Mainsail utilizes a proactive “cold calling” and direct relationship management program to identify unique, non-auction opportunities for investment. By building a proprietary database of targeted companies, Mainsail believes it has created a long-term competitive advantage in the private equity market.</li> <li>• <b>Mitigate Risk</b> – Mainsail seeks to reduce risk and maximize potential upside by investing at favorable valuations in a senior preferred security, conducting extensive first party due diligence, obtaining board of directors representation, and securing a contractual exit right.</li> <li>• <b>Actively Enhance Value</b> – Mainsail seeks to increase shareholder value through active management of the Funds’ Portfolio Companies. This involvement includes management recruitment, board of directors recruitment, sales program development, strategic planning, financial budgeting, marketing assistance, technology implementation, acquisition assistance, and exit evaluation.</li> <li>• <b>Exit Into Favorable Markets</b> – Mainsail seeks to provide liquidity to investors by selling its portfolio companies to strategic acquirers and private equity firms or through initial public offerings. The Principals believe that attractive exit valuations can be achieved by selling companies that have grown into the “middle market” (which is highly competitive among larger private equity</li> </ul>
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	<p>firms) at multiples higher than those at which the Funds made initial investments.</p> <p>As a general matter, Mainsail utilizes the methods of analysis and investment strategies described in each Advisory Client's Confidential Offering Memorandum and governing documents provided to all Investors prior to the time of an investment. The information contained herein is a summary only and Investors and prospective Investors should refer to the respective Advisory Client's governing documents for a complete overview of Mainsail's methods of analysis and investment strategies.</p>
<b>Item 8.B</b>	<p>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</p> <p>An investment in the Advisory Clients involves a significant degree of risk. There can be no assurance that the Advisory Clients' targeted rate of return will be achieved or that there will be any return of capital. The environment for private equity investments is increasingly competitive and an Investor should only invest in the Advisory Clients if the Investor can withstand a total loss of its investment.</p> <p>No guarantee or representation is made that the Advisory Clients investment program will be successful.</p> <p>Investors and prospective Investors are provided with a Confidential Offering Memorandum that contains a detailed description of the material risks related to an investment in the Advisory Clients and are advised to carefully review <u>all</u> risk factors set forth in the relevant Confidential Offering Memorandum.</p>
<b>Item 8.C</b>	<p>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</p> <p>Please see the response to Item 8.B above. In addition, Investors and prospective Investors are provided with a Confidential Offering Memorandum that contains a detailed description of the material risks related to the types of securities invested in by the Advisory Clients, and are advised to carefully review <u>all</u> risk factors set forth in the relevant Confidential Offering Memorandum.</p>

## ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

Item 9.A	<p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;</li> <li>2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;</li> <li>3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or</li> <li>4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i></li> </ol> <p>Not applicable to Mainsail.</p>
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Item 9.B	<p>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation and was the subject of an <i>order</i> by the agency or authority <ol style="list-style-type: none"> <li>(a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business;</li> <li>(b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business;</li> <li>(c) otherwise significantly limiting your firm's or a <i>management person's investment-related</i> activities; or</li> <li>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</li> </ol> </li> </ol> <p>Not applicable to Mainsail.</p>
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Item 9.C	<p><b>A self-regulatory organization (SRO) proceeding in which your firm or a management person</b></p> <ol style="list-style-type: none"> <li><b>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</b></li> <li><b>2. was <i>found</i> to have been <i>involved</i> in a violation of the <i>SRO's</i> rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from <i>investment-related</i> activities; or (iii) fined more than \$2,500.</b></li> </ol> <p>Not applicable to Mainsail.</p>
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**ITEM 10 – OTHER FINANCIAL INDUSTRY  
ACTIVITIES AND AFFILIATIONS**

<b>Item 10.A</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p>Not applicable to Mainsail.</p>
<b>Item 10.B</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p>Not applicable to Mainsail.</p>

<p><b>Item 10.C</b></p>	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> <li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li> <li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li> <li>3. other investment adviser or financial planner</li> <li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li> <li>5. banking or thrift institution</li> <li>6. accountant or accounting firm</li> <li>7. lawyer or law firm</li> <li>8. insurance company or agency</li> <li>9. pension consultant</li> <li>10. real estate broker or dealer</li> <li>11. sponsor or syndicator of limited partnerships</li> </ol> <p>Mainsail is not of the view that it has any material relationships or arrangements with related person listed above. Notwithstanding the prior sentence, Mainsail is of the view that the following should be note:</p> <ul style="list-style-type: none"> <li>• The Affiliated General Partners of Mainsail serve as general partners to the Advisory Clients and in connection therewith maintain investments in such Advisory Clients.</li> <li>• As described elsewhere in this Brochure, Mainsail generally seeks to make significant investments in Portfolio Companies. Mainsail typically seeks control or substantial minority positions in portfolio companies, with board representation and customary shareholder rights. As such, Mainsail’s Principals may have management roles with Portfolio Companies. Mainsail does not believe that this creates a material conflict of interest.</li> <li>• Two members of Mainsail’s investment committee (“Outside Committee Members”) are the founders of a non-affiliated investment adviser (“Non-Affiliated Adviser”). The Non-Affiliated Adviser serves as an investment adviser to certain private investment funds that are not affiliated with Mainsail or the Advisory Clients and that have very different investment strategies and target markets (“Outside Funds”). The Outside Committee Members maintain an interest (directly or indirectly) in the Affiliated General Partners. Further, the Outside Funds may maintain an investment in the Advisory Clients and/or invest along-side the Advisory Clients in Portfolio Companies. Mainsail addresses this conflict of interest in a variety of ways: (1) Mainsail fully discloses this conflict of interest in the offering documents provided to each Investor; (2) Mainsail tracks such potential conflict on a continuous basis; and (3) Mainsail uses its reasonable best efforts to ensure that all decisions of the investment</li> </ul>
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	<p>committee are made in adherence with the fiduciary duty that Mainsail has to its Advisory Clients.</p> <ul style="list-style-type: none"> <li>• The Co-Investment Vehicle is not subject to the management fee or Carried Interest Distribution as described in item 5 above.</li> </ul>
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<p><b>Item 10.D</b></p>	<p><b>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</b></p> <p><a href="#">Not applicable to Mainsail.</a></p>
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## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Item 11.A	<p><b>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any <i>client</i> or prospective <i>client</i> upon request.</b></p> <p>Mainsail’s Code of Ethics (the “Code”) is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the “Advisers Act”). The Code applies to Mainsail’s “Access Persons.” Access Persons include, generally, any member, officer or director of Mainsail and any employee or other Access Person of Mainsail who, in relation to the Advisory Clients (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All Mainsail employees are deemed to be Access Persons. In addition, certain consultants, the principals of the Non-Affiliated Adviser (as defined in response to Item 10.C) and other individuals may also be deemed to be Access Persons.</p> <p>The Code sets forth a standard of business conduct that takes into account Mainsail’s status as a fiduciary to the Advisory Clients and requires Access Persons to place the interests of Advisory Clients above their own interests and the interests of Mainsail. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Mainsail’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.</p> <p>The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide Mainsail’s Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Mainsail’s Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.</p> <p>The Code also describes Mainsail’s duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) advisory clients. Underlying these policies and procedures are two primary principles. First, confidential information must be maintained in confidence. Second, employees of Mainsail who possess non-public information, whether or not it is material, must not trade in the securities affected by such information and must not disclose such information to anyone who does not have a legitimate need to know it.</p> <p>Investors or prospective Investors may obtain a copy of the Code by contacting the Chief Compliance Officer at <a href="mailto:lars@mainsailpartners.com">lars@mainsailpartners.com</a>.</p>
Item 11.B	<b>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i></b>

	<p>accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p><b>Examples:</b> (1) You or a <i>related person</i>, as principal, buys securities from (or sells securities to) your <i>clients</i>; (2) you or a <i>related person</i> acts as general partner in a partnership in which you solicit <i>client</i> investments; or (3) you or a <i>related person</i> acts as an investment adviser to an investment company that you recommend to <i>clients</i>.</p> <p>As explained in Item 10.C above, Mainsail serves as the investment manager to the Advisory Clients.</p> <p>Mainsail's principals and employees may also invest in the Advisory Clients, in the Co-Investment Vehicle, or through an Affiliated General Partner, but such investments have differing liquidity rights and generally are not subject to the management or performance-based fees described in Item 4.C above. Investments by the Co-Investment Vehicle in portfolio companies of the Advisory Clients are made on the same terms as investments in such portfolio companies by the Advisory Clients.</p> <p>The fact that Mainsail's principals and employees have financial ownership interests in the Funds creates a potential conflict in that it could cause Mainsail to make different investment decisions than if such parties did not have such financial ownership interests. Such potential conflicts are addressed by the personal securities transaction pre-clearance and reporting requirements described in Item 11. A. and 11. C.</p> <p>Mainsail addresses these potential conflicts through regular monitoring of the Advisory Clients' portfolios for consistency with objectives, strategies, and target capacity. Further, the Principals carefully consider the risks involved in any investments and Mainsail provides extensive disclosure to Investors regarding the potential risks that come with an investment with Mainsail. The Code requires Access Persons to place the interests of the Advisory Clients over their own or those of Mainsail, and all Access Persons are required to acknowledge their receipt and understanding of the Code.</p> <p>Further, Mainsail receives, directly or indirectly, a management fee and the Affiliated General Partners of Mainsail receive performance-based compensation. The management fees are payable without regard to the overall success or income earned by the Advisory Clients and therefore may create an incentive on the part of Mainsail to raise or otherwise increase assets under management to a higher level than would be the case if Mainsail were receiving a lower or no management fee. Performance-based fees may create an incentive for Mainsail to make investments that are riskier or more speculative than in the absence of such performance-based fees.</p>
Item 11.C	<p><b>If you or a <i>related person</i> invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</b></p>

	<p>Mainsail’s Access Persons are permitted to make certain securities transactions in their personal accounts. This presents potential conflicts in that an employee could make improper use of information regarding an Advisory Client’s holdings or future transactions or research paid for by the Advisory Clients. In order to minimize the potential conflict of interest, and the risk of improper transactions, all companies in which Mainsail or a client owns stock or controls one or more board seats, and all of the publicly-traded affiliates of such companies, will be placed on the” Restricted List” (as described herein).</p> <p>Mainsail manages the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains strict pre-clearance and reporting guidelines for Access Persons.</p> <p>Mainsail requires that Access Person’s transactions in initial public offerings and in securities in limited offerings be pre-cleared with the Chief Compliance Officer. Further details are available in the Code which is available to Investors upon request.</p> <p>As noted above, Mainsail maintains a “Restricted List” with the names of issuers of securities about which Mainsail or its affiliates (including Access Persons) have learned material, non-public information. Access Persons are strictly prohibited from trading securities on the Restricted List.</p> <p>In addition, Mainsail receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer or his designee also reviews Access Persons’ personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.</p> <p>As described in Item 11.B, Mainsail also maintains a Co-Investment Vehicle that invests with Advisory Clients in portfolio companies on the same terms as investments by the Advisory Clients in such portfolio companies.</p>
<b>Item 11.D</b>	<p><b>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</b></p> <p>Mainsail invests in private transactions that are not executed on an exchange and does not utilize brokers. Notwithstanding the above, in the past, Mainsail has utilized brokers and investment banks in connection with the purchase and sale of portfolio companies. This is typically done on a limited basis to remove restrictions from the securities and to help liquidate the securities in the open market. Any such purchases or sales will be executed in accordance with best execution.</p>



## ITEM 12 – BROKERAGE PRACTICES

Item 12.A.1	<p><b>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</b></p> <p><b>1. Research and Other Soft Dollar Benefits.</b> If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <p>Mainsail invests in private transactions that are not executed on an exchange and does not utilize brokers. Notwithstanding the above, in the past, Mainsail has and may in the future utilize brokers and investment banks in connection with the purchase and/or sale of portfolio companies. This is typically done on a limited basis to remove restrictions from the securities and to help liquidate the securities in the open market. Any such purchases or sales will be executed in accordance with best execution.</p>
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Item 12.A.2	<p><b><u>Brokerage for <i>Client</i> Referrals.</u></b> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ul style="list-style-type: none"> <li>a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients'</i> interest in receiving most favorable execution.</li> <li>b. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals.</li> </ul> <p>Not applicable to Mainsail. As a general matter, Mainsail invests in private transactions that are not executed on an exchange and does not utilize brokers.</p>
Item 12.A.3	<p><b><u>Directed Brokerage.</u></b></p> <ul style="list-style-type: none"> <li>a. If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money.</li> <li>b. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices.</li> </ul> <p>Not applicable to Mainsail. As a general matter, Mainsail invests in private transactions that are not executed on an exchange and does not utilize brokers.</p>
Item 12.B	<p>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</p> <p>Not applicable to Mainsail.</p>

## ITEM 13 – REVIEW OF ACCOUNTS

Item 13.A	<p><b>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>Access Persons</i> who conduct the review.</b></p> <p>Mainsail’s client accounts are under continuous review by the principals of Mainsail. Such reviews include a review of investment policy, the suitability of the investments used to meet policy objectives, and investment objectives. Mainsail considers, among other things, investment performance, the portfolio’s sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return.</p>
Item 13.B	<p><b>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review</b></p> <p>Please see Item 13.A. Client accounts are under continuous review.</p>
Item 13.C	<p><b>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</b></p> <p>Each Investor in the Advisory Clients will receive: (1) annual audited financial statements and (2) unaudited quarterly financial reports and such other information or commentary as the Mainsail deems appropriate. In addition, Mainsail will furnish Investors with annual tax information for the preparation of their tax returns.</p>

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable to Mainsail.</p>
Item 14.B	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>Access Person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>Not applicable to Mainsail.</p>

## ITEM 15 – CUSTODY

**If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.**

Mainsail and certain affiliates of Mainsail are deemed to have custody by virtue of their status as investment manager or general partner to the Advisory Clients. To ensure compliance with Rule 206(4)-2 under the Advisers Act, Mainsail has a reasonable belief that Investors have been provided with audited financial statements for their respective Advisory Client within 120 days of the end of such Advisory Clients' fiscal years.

Investors in the Advisory Clients receive statements from Mainsail. These statements should be carefully reviewed. Clients and Investors are urged to compare such statements to the information provided to them in the audited financial statements provided by the Advisory Clients' auditor.

## ITEM 16 – INVESTMENT DISCRETION

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

Mainsail has discretionary authority to manage securities accounts on behalf of the Advisory Clients. Mainsail is authorized to make transaction recommendations for the Advisory Clients. As explained in Item 4.C above, each Advisory Client's investment strategy is set forth in detail in such Advisory Clients' Confidential Offering Agreement. Investors do not have the ability to impose limitations on Mainsail's discretionary authority. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, prospective investors in the Advisory Clients must execute a subscription agreement which includes a power of attorney in accordance with the limited partnership agreement.

## ITEM 17 – VOTING CLIENT SECURITIES

<p><b>Item 17.A</b></p>	<p><b>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</b></p> <p>Mainsail understands and appreciates the importance of proxy voting. Mainsail has adopted proxy voting and procedures that are designed to ensure that when Mainsail votes proxies with respect to securities held on behalf of Funds, such proxies are voted in the Funds’ best interests, in the judgment of Mainsail to the extent reasonably practicable. The procedures also require that Mainsail identify and address conflicts of interest between Mainsail, its related persons and its Funds. If a material conflict of interest is identified, Mainsail will determine whether voting in accordance with the guidelines set forth in the procedures is in the best interests of its Funds or whether taking some other action may be more appropriate.</p> <p>It should be noted that given Mainsail’s business as a private equity fund manager, it is anticipated that it will be extremely rare that Mainsail will receive proxies with respect to securities held on behalf of Funds. To the extent that Mainsail controls a Portfolio Company, such voting will not be required. However, there are situations where private companies could have proxy issues (e.g. a private company needs approval of investors to make changes to board of directors, auditors, etc.). In such situations, Mainsail would have authority to vote proxies on behalf of Funds (assuming that Mainsail does not otherwise have control over the Portfolio Company and exercise such authority through control of the Portfolio Company’s board of directors).</p> <p>If a material conflict is identified, Mainsail will determine what course of action is in the best interests of the affected Investors (which may include utilizing an independent third party to vote such proxies). Further, Mainsail will determine whether it is appropriate to disclose the conflict to affected Investors and give such Investors the opportunity to vote the proxies in question themselves.</p> <p>The Chief Compliance Officer or his designee delivers proxies in accordance with instructions related to such proxy. Mainsail keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each client request for proxy voting records and Mainsail’s response for the previous five years.</p> <p>Investors generally do not have the ability to direct proxy votes. Investors may obtain additional information regarding how Mainsail voted proxies and may obtain a copy of Mainsail’s proxy voting policies and procedures by contacting the Chief Compliance Officer at <a href="mailto:lars@Mainsailpartners.com">lars@Mainsailpartners.com</a></p>
<p><b>Item 17.B</b></p>	<p><b>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss</b></p>

	<p><b>whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</b></p> <p>Not applicable to Mainsail.</p>
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## ITEM 18 – FINANCIAL INFORMATION

<b>Item 18.A</b>	<p><b>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</b></p> <ol style="list-style-type: none"><li><b>1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.</b></li><li><b>2. Show parenthetically the market or fair value of securities included at cost.</b></li><li><b>3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.</b></li></ol> <p><a href="#">Not applicable to Mainsail.</a></p>
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Item 18.B	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p>Mainsail is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Advisory Clients or Investors.</p>
Item 18.C	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Mainsail has not been the subject of any such bankruptcy petition.</p>