

BROCHURE
(Form ADV Part 2A)



R A I N E C A P I T A L L L C

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This Brochure provides information about the qualifications and business practices of Raine Capital LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 603-5500 or by email at legal@raine.com. 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, and references in this Brochure to Raine Capital LLC as a “registered investment adviser” are not intended to imply a certain level of skill or training.

Additional information about Raine Capital LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

This is the initial Brochure for Raine Capital LLC. Accordingly, there are no prior versions of the Brochure and no material changes to be noted.

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ITEM 4 – ADVISORY BUSINESS

Item 4.A – Advisory Firm

Raine Capital LLC, a Delaware limited liability company, is an investment advisory firm based in New York, New York which was founded in 2009 by industry veterans Joseph Ravitch and Jeffrey A. Sine. Raine Capital LLC is registered as an “investment adviser” under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and is an affiliate of Raine Securities LLC, a broker-dealer registered under the Securities Exchange Act of 1934, as amended, and a member firm of the Financial Industry Regulatory Authority, Inc. (“FINRA”). Registration does not imply a certain level of skill or training.

Raine provides investment advisory services to (a) Raine Partners I LP and any parallel and alternative investment vehicles relating to it and (b) certain special purpose investment vehicles that may co-invest alongside the Raine fund in the same portfolio companies in which the Raine fund invests. The Raine co-investment vehicles are formed from time to time for the purpose of permitting (i) certain investors in the Raine fund to increase, on a discretionary basis, the amount that they invest in certain portfolio companies in which the Raine fund is investing and/or (ii) one or more third parties that are not investors in the Raine fund to invest alongside the Raine fund in certain portfolio companies in which the Raine fund is investing. Generally, unlike the Raine fund, each Raine co-investment vehicle is established for the specific purpose of making an investment (and any related follow-on investment) in one specific portfolio company in which the Raine fund is investing. Accordingly, once established, a Raine co-investment vehicle typically will not make investments in additional portfolio companies.

Raine is a wholly-owned subsidiary of The Raine Group LLC, a Delaware limited liability company, which is 99% directly owned by Raine Holdings LLC, a Delaware limited liability company, and 1% directly owned by The Raine Group Professionals LLC, a Delaware limited liability company. The Raine Group Professionals LLC is a wholly-owned subsidiary of Raine Holdings LLC. Joseph Ravitch and Jeffrey A. Sine are the principal owners of Raine Holdings LLC. Raine Associates I LP, an affiliate of Raine, serves as the general partner of the Raine fund.

As used in this Brochure:

- “Raine,” “we,” “us” and “our” refer to Raine Capital LLC and its investment advisory business;
- the “Raine Group” refers to Raine Holdings LLC, Raine Holdings AIV LLC and their controlled affiliates;
- the “Raine broker-dealer” refers to Raine Securities LLC;
- the “Raine fund” refers to Raine Partners I LP, a Delaware limited partnership, together with any parallel and alternative investment vehicles relating to it;
- the “Raine co-investment vehicles” refers to special purpose vehicles formed to co-invest alongside the Raine fund in certain portfolio companies;
- the “Raine clients,” “its clients,” “our clients” and the “Raine investment vehicles” refer to the Raine fund and the Raine co-investment vehicles;
- “investors” refers to investors in the Raine fund and/or the Raine co-investment vehicles, as applicable;

- the “General Partner” or the “Managing Member” refers to Raine Associates I LP, a Delaware limited partnership, and any other affiliate of Raine that may be formed to serve as the general partner or managing member, as applicable, of any parallel or alternative investment vehicle of the Raine fund, or of any Raine co-investment vehicle;
- “portfolio companies” refers to any company in which the Raine fund and/or a Raine co-investment vehicle holds an investment;
- the “principals” refers to Joseph Ravitch and Jeffrey A. Sine; and
- “Raine’s core sectors,” “its core sectors” and “our core sectors” refer to the entertainment, media, sports, consumer and lifestyle sectors.

Item 4.B – Types of Advisory Services Offered

Our business focuses on advising our clients in making opportunistic private equity investments in the equity or debt of operating companies that are primarily in the entertainment, media, sports, consumer and lifestyle sectors. Most operating companies in which the Raine fund invests are privately-held. As provided in its governing documents, the Raine fund may invest a small portion of its assets in passive, open-market investments in publicly traded-securities and in portfolio companies that are not in or related to our core sectors. We currently anticipate that the average size of an investment made by the Raine fund will be between \$20 million and \$70 million with an average investment life of 3 to 5 years. We also expect that the Raine fund will have the ability to pursue significantly larger transactions, where appropriate, by offering co-investment opportunities through the Raine co-investment vehicles to investors in the Raine fund and/or one or more third parties that are not investors in the Raine fund. Generally, each Raine co-investment vehicle is contractually required, as a condition of its investment, to exit its investment in any particular investment opportunity at the same time and on the same terms as the Raine fund.

We provide investment advice to our clients regarding the selection, monitoring and realization of each client’s investments. The relationship between us and each client is governed by the governing documents of each client and the terms of investment advisory agreements between us and each client. Investments in the Raine fund and the Raine co-investment vehicles are privately offered only to qualified investors, typically institutional investors and eligible high-net-worth individuals.

The investment advice we provide to our clients is generally limited to private equity investment programs conducted by the Raine fund and the Raine co-investment vehicles, though, as noted above, there may be limited circumstances in which certain clients invest a small portion of their assets in other types of securities.

Item 4.C – Services Tailored to Individual Needs of Clients

Our advisory services are tailored to the investment strategies of the Raine fund and the Raine co-investment vehicles. As investment advice is provided directly to the Raine fund and the Raine co-investment vehicles and not individually to investors, we do not tailor our advisory services to the individual needs of investors. Investment restrictions are imposed in the governing agreements for the Raine fund and the Raine co-investment vehicles, as specifically negotiated with investors. These terms may restrict our advice concerning investments in certain securities or geographies, concentration limits or leverage, among others. Raine co-investment vehicles are established to invest alongside the Raine fund in certain investment opportunities. Once established, a Raine co-investment vehicle typically will not make investments in additional portfolio companies, but may make follow-on investments in the portfolio company in which such Raine co-investment vehicle already made an investment.

Raine and its affiliates have entered (and may in the future enter) into agreements, or “side letters,” with investors whereby such investors may be subject to terms and conditions that vary from those applicable to other investors. Any such terms and conditions, including with respect to (i) opting out of particular investments, (ii) reporting obligations, (iii) transfers to affiliates, (iv) co-investment opportunities, (v) withdrawal rights due to adverse tax or regulatory events, (vi) consent rights to certain governing document amendments, (vii) payment of management fees or carried interest or (viii) any other matters, may be more favorable than those offered to other investors.

Raine and its affiliates have permitted (and may in the future permit) certain business associates and other “friends and family” of the key professionals to invest directly or indirectly in the Raine fund and/or in Raine co-investment vehicles on terms which may be more favorable than those offered to other investors, including with respect to the payment of management fees and/or carried interest.

Item 4.D – Wrap Fee Programs

Raine does not participate as manager or investment advisor in any wrap fee programs.

Item 4.E – Client Assets

As of December 31, 2011, Raine managed approximately \$457,200,000 of client assets, all on a discretionary basis. This amount is comprised of approximately \$408,700,000 of aggregate capital commitments to the Raine fund and approximately \$48,500,000 of aggregate capital contributions to Raine co-investment vehicles.

ITEM 5 – FEES AND COMPENSATION

Item 5.A – Fees

Raine is generally compensated for advisory services through asset-based management fees. In addition, Raine or certain of its affiliates may receive performance-based compensation. This Brochure will be delivered only to “qualified purchasers” as defined in the Investment Company Act of 1940, as amended (the “Investment Company Act”), and, accordingly, no fee table is included in this Brochure.

The fees applicable to the Raine fund are set forth in detail in the Raine fund’s offering documents and governing agreements and are not negotiable by investors. The calculation of fees payable by investors is complex and investors are advised to carefully review the terms set forth in the Raine fund’s offering documents and governing agreements. Generally, management fees are payable quarterly in advance by the Raine fund and equal to 2.0% per annum of an investor’s capital commitment to the Raine fund during the commitment period and thereafter or, if earlier, upon the formation of a subsequent investment fund, 1.5% per annum of invested capital. Certain business associates and other “friends and family” of the key professionals are not required to pay management fees and/or carried interest. With respect to Raine co-investment vehicles, any fees to be received by Raine are negotiated on a vehicle-by-vehicle basis, but may include asset-based fees and expense reimbursements or non-advisory administrative fees. Generally, management fees are payable quarterly in advance by a Raine co-investment vehicle and equal to 2.0% per annum of an investor’s capital contribution to the applicable Raine co-investment vehicle, except that an investor in the Raine fund that participates in a Raine co-investment vehicle does not generally pay management fees on capital contributions made to the applicable Raine co-investment vehicle. Please see Item 6 for a description of performance-based compensation or carried interest that may be payable by a Raine investment vehicle to the General Partner or Managing Member, as applicable.

Item 5.B – How Fees are Billed

Management fees are payable quarterly in advance by the Raine fund and any applicable Raine co-investment vehicle. Management fees are paid by capital contributions from investors to the Raine fund or any applicable Raine co-investment vehicle made pursuant to capital call notices delivered by the applicable General Partner or Managing Member, or are paid out of cash otherwise distributable to the investors, including when a portfolio investment is sold and the proceeds are distributed to investors.

“Carried interest” or performance compensation is assessed periodically according to the Raine fund’s and each Raine co-investment vehicle’s governing agreements, and in the discretion of the applicable General Partner or Managing Member. These fees are typically paid out of cash otherwise distributable to investors, such as the receipt by the Raine fund or any Raine co-investment vehicle of proceeds from the disposition of a portfolio investment.

Item 5.C – Other Fees and Expenses

Raine or its affiliates may receive customary break-up and topping fees, commitment fees, monitoring and directors’ fees and transaction, financing, divestment and other similar fees from portfolio companies as compensation for financial advisory and similar services. A certain portion of these fees may offset the management fees otherwise payable by investors. These potential fee arrangements are disclosed in the offering documents and/or governing agreements of the Raine fund and any applicable Raine co-investment vehicle.

In addition to paying management fees and, if applicable, performance compensation, the Raine fund and the Raine co-investment vehicles (and therefore investors) are also subject to other costs and expenses related to their respective activities (to the extent not reimbursed by a portfolio company) and, to the extent incurred by Raine or any of its affiliates, are required to reimburse Raine and its affiliates for such costs and expenses. Such costs and expenses may include (but are not limited to): (i) offering and organizational expenses up to a certain monetary threshold; (ii) expenses incurred in connection with the evaluation, acquisition, monitoring or disposition of investments (whether or not consummated), including private placement fees, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, and legal, accounting, investment banking, consulting, information services and professional fees; (iii) expenses of custodians, outside counsel, economic advisors, auditors and accountants; (iv) any insurance, indemnification or litigation expense; (v) any taxes, fees or other governmental charges; (vi) expenses relating to defaults by investors in the payment of any capital contributions; (vii) expenses incurred in connection with any restructuring or amendments to governing agreements; (viii) expenses incurred in connection with the formation of any special purpose vehicles; and (ix) expenses incurred in connection with any meetings of investors.

Investors should refer to the respective offering documents and/or governing agreements for the Raine fund and any applicable Raine co-investment vehicle for a complete description of fees and expenses. The information contained herein is qualified in its entirety by such documents.

Item 5.D – Refunds for Fees Charged in Advance

Management fees are payable quarterly in advance by the Raine fund and any applicable Raine co-investment vehicle as described in Item 5.B. Investors generally may not obtain a refund of a pre-paid management fee other than in situations when an advisory agreement is terminated and Raine consents in writing to such a refund.

Item 5.E – Compensation for Sales of Securities

Neither we nor our supervised persons accept compensation for the sale of securities or other investment products.

Our affiliate, the Raine broker-dealer, may receive compensation for the sale of securities or other investment products. For further discussion concerning this compensation of the Raine broker-dealer, see Item 10. As described in further detail in Item 10, certain of our supervised persons may, in their capacity as supervised persons of the Raine broker-dealer, receive compensation attributable to the sale of securities or other investment products.

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

A Raine investment vehicle may be assessed a carried interest or performance fee that is paid to the General Partner or Managing Member, as applicable. The carried interest is assessed periodically according to each Raine investment vehicle's governing agreements, typically after the receipt by the applicable Raine investment vehicle of proceeds from the disposition of a portfolio investment, and is paid out of cash otherwise distributable to investors. Carried interest is typically measured as a percentage of the profits of a Raine investment vehicle and is negotiated separately for each Raine investment vehicle at a rate consistent with industry standards. Currently, investors in the Raine fund are subject to a carried interest charge of 20%. Generally, investors in a Raine co-investment vehicle are subject to a carried interest charge of 10% if they are also investors in the Raine fund and 20% if they are not investors in the Raine fund.

Raine or an affiliate may waive or reduce the carried interest charge for certain business associates and other "friends and family" of the key professionals. In addition, with respect to Raine co-investment vehicles, any fees to be received by Raine or its affiliates are negotiated on a vehicle-by-vehicle basis and may not include a carried interest charge.

The fact that Raine or an affiliate may be entitled to receive performance-based compensation may create an incentive for Raine to recommend investments which may be riskier than those which would be recommended under a different fee arrangement, as Raine or its affiliate captures a set fraction of an investment's upside but does not suffer proportionately the downside of the investment. However, this incentive may be tempered somewhat by the fact that losses will reduce a Raine investment vehicle's performance and thus performance-based compensation, and that the Raine Group and the principals have made investments in the Raine fund and are subject to downside on these investments.

ITEM 7 – TYPES OF CLIENTS

Raine generally provides investment advisory services, as described above in response to Item 4, to the Raine fund and the Raine co-investment vehicles. Investment in Raine clients is generally only available to institutional investors and certain high net worth investors that are "accredited investors" and "qualified purchasers" or non-"U.S. persons" within the meaning of the Securities Act of 1933, as amended, and the Investment Company Act, respectively.

The Raine fund and the Raine co-investment vehicles may have a specified minimum investment amount as set forth in their offering documents, limited partnership agreement or other governing documents. Such minimums are subject to discretion, on the part of Raine or its affiliate, to permit investments of a smaller amount.

Raine employees and other persons associated with Raine and/or its affiliates, and the Raine Group out of its proprietary accounts, may make capital commitments and capital contributions to Raine clients.

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

Item 8.A – Methods of Analysis and Investment Strategies

The Raine fund will primarily make private equity and equity-related investments in companies focused on Raine’s core sectors. The Raine fund will invest across the capital structure in risk-adjusted opportunities that are consistent with its target returns. Given the target return profile, we anticipate that the Raine fund will invest primarily in the following types of investments:

- common equity, when we believe that attractive returns are likely with a limited risk of principal loss;
- preferred equity, when we believe that the Raine fund can retain equity upside with principal protection through a liquidation preference and/or other protections;
- higher-yielding mezzanine investments with senior debt-like protections (including significant asset coverage); and
- “hybrid” and other structured transactions with attractive risk-return profiles.

We currently anticipate that the average size of an investment by the Raine fund will be between \$20 million and \$70 million with an average investment life of 3 to 5 years. We also expect that the Raine fund will have the ability to pursue significantly larger transactions where appropriate by offering co-investment opportunities through the Raine co-investment vehicles to investors in the Raine fund and/or one or more third parties that are not investors in the Raine fund. Generally, each Raine co-investment vehicle is contractually required, as a condition of its investment, to exit its investment in any particular investment opportunity at the same time and on the same terms as the Raine fund.

Generally, we will seek to capitalize on the sector-specific experience of the principals and Raine’s strategic partners to generate proprietary opportunities rather than participate in competitive auctions and to identify high-growth opportunities where Raine can create value without relying on financial leverage to drive returns.

We engage in a detailed due diligence process for each potential investment, including modeling short and long-term financial scenarios, company assessment, industry analysis, competitive benchmarking, evaluation of company management, risk assessment and transaction size, and pricing and structure analysis. The due diligence effort includes our investment professionals as well as operating management teams, legal, tax and accounting advisors and third party consultants. In our analysis of potential investments, we primarily use information that a potential portfolio company provides to us as a result of our due diligence review. Additionally, we use information regarding investment opportunities sourced from the Raine broker-dealer and other affiliates and strategic partners. We may also employ third-party advisors.

An investment in the Raine fund and the Raine co-investment vehicles may be deemed speculative and is not intended as a complete investment program. Investing in the securities markets in general and in Raine clients in particular involves significant risk. Investments in Raine clients are appropriate only for experienced and sophisticated persons who meet certain eligibility criteria, are able to bear the risk of loss of some or all of an investment, and have a limited need for liquidity. Please see Item 8.B for additional risks associated with these investments.

Item 8.B – Material Risks of Significant Investment Strategies and Methods of Analysis

As a general matter, Raine utilizes the methods of analysis and investment strategies described in the offering and/or governing documents of the applicable Raine investment vehicle provided to investors prior to the time of an investment. **The information contained herein is a summary only and investors should refer to the offering and/or governing documents of the applicable Raine investment vehicle for a complete overview of Raine’s methods of analysis and investment strategies and the risks associated therewith.**

Nature of Investment. An investment in the Raine investment vehicles involves significant risks, is speculative and volatile, and requires a long term commitment with no certainty of return. There can be no assurance that any investment will meet its investment objectives, or that an investor will receive a return of its capital. The performance of prior investments made by the Raine investment vehicles is not indicative of any expected future results.

Improvements in Portfolio Companies. In many cases, the success of Raine’s investment strategy will depend, in part, on Raine’s ability to restructure and effect improvements in the operations of the portfolio companies held by the Raine investment vehicles. Identifying and implementing potential operating improvements involves a high degree of uncertainty, and there can be no assurance that Raine will be able to successfully identify and implement these improvements.

Potential Lack of Diversification. Raine investment vehicle investments will be concentrated in the media, entertainment, sports, consumer and lifestyle sectors. Concentration in limited business sectors may involve risks greater than those generally associated with diversified acquisition funds, including significant fluctuations in returns based on market perception of the sector. Instability, fluctuation or an overall decline within the media, entertainment, sports, consumer and lifestyle industries will likely not be balanced by investments in other industries not so affected. In the event that the sectors named above decline as a whole, returns to investors would be adversely affected. While diversification within these sectors is an objective of the Raine fund, there is no assurance as to the degree of diversification that will actually be achieved in the Raine fund’s investments. Since a Raine investment vehicle may only make one or a limited number of investments, and since such investments may involve a high degree of risk, poor performance by one or a few of the investments could significantly reduce the total returns to investors. Furthermore, if a Raine investment vehicle co-invests with other third-party private equity funds, an investor may have exposure to a portfolio company through more than one investment fund. Therefore, an investor should only invest in a Raine investment vehicle as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment.

Unspecified Investments. Raine has not identified the particular investments it will make. An investor must rely upon the ability of Raine to make investments consistent with the Raine fund’s investment objectives and policies. The Raine fund may be unable to find a sufficient number of attractive opportunities to invest its committed capital or meet its investment objectives.

Competition for Investments. A Raine investment vehicle may encounter competition from entities having similar investment objectives. Potential competitors include other investment funds, business development companies, strategic industry acquirers and other financial investors investing directly or through affiliates. Certain of these entities may possess competitive advantages over the Raine investment vehicles in bidding for investments, including greater financial, technical, marketing and other resources, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital and access to funding sources unavailable to the Raine investment vehicles as well as an ability to achieve synergistic cost savings in respect of an investment. In addition, a substantial number of private equity funds have been formed over the past several years, and many funds have grown substantially in size, resulting in an unprecedented amount of capital available for private equity investment.

Illiquidity; Market for Investments. There will be no public market for certain of the Raine investment vehicles' investments in privately held entities, and a Raine investment vehicle's ability to dispose of any investment will in many cases be further limited by the agreements in connection with such investments. The ability of a Raine investment vehicle to sell or distribute securities and to realize investment gains will depend, in large part, upon favorable market conditions, including receptiveness to initial public offerings for the portfolio companies in which the Raine investment vehicle invests and an active mergers and acquisitions market. Initial public offering, merger and acquisition or other divestment opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, which are illustrative and not exhaustive, a Raine investment vehicle will generally not be able to realize on an investment in a privately held entity until the sale of such entity. There can be no assurance that a Raine investment vehicle will be able to dispose of its investments at the price and at the time it wishes to do so. Furthermore, such illiquidity may continue even if the underlying entities obtain listings on securities exchanges.

General Cash Flow Risks. The principal investment objective of the Raine investment vehicles will be to make investments in entities with prospects for capital appreciation. It is anticipated that certain of the entities in which a Raine investment vehicle will invest will be leveraged and will likely not provide the Raine investment vehicle with any significant cash distributions until the underlying property is sold or refinanced. Accordingly, the Raine investment vehicle will likely not be able to make any significant cash distributions to investors other than in connection with the liquidation of its investments.

Investments in the Media and Entertainment Industries. Raine expects to make investments in portfolio companies involved in the media and entertainment business. The media and entertainment business is subject to risks of adverse government regulation. Programming services, cable television systems, the Internet, telephony services and satellite carriers are subject to varying degrees of regulation in the United States by the Federal Communications Commission and other entities and in foreign countries by similar entities. Such regulation and legislation are subject to the political process and have been in constant flux over the past decade. Further material changes in the law and regulatory requirements must be anticipated, and there can be no assurance that the business of portfolio companies will not be adversely affected by future legislation, new regulation or deregulation. In addition, competitive pressures within the media and entertainment-related industries are intense, and the securities of such portfolio companies may be subject to significant price volatility. Because the media and entertainment-related industries are also subject to rapid and significant changes in technology, portfolio companies in these industries may face competition from technologies being developed or to be developed in the future by other entities, which may make such companies' products and services obsolete.

Investments in the Sports Industry. Raine expects to make investments in portfolio companies involved in the sports industry. In certain instances, such portfolio companies may be highly regulated both by domestic and foreign governmental agencies and by the governing bodies of various sports. Such regulations often involve restrictions on who can own a particular sports team or other sports property, including restrictions on ownership of multiple teams or other property by the same person or its affiliates. Any such regulations (as well as other applicable regulations) may impact the Raine investment vehicles' ability to make an acquisition or disposition of an investment and how the investment is operated.

Investments in the Consumer and Lifestyle Industries. Raine expects to make investments in portfolio companies involved in the consumer and lifestyle industries. Like portfolio companies in the sports, media and entertainment industries, portfolio companies in the consumer and lifestyle industries are sensitive to a number of factors that influence the levels of consumer spending, including economic conditions such as recessionary environments, levels of employment, salaries and wage rates, levels of disposable consumer income, consumer debt, interest rates, income tax rates and policies and consumer confidence. Consumer spending is also affected by the domestic and international political situation. The

outbreak or escalation of war, or the occurrence of terrorist acts or other hostilities, could lead to decrease in spending by consumers. In addition, the consumer and lifestyle industries are highly competitive with few barriers to entry and can change rapidly due to consumer preferences and industry trends.

Business and Market Risks. The investments made by the Raine investment vehicles may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks. The possibility of partial or total loss of capital will exist, and investors should not invest unless they can readily bear the consequences of such loss.

Market Conditions. The Raine investment vehicles will be materially affected by conditions in the financial markets and economic conditions throughout the world, including interest rates, availability and terms of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances. Difficult market conditions may adversely affect a Raine investment vehicle by reducing the value or performance of its investments or by reducing its ability to raise or deploy capital, each of which could negatively impact the returns to investors. Market conditions surrounding the business of the Raine investment vehicles are subject to change. For example, financing leveraged buyout transactions by issuing high-yield debt securities in the public capital markets has recently become more costly and restrictive than previously was the case. More costly and restrictive financing may, in turn, adversely impact a Raine investment vehicle's investments and the returns of investors.

Investments in Early-Stage and New Companies. A Raine investment vehicle may invest all or a portion of its assets in the securities of early stage companies or entirely new companies established around the purchase of a significant asset or assets. Investments in such early stage or newly formed companies may involve greater risks than generally are associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of the Raine investment vehicle's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on other investments.

Minority Investments. A Raine investment vehicle may invest in minority positions of portfolio companies and in portfolio companies for which the Raine investment vehicle has no right to appoint a director or otherwise exert significant influence or protect its position. In such cases, the Raine investment vehicle will significantly rely on the existing management and board of directors of such portfolio companies, which may include representation of other financial investors with whom the Raine investment vehicle is not affiliated and whose interests may conflict with the interests of the Raine investment vehicle.

Third Party Involvement. A Raine investment vehicle may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial, legal or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Raine investment vehicle or may be in a position to take (or block) action in a manner contrary to the Raine investment vehicle's investment objectives. In addition, a Raine investment vehicle may in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve a management

group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Investments in Mezzanine Debt Securities. A Raine investment vehicle may invest a portion of its assets in mezzanine debt securities, which generally will have ratings or implied or imputed ratings below investment grade. While mezzanine investments may be structured to offer the opportunity for downside protection and upside potential, such investments involve substantial risks. Mezzanine debt securities will be obligations of corporations, partnerships or other entities that are generally unsecured, typically are subordinated to other obligations of the obligor and generally have greater credit and liquidity risk than is typically associated with investment grade corporate obligations. Accordingly, the risks associated with mezzanine debt securities include a greater possibility that adverse changes in the financial condition of the obligor or in general economic conditions (including a sustained period of rising interest rates or an economic downturn) may adversely affect the obligor's ability to pay principal and interest on its debt. Many obligors on mezzanine debt securities are highly leveraged, and specific developments affecting such obligors, including reduced cash flow from operations or the inability to refinance debt at maturity, may also adversely affect such obligors' ability to meet debt service obligations. Mezzanine debt securities are often issued in connection with leveraged acquisitions or recapitalizations, in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. Default rates for mezzanine debt securities have historically been higher than has been the case for investment grade securities.

Bridge Financings. From time to time, a Raine investment vehicle may lend to portfolio companies on a short term, unsecured basis in anticipation of a future issuance of equity or long term debt securities. Such bridge loans would typically be convertible into a more permanent, long term security. However, for reasons not always in the Raine investment vehicle's control, such long term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Raine investment vehicle.

Investments in Distressed Debt Securities. A Raine investment vehicle may invest a portion of its assets in distressed debt securities that are inherently speculative and subject to a high degree of risk. Portfolio companies experiencing financial distress are often those operating at a loss or with substantial variations in operating results from period to period. Portfolio companies experiencing financial distress may be involved in insolvency proceedings and have the need for substantial additional capital to support continued operations or to improve their financial condition and may have very high amounts of leverage. Distressed portfolio companies typically are in default under, or have a significant risk of an inability to service, their debt obligations, especially during an economic downturn or periods of rising interest rates, may not have access to more traditional methods of financing and may be unable to repay debt by refinancing. The value of distressed debt securities tend to be more volatile and may have increased price sensitivity to changing interest rates and adverse economic and business developments than other securities. Distressed debt securities are often more sensitive to company-specific developments and changes in economic conditions than other securities. Furthermore, distressed debt securities are often unsecured and may be subordinated to senior debt.

Investments in Restructurings. A Raine investment vehicle may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Investments in restructurings may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or recharacterize investments made in the form of debt as equity contributions. Such investments could, in certain circumstances, subject the Raine investment vehicle to certain additional potential liabilities that may exceed the value of the Raine investment vehicle's original investments

therein. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Raine investment vehicle and distributions by a Raine investment vehicle to investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws.

Investments in Operating Turnarounds. In some cases, the success of a Raine investment vehicle's investment strategy will depend, in part, on the ability of the Raine investment vehicle to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Raine investment vehicle will be able to successfully identify and implement such restructuring programs and improvements.

Risks Associated with Publicly-Traded Securities. A Raine investment vehicle may invest in publicly-traded securities, and may hold publicly-traded securities following a partial exit from an investment. A Raine investment vehicle's investments in securities of publicly-traded companies may be sensitive to movements in the stock market and trends in the overall economy. Moreover, the ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Non-U.S. Investments. A Raine investment vehicle may make investments outside of the United States and Canada, including in certain emerging foreign markets. Investments in the securities of foreign issuers may be restricted or controlled to varying degrees. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, potential price volatility in, and relative illiquidity of, some non-U.S. securities markets, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the U.S. or foreign governments, U.S., foreign or other withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations. Laws and regulations of foreign countries may impose restrictions that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States.

There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States, and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Certain countries require governmental approval prior to investments by foreign persons, limit the amount of investment by foreign persons in a particular company or restrict investment by foreign persons to a specific class of securities of a company that may have less advantageous terms than the classes available for purchase by nationals. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. A Raine investment vehicle could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital or earnings, as well as by the application to the Raine investment vehicle of restrictions on investments. In addition, because a Raine investment vehicle's investments in other countries will likely be denominated in the currencies of such countries, a change in the value of these currencies against the U.S. dollar may result in a corresponding change in the U.S. dollar value of the Raine investment vehicle's assets denominated in those currencies.

Risk of Leverage. A Raine investment vehicle may borrow funds to pay expenses, to make new or follow-on investments, or to make payments under guarantee, surety or hedging transactions. The use of borrowed funds creates the opportunity for greater total returns, but at the same time involves certain risks. Since a Raine investment vehicle generally will pay principal of, and interest on, its borrowings prior to making any distributions to investors, an increase or decrease in capital or income of the Raine investment vehicle will have an increased effect on the returns to investors. Because any decline in the value of a Raine investment vehicle's investments would be borne entirely by investors, the effect of leverage in a declining market would result in a greater decrease in capital than if the Raine investment vehicle were not leveraged.

A Raine investment vehicle's investments may be in portfolio companies whose capital structures have significant leverage. Although the General Partner or Managing Member, as applicable, will seek to use leverage in a prudent manner, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio companies or their industries. The incurrence of significant indebtedness could also subject such portfolio companies to restrictive covenants, terms and conditions the violation of which would be viewed by creditors as an event of default and which could require the prepayment of debt using excess cash flow and limit such portfolio companies' ability to respond to changing industry conditions, make necessary capital expenditures, obtain additional financing, take advantage of growth opportunities or engage in strategic acquisitions.

Availability of Financing. A Raine investment vehicle's ability to invest in portfolio companies may depend on the availability and terms of any borrowings that are required or desirable with respect to such investments. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior or subordinated financings for transactions. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, would impair the Raine investment vehicle's ability to consummate these transactions and would adversely affect the Raine investment vehicle's returns.

Hedging Policies and Risks; Synthetic Investments. In connection with the financing of certain investments, a Raine investment vehicle may employ hedging techniques designed to reduce the risks of such investments, including, without limitation, adverse movements in interest rates, securities prices and currency exchange rates. However, the Raine investment vehicle is not required to employ such hedging techniques in connection with its investments, and may be unable to anticipate all risks against which such hedges could be employed. In addition, such transactions have inherent risks associated with them, including the possible default by the counter-party to the transaction and the illiquidity of the instrument acquired by the Raine investment vehicle relating thereto. Although such transactions may reduce the Raine investment vehicle's exposure to, among other things, currency fluctuations or decreases in the value of investments, the costs and risks associated with these arrangements may reduce the returns that the Raine investment vehicle would have otherwise achieved if these transactions were not entered into by the Raine investment vehicle. In addition, although such hedging transactions may hedge economic risks, they may not be effective hedges for tax purposes. For example, the tax character of the gain or loss on the hedging transaction may differ from the character of the gain or loss on the investment or the timing of the gain or loss for tax purposes may differ between the hedging transaction and the investment.

With respect to any investments in synthetic instruments, a Raine investment vehicle will have a contractual relationship only with the synthetic instrument counterparty, and no direct rights with respect to the underlying asset. The Raine investment vehicle may not have any voting, information, or other rights of ownership with respect to the underlying asset. In addition, the Raine investment vehicle will be subject to the credit risk of the synthetic instrument counterparty, and, in the event of the insolvency of such counterparty, the Raine investment vehicle generally will be treated as a general creditor of such counterparty, and will not have any claim of title with respect to the underlying asset.

Additional Capital Requirements of Portfolio Companies. Certain portfolio companies, especially those in a development or “platform” phase, may require additional financing to satisfy their working capital requirements or acquisition strategies. The amount of such additional financing will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the Raine investment vehicles or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to the existing investors, including the Raine investment vehicles. In addition, a Raine investment vehicle may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the Raine investment vehicle’s proportionate ownership when a subsequent financing is planned, or to protect the Raine investment vehicle’s investment when such portfolio company’s performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Raine investment vehicles or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Asset Valuations. With certain limited exceptions, valuations of current income and disposition proceeds with respect to Raine investment vehicle investments will be determined by the General Partner or the Managing Member, as applicable, in its sole discretion and will be final and conclusive for all Raine investment vehicles. The Raine investment vehicles may not provide periodic pricing or valuation information to investors with respect to their investments.

Liabilities Upon Disposition. In connection with the disposition of an investment in a portfolio company, a Raine investment vehicle may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which will be borne by the Raine investment vehicle. In that regard, investors may be required to return amounts distributed to them to fund such obligations, including indemnity obligations. Furthermore, under the Delaware Revised Uniform Limited Partnership Act and the Delaware Limited Liability Company Act, each investor that receives a distribution in violation of such Acts will, under certain circumstances, be obligated to remit such distribution to the Raine investment vehicle.

Newly Formed; Reliance on Investment Professionals. The Raine Group is a newly formed organization, and the success of the Raine investment vehicles will depend in large part upon the skill and expertise of its key investment professionals. The senior investment professionals of the Raine Group have a limited history of working together as a group and have limited private equity experience. There can be no assurance that any individual professional will continue to be associated with Raine.

Reliance on the Management of Portfolio Companies. Although Raine will attempt to invest in portfolio companies with strong management teams, there can be no assurance that any portfolio company’s management team will be able to operate successfully. Instances of fraud and other deceptive practices committed by the management team of portfolio companies in which the Raine investment vehicles have an investment may undermine Raine’s due diligence efforts with respect to such companies. If such fraud is discovered, it could adversely affect the valuation of the Raine investment vehicles’ investments and may contribute to overall market volatility that can negatively impact the Raine investment vehicles’ investment portfolio.

Material Non Public Information. By reason of their responsibilities in connection with their other activities, the Raine Group, its affiliates and certain of the key professionals may acquire confidential or material non public information or be otherwise restricted from initiating transactions in certain securities. The Raine investment vehicles will not be free to act upon any such information. Due to these restrictions, the Raine investment vehicles may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

Extensive Government Regulation. The extensive government regulation of certain industries in which the Raine investment vehicles may invest creates additional uncertainty and risks for the Raine investment vehicles. Obtaining regulatory approval may be a lengthy and expensive process with an uncertain outcome. Portfolio companies may be unable to obtain necessary regulatory approvals on a timely basis, if at all, and the failure to obtain approval could have a material, adverse effect on the success of the portfolio companies.

Increased Regulatory Scrutiny. The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight. Such scrutiny may increase Raine's and the Raine investment vehicles' exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may impose administrative burdens on Raine, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert Raine's time, attention and resources from portfolio management activities. It is anticipated that, in the normal course of business, Raine's officers will have contact with governmental authorities and/or be subjected to responding to inquiries or examinations. The Raine investment vehicles may also be subject to regulatory inquiries concerning their securities positions and trading. Any such regulation, including changes to the tax code, whether in the United States or abroad, could increase the cost of acquiring, holding or divesting portfolio investments, operating and effecting restructurings of portfolio companies and operating the Raine investment vehicles. Regulation could also increase the risk of third-party litigation. The transactional nature of the Raine investment vehicles' business exposes the Raine investment vehicles, Raine and its affiliates generally to the risks of third-party litigation. Under their respective governing agreements, the Raine investment vehicles will generally be responsible for indemnifying Raine and its affiliates for costs they may incur with respect to such litigation.

Material Risks of Significant Methods of Analysis. Raine seeks to conduct reasonable and appropriate due diligence based on the facts and circumstances applicable to each investment. The objective of the due diligence process is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment and to identify possible risks associated with that investment. When conducting due diligence and making an assessment regarding an investment, Raine relies on available resources, including information provided by the target of the investment and, in some circumstances, third-party investigations. As a result, the due diligence process may at times be subjective with respect to newly organized companies for which only limited information is available. Accordingly, Raine cannot be certain that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts (including fraud) that may be necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities. Also, Raine cannot be certain that its due diligence investigations will result in investments being successful or that the actual financial performance of an investment will not fall short of the financial projections used when evaluating that investment.

Raine will generally establish the capital structure of an investment and the terms and targeted returns of such investment on the basis of financial, macroeconomic, and other applicable projections. Projected operating results will normally be based primarily on investment professional judgments or third-party advice and reports. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the

projected results will be achieved, and actual results may vary significantly from the projections. General economic, natural, and other conditions, which are not predictable, can have an adverse impact on the reliability of such projections. Valuation models used to determine whether a position presents an attractive opportunity may become outdated and inaccurate as market conditions change. Assumptions or projections about asset lives; the stability, growth, or predictability of costs; demand; or revenues generated by an investment or other factors associated therewith may, due to various risks and uncertainties including those described herein, differ materially from actual results.

Item 8.C – Particular Securities

Raine does not recommend investments in a particular type of security. The types of securities in which a Raine investment vehicle invests and the material risks associated therewith are described in the offering and/or governing documents of the applicable Raine investment vehicle provided to investors prior to the time of an investment. Item 8.B provides a summary of certain material risk associated with an investment in the Raine investment vehicles. The information contained in Item 8.B is a summary only and investors should refer to the offering and/or governing documents of the applicable Raine investment vehicle for a complete overview of the types of securities Raine recommends and the material risks associated therewith.

ITEM 9 – DISCIPLINARY INFORMATION

Neither Raine nor any of its executive officers, members of its investment committee or other “management persons” as defined in Form ADV has been subject to the legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this Item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10.A – Broker-Dealers

Raine is not registered, and does not have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. As discussed separately in this Brochure, the Raine broker-dealer is a registered broker-dealer. The following management persons of Raine are registered representatives of the Raine broker-dealer: Joseph Ravitch, Jeffrey Sine, Craig Collar, Brandon Gardner, John Salter, Glenn Schiffman and Peter Vassilev.

Item 10.B – Futures and Commodity Trading

Not applicable.

Item 10.C – Material Relationships

Raine is an affiliate of the Raine broker-dealer, a broker-dealer registered with the United States Securities and Exchange Commission (“SEC”) and a member of FINRA.

The Raine broker-dealer and its affiliates provide a broad spectrum of financial advisory and consulting services to their respective clients, including, but not limited to, investment banking, lending, financial and merger and acquisition advisory services, underwriting, acting as selling group participant, acting as private placement agent, business consulting and similar activities. The Raine broker-dealer and its affiliates may provide such services to certain portfolio companies of the Raine fund and the Raine co-investment vehicles as well as to a third-party in whom the Raine fund or a Raine co-investment vehicle subsequently acquires an interest. Raine may receive significant advisory or other fees for such services. The Raine broker-dealer and its affiliates also may act as placement agent for the Raine fund and the Raine co-investment vehicles in certain jurisdictions (although no commissions or other compensation is

received by the Raine broker-dealer or its affiliates for such services) and may act as an agent in connection with secondary sales of securities of a portfolio company. Raine may also source investment opportunities for the Raine fund and the Raine co-investment vehicles from the Raine broker-dealer and its affiliates' financial services businesses. The Raine broker-dealer and its affiliates do not otherwise execute transactions on behalf of the Raine fund or any Raine co-investment vehicle. Neither the Raine fund nor any Raine co-investment vehicle will share in any fees or other benefits that may accrue to the Raine broker-dealer and its affiliates for its role in any transaction.

The relationship Raine has with the Raine broker-dealer may give rise to a material conflict of interest between the Raine broker-dealer, on the one hand, and Raine, the Raine fund or a Raine co-investment vehicle, on the other. In particular, the Raine broker-dealer may have a financial incentive to recommend transactions that are not in the best interests of Raine's clients. Also, the principals and/or management persons spend time managing and working on the activities of the Raine broker-dealer and its affiliates, which could impact their ability to devote time to the activities of the Raine fund and the Raine co-investment vehicles. The relationship between Raine and the Raine broker-dealer may also give rise to a material conflict of interest between Raine, on the one hand, and the Raine fund or a Raine co-investment vehicle, on the other. Raine may be incentivized to seek to influence the decision by a portfolio company's management to retain the Raine broker-dealer, or to otherwise transact with the Raine broker-dealer, in favor of other unaffiliated broker-dealers or other service providers or counterparties that may be more appropriate or offer better terms. Raine may also be incentivized to structure portfolio company transactions so that they require the use of a broker-dealer (and consequently provide an opportunity for the Raine broker-dealer to be retained by a portfolio company and generate fees or other compensation). In addition, Raine may be incentivized to cause clients to participate in a transaction in which they otherwise would not participate if the Raine broker-dealer or its affiliates would benefit from the transaction.

Raine has internal policies and procedures designed to address these conflicts of interest, including (i) requiring all employees to agree to abide by the terms of Raine's Code of Ethics which, as described in Item 11, sets forth Raine's status as a fiduciary and requires employees to act in the best interest of the advisory clients and to place the interests of advisory clients ahead of their own and those of Raine, (ii) establishing information barriers where appropriate to alleviate potential conflicts of interest, and (iii) providing training to employees who may be exposed to these potential conflicts of interest. Furthermore, Raine employs a robust investment review process that it believes mitigates and alleviates the conflicts of interest described above. With respect to the Raine fund, the Raine fund has a limited partner advisory committee whose members consist of certain investors who are not affiliated with Raine or its affiliates. The limited partner advisory committee plays an important role in resolving conflicts of interest by approving or disapproving decisions that involve certain conflicts of interest referred to it by the General Partner in accordance with the governing agreements of the Raine fund.

Raine provides investment advisory services to, and it and its affiliates serve as sponsors of, affiliated investment partnerships, limited liability companies and their general partners or managing members, as applicable. Please refer to Item 11 for a discussion of the potential conflicts of interest that may arise as a result of such activities and relationships and the policies and procedures Raine has adopted to address these conflicts.

Item 10.D – Other Investment Advisors

Not applicable.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Item 11.A – Code of Ethics

Raine's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Advisers Act. The Code applies to Raine's "Access Persons." Access Persons include, generally, any partner, officer or director of Raine and any employee or other supervised person of Raine who, in relation to Raine's 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 of Raine's employees are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account Raine's status as a fiduciary and requires Access Persons to place the interests of advisory clients above their own interests and the interests of Raine. Access Persons must not take any inappropriate advantage of their positions. The Code requires Access Persons to comply with applicable securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Peter Vassilev, Raine's Chief Compliance Officer (the "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.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide Raine'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, Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.

The Code also describes Raine's duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) Raine's clients. Underlying these policies and procedures are two primary principles. First, confidential information must be maintained in confidence. Second, employees of Raine 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.

Investors or prospective investors may obtain a copy of the Code by contacting the Chief Compliance Officer at (212) 603-5500 or legal@raine.com.

Item 11.B – Participation or Interest in Client Transactions

Raine provides ongoing portfolio management and investment advisory services to Raine clients. Investment decisions are made by Raine's investment committee (the "Investment Committee"). The Investment Committee is responsible for monitoring and managing each Raine client's investment portfolio in accordance with its particular investment objectives, limitations and guidelines, and as set forth in the applicable governing agreements. Raine also complies with restrictions provided in the applicable governing agreements relating to principal transactions or other affiliated transactions, in which Raine or its personnel may have interests that are not aligned with the interests of one or more of its clients.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled

by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. The potential for agency cross transactions, or other conflicts of interest, arises given our affiliation with the Raine broker-dealer. For example, in the course of conducting its business, the Raine broker-dealer and its affiliates may act as broker-dealer or agent in executing securities transactions for its clients and other persons, which may include Raine's clients. In addition, Raine's clients may invest in portfolio companies that are clients of the Raine broker-dealer and its affiliates, and the Raine broker-dealer and/or such affiliates may be entitled to a fee in respect of such investment. As a result, a conflict of interest may exist between Raine's clients, on the one hand, and the Raine broker-dealer and/or its affiliates, on the other hand. As described in this Brochure, Raine has established policies and procedures reasonably designed to mitigate such conflicts of interests.

Client cross transactions occur where an adviser executes a securities transaction between two (or more) of its managed client accounts. Cross transactions may benefit clients because they can avoid transaction fees that might otherwise apply had the buy and the sell transaction been exposed to potential market transaction fees. However, they also can create conflicts of interest because, by not exposing such buy and sell transactions to market forces, clients may not receive the benefits of best price, or an adviser might seek to prop up the performance of one fund by selling under-performing assets to another fund in order, for example, to earn higher fees in the aggregate.

Based upon Raine's business as a private equity fund manager (and general lack of involvement in publicly-traded securities), as a general matter it is not expected that Raine will execute much (if any) principal or agency cross securities transactions for Raine client accounts. If applicable, however, it is Raine's policy not to execute any principal or agency cross securities transactions for Raine client accounts unless the Investment Committee deems the transaction to be in the best interest of a particular Raine client, Raine's client and the Chief Compliance Officer give prior consent, and the transaction complies with the "notice and consent" requirements of Section 206(3) of the Advisers Act. Raine also generally refrains from cross trading between Raine client accounts unless the consent of both Raine clients is obtained or the Chief Compliance Officer approves the transaction based on special circumstances.

Subject to certain terms and conditions, on occasion (although, based upon Raine's general lack of involvement in publicly-traded securities, infrequently if at all) and to the extent permitted by law and specific Raine policies, Raine may effect rebalancing transactions between one Raine client and another Raine client pursuing similar investments. In such case, a Raine client may purchase a security held by another Raine client or may sell a security to another Raine client. Raine will not undertake a rebalancing transaction with a Raine client if it determines, in its sole discretion, that such a transaction is not in the best interests of the Raine clients involved. Raine effects these transactions based on the then-current independent market value and consistent with valuation procedures established by Raine. Neither Raine nor any of its affiliates receive any compensation in connection with such rebalancing transactions. These rebalancing transactions generally will be effected without brokerage commissions being charged. To the extent that such transactions may be viewed as principal transactions due to Raine's or its affiliates' ownership interest in a particular Raine client, Raine will either not effect such transaction or comply with the requirements of Section 206(3) of the Advisers Act, including that Raine will notify the Raine client.

The Raine Group, the principals and certain business associates and other "friends and family" of the key professionals currently invest and may in the future invest directly or indirectly in the Raine fund and/or in Raine co-investment vehicles. Such investments generally are not subject to the management or performance-based fees described in Items 5 and 6 above. The fact that the Raine Group and the principals have financial ownership interests in the Raine fund creates a potential conflict in that it could cause Raine to make different investment decisions than if such parties did not have such financial ownership interests. The Investment Committee carefully considers the risks involved in any investments and Raine provides extensive disclosure to investors regarding the potential risks that come with an investment in the Raine fund.

Raine or its affiliates may, from time to time, receive fees or other payments in respect of investments completed by the Raine fund and/or the Raine co-investment vehicles, such as deal fees, monitoring fees or transaction fees. Such parties may also receive “break-up” fees and other compensation with respect to portfolio company investments (including unconsummated investments). Such fees are not dependent on the performance of the investment, and may create a conflict of interest between Raine and its clients. To address this potential conflict, a certain portion of these fees generally offset the management fees paid by the Raine clients to Raine. In addition, as described in more detail in Item 10.C, Raine has internal policies and procedures designed to address conflicts of interest, employs a robust investment review process that it believes mitigates and alleviates conflicts of interest, and, with respect to the Raine fund, the Raine fund has a limited partner advisory committee which plays an important role in resolving conflicts of interest by approving or disapproving decisions that involve certain conflicts of interest referred to it by the General Partner in accordance with the governing agreements of the Raine fund.

Employees of Raine may serve on the boards of portfolio companies of Raine clients. Serving in such capacity may give rise to conflicts to the extent that an employee’s fiduciary duties to a portfolio company as a director may conflict with the interests of the Raine clients that are invested in such portfolio companies. Employees currently do and may in the future also receive directors’ fees for serving on the board of directors of a portfolio company, which may be retained in whole or in part by the relevant employee. In addition, portfolio companies of Raine clients may, from time to time, make discounts and other benefits available to employees in connection with products or services offered by such companies.

Certain investors that have committed significant capital to the Raine fund hold an interest in the Raine Group and are therefore entitled to indirectly receive a portion of the management fees and carried interest from the Raine clients. These arrangements are not available to other investors in the Raine clients that have not entered into comparable arrangements with the Raine Group.

Raine and its affiliates have a material financial interest with respect to fees paid by Raine clients. Management fees are payable without regard to the overall success or income earned by the Raine clients and may create an incentive on the part of Raine to raise or otherwise increase assets under management to a higher level than would be the case if Raine were receiving a lower or no management fee. The performance-based/carried interest fees may create an incentive for Raine to make investments that are riskier or more speculative than in the absence of such fees.

To the extent that the Raine fund and a Raine co-investment vehicle co-invest in the same securities of the same issuer, Raine will generally seek to ensure that all participants in such co-investment participate on comparable terms. This may not be practicable or appropriate in all circumstances, however, and the Raine fund or the Raine co-investment vehicle may participate in such investments on different and potentially less favorable terms than other participants if Raine deems such participation as being otherwise in the best interests of the participating Raine clients. This may have an adverse impact on one of the participating Raine clients.

Raine provides investment advisory services to, and it and its affiliates serve as sponsors of, affiliated investment partnerships, limited liability companies and their general partners or managing members, as applicable. In accordance with Raine’s internal policies and procedures, as well as the governing agreements of the Raine fund, Raine seeks to allocate investment opportunities among its clients in a fair and equitable manner, bearing in mind, among other things, the size, investment objectives, risk tolerance, return targets, permissible and preferred asset classes and liquidity needs. Under no circumstances may Raine or an affiliate allocate investment opportunities based on anticipated compensation or profits to Raine, the Raine broker-dealer or any of their affiliates or employees.

Raine has policies and procedures in place to address all of these potential conflicts of interest as further described in Item 10 above.

Item 11.C – Personal Trading

Access Persons of Raine are permitted to make securities transactions in their personal accounts. This presents potential conflicts in that an Access Person could make improper use of information regarding a Raine client's holdings or future transactions or research paid for by the Raine clients. An Access Person could take for himself or herself an investment opportunity available to a Raine client or could engage in "front-running" of a Raine client's investment (though it should be noted that given Raine's investment strategies the possibility that an Access Person could engage in front-running is limited).

Raine manages the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code and employee Trading Handbook, which contain strict pre-clearance and reporting guidelines for Access Persons. Raine requires that Access Persons pre-clear certain securities transactions in their personal accounts, including limited offerings and securities of companies in or substantially related to the sports, media, or entertainment industries or the broader technology, media, and telecommunications sectors. Requests for pre-clearance are reviewed for potential conflicts of interest with the Raine clients. In addition, Raine Access Persons are prohibited from purchasing IPOs.

Raine maintains a "Restricted List" which includes, among others, the names of issuers of securities about which Raine or its affiliates (including Access Persons) have learned material, non-public information, or who have retained Raine or its affiliates as a financial advisor in a material, public transaction. Access Persons are strictly prohibited from trading securities on the Restricted List.

Finally, the General Partner is required by the Raine fund's governing agreements to commit capital to the Raine fund, either as a limited partner or through a parallel vehicle. This capital requirement is intended to further align the General Partner's interest with that of the Raine fund's investors. As an affiliate, we may supply a portion of this capital on behalf of the General Partner.

Item 11.D – Personal Trading Contemporaneous with Client Transactions

Please refer to Items 11.A, 11.B and 11.C.

ITEM 12 – BROKERAGE PRACTICES

Item 12.A – Selection of Broker-Dealers

Our business focuses on advising our clients in making opportunistic private equity investments in the equity or debt of operating companies that are primarily in Raine's core sectors. Accordingly, as a general matter we do not typically advise our clients on investments in public securities, and generally do not transact business through broker-dealers. However, in situations where we may need to select a broker-dealer, we will seek to obtain best execution of transactions. In seeking best execution, the determinative factor is not always the lowest possible per security price or commission but whether, in our view, the transaction represents the best overall qualitative and quantitative execution for our clients. Our process of determining best execution involves not only an assessment of brokerage commissions or bid/offer spreads, but also an evaluation of broker-dealer ancillary services. We will consider the full range of a broker-dealer's services in assessing best execution, including: (i) competitiveness of commission rates and spreads; (ii) promptness of execution; (iii) past history in executing orders; (iv) clearance and settlement capabilities; (v) research capabilities and quality access to markets, investments (including access to new issues) and distribution network; (vi) trade error rate and ability or willingness to correct errors; (vii) anonymity/confidentiality; (viii) market impact; (ix) liquidity; (x) speed

of execution; (xi) expertise with complex transactions; (xii) trading style and strategy; and (xiii) geographic location.

Although we will seek competitive commissions and spreads, we may not necessarily obtain the lowest possible rates for portfolio transactions. The commissions, spreads or other transaction fees charged by an executing broker-dealer may be higher or lower than those charged by other broker-dealers.

Item 12.A.1 – Research and Other Soft Dollar Benefits

Given the nature of the investments made by the Raine investment vehicles, we do not typically make investments in listed companies. As a result, we do not have any soft dollar arrangements in place that would require us to give any specified amount of brokerage to any broker-dealer. We may receive unsolicited research from brokers, dealers and banks through which we execute portfolio trades or hold accounts. In circumstances in which we use such research, the quality and ability to receive research may factor into the selection of brokers, dealers and banks executing portfolio trades. Even in these cases, the broker-dealer's ability to achieve best execution for our clients remains the primary factor influencing the selection of a broker-dealer.

Item 12.A.2 – Brokerage for Client Referrals

We do not consider whether we, or a related person, receive client referrals from a broker-dealer or a third party when selecting or recommending broker-dealers.

Item 12.A.3 – Directed Brokerage

We do not recommend, request or require that a client direct us to execute transactions through a specified broker-dealer.

Item 12.B – Aggregation of Orders of Securities for Client Accounts

Given the nature of the investments made by the Raine investment vehicles, we do not typically make investments in listed companies. We do not routinely aggregate the purchase or sale of securities for various client accounts. However, when two or more Raine investment vehicles conduct trading through a broker-dealer, we will seek to aggregate orders whenever practicable, cost-efficient and in the best interest of each Raine investment vehicle.

ITEM 13 – REVIEW OF ACCOUNTS

Item 13.A – Periodic Review of Client Accounts

Our investment professionals and financial operations professionals periodically review the investment portfolios of the Raine investment vehicles. In addition, senior investment professionals typically maintain an ongoing oversight position in portfolio companies. These professionals monitor operations, overall performance, financial performance and strategic direction of each portfolio company. Each portfolio company provides us with regular reports regarding its financial status and performance, except in the rare instances where our quantum of control is immaterial, in which case we receive public information. Our Investment Committee is updated on a monthly basis by the relevant investment professionals on the performance and strategic direction of each portfolio company.

Item 13.B – Factors that Trigger a Review of Client Accounts

Our investment professionals and financial operations professionals periodically review the investment portfolios of the Raine investment vehicles. There are no specific triggers to launch a portfolio review.

Item 13.C – Reports to Clients

The nature and frequency of regular reports to investors in the Raine investment vehicles depends on the terms of the governing documents of such Raine investment vehicles. Typically, investors in the Raine fund are provided with written quarterly unaudited financial reports, annual audited financial statements and relevant tax reports. Also, investors in the Raine fund are invited to our annual investor meeting. Typically, investors in the Raine co-investment vehicles are provided with annual unaudited financial statements and relevant tax reports; however, we expect that commencing in 2013, investors in the Raine co-investment vehicles will be provided with annual audited financial statements.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A – Client Referrals

Although as a general matter we do not accept economic benefits from a person who is not a client for providing investment advice or other advisory services to the Raine invest vehicles, we may, on occasion, receive directors' fees, monitoring fees or similar fees, or reimbursements of certain expenses, from portfolio companies. To address this potential conflict, a certain portion of these fees generally offset the management fees paid by our clients, and are disclosed in the relevant offering and/or governing documents of the applicable Raine investment vehicle.

In addition, as noted above in response to Item 10, the Raine broker-dealer and its affiliates may receive placement fees and other compensation from participating in underwriting syndicates and/or selling groups in relation to securities issued by portfolio companies of the Raine investment vehicles and engaging in other transactions and providing other services in respect of such portfolio companies. Such compensation is generally not shared with the relevant Raine investment vehicle. In addition, we and our related persons may, in certain instances, receive discounts on products and services by portfolio companies held by the Raine investment vehicles.

Item 14.B – Compensation for Client Referrals

We or our affiliates may, from time to time, enter into arrangements in which third parties will refer investors to one or more Raine investment vehicles in exchange for a fee. The fee paid to a third party that introduces investors to the Raine investment vehicles may be calculated as a percentage of the amount of capital these investors invest in the Raine investment vehicles, as specifically negotiated between us and such third party. These fees are paid exclusively by us or our affiliates and are not borne by the affected investors or Raine investment vehicles. These relationships will affect the independence of such third party in connection with its recommendations of a particular investment program. These types of arrangements are disclosed to affected investors before such investors make an investment in the relevant Raine investment vehicle.

ITEM 15 – CUSTODY

Certain of our affiliates are deemed to have custody of client assets by virtue of their status as General Partner or Managing Member to our clients. We and our affiliates comply with the custody requirements applicable to registered investment advisers pursuant to Rule 206(4)-2 of the Advisers Act. We will not take or maintain physical custody of any client assets, and generally will custody client assets

with independent “qualified custodians.” Our clients’ custodians will generally be banks, trust companies or broker-dealers unaffiliated with us. We and our affiliates may be exempt from the qualified custodian requirement with respect to securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, to the extent ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer.

For those clients for which we are deemed to have custody of client assets within the meaning of the Advisers Act, such clients (and, where applicable, their investors) receive audited financial statements from us within the period of time after the end of each fiscal year as specified in the respective governing agreements of the Raine investment vehicles. Consequently, our clients (and, where applicable, their investors) will not receive statements directly from the qualified custodian of client assets.

ITEM 16 – INVESTMENT DISCRETION

We generally have discretionary authority based on the investment advisory agreement with and the governing agreements of the Raine fund, and subject to the direction and control of the General Partner, to buy and sell securities or other investments on behalf of the Raine fund and to determine the amount of such investments to be bought and sold, subject to such restrictions as are imposed in the governing agreements for the Raine fund, as specifically negotiated with investors at the time of their investment in the Raine fund. These terms may restrict our advice concerning investment in certain securities or geographies, concentration limits or leverage, among others.

Raine co-investment vehicles are generally established to invest alongside the Raine fund in certain investment opportunities. Once established, a Raine co-investment vehicle typically will not make investments in additional portfolio companies, but may make follow-on investments in the portfolio company in which such Raine co-investment vehicle already made an investment. Because each Raine co-investment vehicle generally is contractually required, as a condition of its investment, to exit its investment in the particular portfolio company at the same time and on the same terms as the Raine fund, we generally have no discretion to invest the assets of a co-investment vehicle independent of such contractual requirements.

ITEM 17 – VOTING CLIENT SECURITIES

Item 17.A – Authority to Vote Client Securities

Raine has authority to vote client securities. Although, based upon Raine’s business as a private equity fund manager (and general lack of involvement in publicly-traded securities) it is not expected that much proxy voting will occur, where applicable Raine has adopted and implemented policies and procedures reasonably designed to ensure that public company proxies as well as portfolio company solicitations received by Raine on behalf of a client (together, “proxies”) are voted in the best interests of its clients and to recognize and resolve any material conflicts of interest that may arise in the course of such voting.

Raine will vote proxies in the best interests of the relevant client. Prior to voting a proxy addressed to a Raine investment vehicle, the Chief Compliance Officer (or his designated person) will call a meeting of the Raine investment professionals with knowledge of the relevant portfolio company. Such individuals, in conjunction with the Chief Compliance Officer (or his designated person), will review the proxy to determine if there are any conflicts of interest. If a conflict is identified, such individuals will then make a determination as to whether the conflict is material or not. If no material conflict is identified pursuant to these procedures, the proxy will be voted in accordance with the best interest of the relevant Raine investment vehicle.

If a material conflict is identified, such individuals will determine what course of action is in the best interests of the affected Raine investment vehicle (which may include utilizing an independent third party to vote such proxies). Further, Raine will determine whether it is appropriate to disclose the conflict to the limited partner advisory committee of the Raine fund. Raine may ask the limited partner advisory committee for advice regarding how to deal with the conflict.

Investors in the Raine investment vehicles do not have the ability to direct proxy votes. Investors may obtain additional information regarding how Raine voted proxies and may obtain a copy of Raine's voting policies and procedures by contacting the Chief Compliance Officer at (212) 603-5500 or legal@raine.com.

Item 17.B – Lack of Authority to Vote Client Securities

Not applicable.

ITEM 18 – FINANCIAL INFORMATION

Item 18.A – Balance Sheet

Not applicable.

Item 18.B – Financial Conditions Likely to Impair Contractual Commitments

Not applicable.

Item 18.C – Bankruptcy Petitions

Not applicable.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Raine is not registering, nor is it currently registered, as an investment adviser with any state securities authorities.