

Item 1. Cover Page

JLL Partners Inc.

450 Lexington Avenue, 31st Floor
New York, New York 10017

www.jllpartners.com

Part 2A of Form ADV: Firm Brochure
February 2012

This brochure provides information about the qualifications and business practices of JLL Partners Inc. If you have any questions about the contents of this brochure, please contact us at (212) 286-8600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about JLL Partners Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. An investment adviser's registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

Item 2 is not applicable.

Item 3. Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
Item 1.	Cover Page	1
Item 2.	Material Changes	2
Item 3.	Table of Contents	3
Item 4.	Advisory Business.....	4
Item 5.	Fees and Compensation	5
Item 6.	Performance-Based Fees and Side-By-Side Management.....	6
Item 7.	Types of Clients	6
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9.	Disciplinary Information.....	12
Item 10.	Other Financial Industry Activities and Affiliations.....	12
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	17
Item 12.	Brokerage Practices.....	18
Item 13.	Review of Accounts	18
Item 14.	Client Referrals and Other Compensation	18
Item 15.	Custody	19
Item 16.	Investment Discretion	19
Item 17.	Voting Client Securities	19
Item 18.	Financial Information.....	20
Item 19.	Requirements for State-Registered Advisers	20

Item 4. Advisory Business

JLL Partners Inc. and its affiliates ("JLL Partners") is a Delaware corporation that is wholly-owned by Paul. S. Levy. JLL Partners was founded in 1988 and provides investment advisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act") and whose securities are not registered under the Securities Act of 1933, as amended (the "Securities Act") (each, a "JLL Fund" and, collectively, the "JLL Funds").¹ As the investment adviser of each JLL Fund, JLL Partners, along with the general partner of each JLL Fund (each, a "Fund General Partner" and, collectively, the "Fund General Partners"), identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of, each JLL Fund.

The primary focus of JLL Partners' investment advisory activity is researching and advising on private equity investments, including leveraged acquisitions and recapitalizations, investments in growth companies, turnarounds and traditional buyouts in a wide variety of industries. Such investments typically take the form of privately negotiated investment instruments, including unregistered equity from both U.S. and non-U.S. issuers. Although the primary focus of each JLL Fund is on private equity investments, JLL Partners may from time to time recommend other types of investments consistent with the respective JLL Fund's investment strategy and objectives, such as investments in publicly traded securities.

JLL Partners provides investment advisory services to each of the JLL Funds pursuant to a separate investment management agreement (each, a "Management Agreement"). Investment advice is provided by JLL Partners directly to each JLL Fund, subject to the direction and control of the affiliated Fund General Partner of the applicable JLL Fund. This investment advice is provided in a manner consistent with the investment objectives of the applicable JLL Fund.

Restrictions on the types of securities that may be acquired by a JLL Fund are established by the Fund General Partner of the applicable JLL Fund and are set forth in the documentation received by each limited partner prior to investment in such JLL Fund.

As of December 31, 2011, JLL Partners manages a total of approximately \$2,890,246,257 of client assets, all of which is managed on a discretionary² basis.

¹ Where applicable, includes wholly owned subsidiaries of, and alternative investment vehicles and parallel funds formed in connection with, the JLL Funds.

² JLL Partners does not have ultimate investment discretion with respect to the assets of any JLL Fund, as such discretion is retained by the applicable General Partner of each JLL Fund.

Item 5. Fees and Compensation

Management Fee

As compensation for investment advisory services rendered to the JLL Funds, JLL Partners receives from each JLL Fund an annual management fee payable quarterly in advance. Limited partners in the JLL Funds are billed for this fee directly. Upon termination of a Management Agreement, appropriate treatment will be given to all management fees collected in advance. As described below, the management fee may be reduced or waived in some circumstances in connection with the receipt by JLL Partners or its related persons of various fees paid by actual or prospective portfolio companies. The management fee is generally subject to waiver or reduction by JLL Partners in its sole discretion, including in connection with investments made by the Fund General Partners or its related persons.

To the extent provided in the Management Agreements and the partnership agreements of the JLL Funds, JLL Partners will pay out of its management fees certain operating expenses, including expenses on account of rent, utilities, office supplies, office equipment, travel, entertainment, compensation of its employees (other than carried interest described in Item 6 below) and other routine administrative expenses relating to the services and facilities provided by JLL Partners to the JLL Funds. Each JLL Fund will bear all other expenses relating to it to the extent not borne by its portfolio companies, including legal, accounting, investment banking, consulting, research, brokerage, finders', custody, transfer, registration, advisory board, interest, taxes and extraordinary expenses, and other similar fees and expenses. Some of these expenses borne by the JLL Funds may relate to costs associated with unexecuted transactions.

Other Fees

JLL Partners and its affiliates will typically perform management, advisory, transaction-related services, financial advisory and other services ("Related Services") for, and will receive fees from, actual or prospective portfolio companies or other deal related investment vehicles of the JLL Funds, including such fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions. These fees may be significant and could, in some instances, exceed the management fee. Such fees may be paid in cash, in securities of portfolio companies or investment vehicles (or rights thereto) or otherwise.

Although such fees are in addition to the management fees paid by the JLL Funds, JLL Partners will reduce future management fees in connection with the receipt of these fees. The calculation of such reduction varies from fund to fund and is described in the applicable fund documents. Such reductions will be credited on a regular basis. To the extent any such credit would reduce the management fee for a given quarter below zero, such credit will be carried forward for future application. These fees are disclosed in the annual financial statements of the applicable JLL Fund.

Although JLL Partners does not generally utilize the services of broker-dealers for transaction related services, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular JLL Fund, such JLL Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

Item 6. Performance-Based Fees

A portion of each JLL Fund's net investment profit is allocated to the capital account of its Fund General Partner as "carried interest." Each Fund General Partner is a related person of JLL Partners. The carried interest is generally distributable to the partners of the Fund General Partner of the applicable JLL Fund, which may include JLL Partners.

The fact that JLL Partners may in part be compensated based on the performance of investments may create an incentive for JLL Partners to recommend investments to or make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of a performance-based compensation arrangement. However, JLL Partners will provide its investment advisory services to each of its clients in accordance with the investment strategy disclosed in the client's offering materials or advisory agreements, as applicable, to help ensure that its clients and their investors are aware of the investment strategy and the risks associated with the strategy.

Item 7. Types of Clients

JLL Partners currently provides investment advisory services to the JLL Funds. Investment advice is provided directly to the JLL Funds, subject to the direction and control of the Fund General Partner of the applicable JLL Fund, and not individually to the limited partners of such JLL Fund.

Investors in JLL Funds include high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, sovereign wealth funds, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other business entities.

Interests in the JLL Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Moreover, the investors in the JLL Funds are subject to applicable suitability requirements. JLL Partners requires that each outside investor in a JLL Fund be an "accredited investor" as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the "Securities Act") and a "qualified purchaser" as defined in the 1940 Act, as amended.

Although JLL Partners does not impose minimum dollar values on creating a JLL Fund, legal eligibility requirements must be met. Minimum investment commitments may be established for limited partners in JLL Funds. Each Fund General Partner, in its sole discretion, may permit investments that are less than the required minimum investment commitment set forth in the applicable fund documents of such JLL Fund.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

JLL Partners and its affiliates seek to make privately-negotiated investments on behalf of the JLL Funds. In considering potential investment opportunities, JLL Partners and its affiliates carry out an extensive analysis of a target investment's position and prospects in an effort to achieve a thorough and in-depth assessment of the potential investment. JLL Partners and its affiliates seek to invest in fundamentally strong companies across a wide range of industries. JLL Partners and its affiliates look for strong fundamentals and often seek to identify value in complicated situations. Such situations may include companies which are significantly over-leveraged; companies lacking committed sponsorship; companies requiring strategic and/or operational refocusing; companies in out-of-favor industries; businesses being divested from a larger corporate entity; and well-run companies seeking a financial partner to pursue their strategies.

While JLL Partners and its affiliates consider a number of quantitative and qualitative factors in connection with potential investment opportunities, they have found that certain key principles, consistently applied, can lead to superior private equity investment performance over time. These include:

Employ Leverage Sensibly. JLL Partners believes in employing leverage prudently. JLL Partners helps design and implement a sound capital structure for our portfolio companies, allowing them to remain competitive, make appropriate capital expenditures, and pursue growth opportunities. JLL Partners prefers to rely on strong management, rather than financial engineering, to increase the intrinsic value of the companies in which the JLL Funds invest.

Commitment to Growth. JLL Partners seeks to invest in companies that have the potential to grow both organically and through acquisition. Such growth might be achieved through capacity expansion, new product introduction, development of new markets and, perhaps most importantly, the acquisition of related companies.

Optimize Realization on Investments. JLL Partners has no predetermined time frame or preferred method for exiting an investment. Rather, along with management, JLL Partners concentrates first and foremost on building value. However, in the course of improving and growing a company, there often comes a logical and obvious point to realize the value that has been created.

In such instances, JLL Partners might find a buyer for the company or perhaps look to sell shares in a secondary offering in the public markets or pursue another appropriate exit transaction.

Importance of Management. JLL Partners views management as the most important ingredient in making an investment. JLL Partners only invests in situations where it can partner with experienced executives who have proven track records. JLL Partners works closely with management to develop growth strategies, enhance profitability, and make acquisitions.

JLL Partners may back strong incumbent management teams already operating good companies or it may team up with experienced managers to acquire companies in their industry. JLL Partners aligns its interests with senior management through very significant equity-based compensation programs.

Industry Focus and Expertise. JLL Partners pays particular attention to certain industries with favorable long-term dynamics and has developed a significant knowledge base and strong relationships in multiple sectors. This effort provides JLL Partners with several competitive advantages, including (i) an understanding of industry-specific dynamics, which ultimately enables JLL Partners to identify and source proprietary deal flow and more effectively diligence new investment opportunities; (ii) a wealth of industry contacts, including senior executives, consultants, and other intermediaries and advisors, who assist JLL Partners in identifying and evaluating investment opportunities; and (iii) an ability to add significant value and insight to the strategy and operations of its portfolio companies, becoming an active partner rather than a passive investor following the initial acquisition. In addition, industry specialization enables JLL Partners to uncover unique value propositions in companies that other investors may have overlooked.

Differentiated Transaction Sourcing Through Complicated Situations and Build-Ups. JLL Partners looks for situations that involve regulatory, legal or financial complexity, including restructurings and bankruptcies. JLL Partners, and an experienced team of outside professionals, perform a full review of potential regulatory, environmental, tax, legal, and accounting contingencies, as needed, prior to making an investment.

Material Risks

Investing in securities involves a substantial degree of risk and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a JLL Fund and for which such JLL Fund does not represent a complete investment program.. A JLL Fund may lose all or a substantial portion of its investments, and investors in JLL Funds must be prepared to bear the risk of loss of their investments therein.

There can be no assurance that the investment objective of any JLL Fund will be achieved, that any JLL Fund will otherwise be able to successfully carry out its investment program, or that an

investor will receive a return of its capital contributed to any JLL Fund. The discussion below enumerates certain risk factors that apply generally to an investment in any JLL Fund. Prior to making any investment in a JLL Fund, investors should carefully review the applicable offering documents for a more complete description of the risk factors and conflicts of interest relating to such JLL Fund.

Leveraged Investments

While investments in highly leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Some of the JLL Funds' investments may involve high degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of the JLL Funds' portfolio companies. A JLL Fund's ability to achieve attractive rates of return on investments will depend on the ability of its portfolio companies to access sufficient sources of debt at attractive rates, including high yield debt. However, availability of capital from the debt markets is subject to volatility from time to time, and there may be times when a JLL Fund might not be able to access those markets at attractive rates, or at all, when completing an investment. Also, increased interest rates generally increase portfolio company interest expenses. In the event any such portfolio company cannot generate adequate cash flow to meet debt service, the applicable JLL Fund may suffer a partial or total loss of capital invested in the portfolio company.

Financial Market Fluctuations

General fluctuations in the market prices of securities may affect the value of the investments held by the JLL Funds. Instability in the securities markets may also increase the risks inherent in the JLL Funds' investments. 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.

Illiquidity of Investments

The JLL Funds' investments may consist of securities that are subject to restrictions on sale under U.S. securities laws. Generally, a JLL Fund will not be able to sell these securities publicly in the U.S. without the expense and time required to register the securities under the Securities Act or will be able to sell the securities only under Rule 144 or other rules under the Securities Act that permit only limited sales under specified conditions. When restricted securities are sold to the public, the applicable JLL Fund may be deemed an "underwriter," or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under that Act.

The sale of investments may be subject to restrictions imposed by the applicable securities laws of the countries in which a JLL Fund invests or in which it wishes to publicly list securities, if applicable. In addition, practical limitations may inhibit a JLL Fund's ability to liquidate certain

of its investments in the portfolio companies since the issuer will be privately held and the JLL Fund may own a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The limitations on liquidity of a JLL Fund's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

General Risks Associated with Non-U.S. Investments

Investment in foreign issuers or securities principally traded overseas may involve certain special risks due to foreign economic, political and legal climates, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments, or capital gains, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against foreign entities. Furthermore, issuers of foreign securities are subject to different, often less comprehensive accounting reporting and disclosure requirements than domestic issuers. The securities of some foreign governments and companies and foreign securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets. Foreign brokerage commissions and other fees are also generally higher than in the United States. There are also special tax considerations which apply to securities of foreign issuers and securities principally traded overseas. Moreover, the expenses normally associated with foreign investments often exceed those associated with domestic investments.

Geographic Concentration Risk

Certain JLL Funds (the "Geographically Focused Funds") will focus their investments in a particular geographic region and therefore will be particularly vulnerable to events affecting companies in such region. The economy of a particular country in which a Geographically Focused Fund may invest is influenced by economic and market considerations in other countries in the relevant region. Investors' reactions to events in one country can have adverse effects on the securities of companies and the value of property and related assets in other countries in which a Geographically Focused Fund may invest. The performance of a Geographically Focused Fund may be worse than the performance of other funds that invest more broadly geographically.

Reliance on Management

Decisions with respect to the management of each JLL Fund will be made by the general partner of such JLL Fund with the advice of JLL Partners. The success of a JLL Fund will depend on the ability of its general partner and JLL Partners to identify and consummate investments, to improve the operating performance of portfolio companies and to dispose of investments of such JLL Fund at a profit. The loss of the services of one or more members of the professional staff of JLL Partners or of the partners of the general partner of a JLL Fund could have an adverse impact on such JLL Fund's ability to realize its investment objective. In addition, it is expected

that all of the officers and employees responsible for managing a particular JLL Fund will continue to have responsibilities with respect to other funds and accounts managed by JLL Partners. Thus such persons will have demands made on their time for the investment, monitoring, exit strategy and other functions of other funds and accounts.

Uncertainty in the U.S. and Global Financial Markets

The upheavals in the United States and global financial markets that began in 2008 illustrated the possibility of extraordinary and unprecedented uncertainty and instability in such markets. There can be no assurances that conditions in the global financial markets will not adversely affect one or more of a JLL Fund's portfolio companies or other investments, its access to capital or leverage or its overall performance.

Market Conditions and Financial Market Fluctuations

A lack of liquidity in the capital markets may make it significantly more difficult for sponsors like JLL Partners to obtain favorable financing for investments, and the financing that is available may be on much less favorable terms that had been prevailing in the past. General fluctuations in the market prices of securities may affect the value of the investments held by a JLL Fund. Instability in the securities markets may also increase the risks inherent in a JLL Fund's investments.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of a JLL Fund that may adversely affect such JLL Fund. There is a material risk that regulatory agencies in the United States, Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity industry, or other changes that could adversely affect private equity firms and the funds they sponsor, including a JLL Fund.

Absence of Regulatory Oversight

Notwithstanding that JLL Partners is registered as an investment adviser under the Advisers Act, and that the JLL Funds may be considered similar in some ways to an investment company, the JLL Funds are not required and do not intend to register as such under the 1940 Act and, accordingly, investors are not afforded the protections of the 1940 Act.

Litigation

In the ordinary course of business, JLL Partners may be a party to litigation, disputes and other potential claims.

Different risks may exist with respect to investments in different JLL Funds. The risks associated with an investment in any particular JLL Fund may be substantially impacted by the nature and timing of the market.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of JLL Partners or the integrity of its management. JLL Partners has no information to disclose applicable to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

The Fund General Partners that serve as general partners of the JLL Funds are affiliates of JLL partners. A Delaware limited liability company serves as the general partner of each of the Fund General Partners and is also an affiliate of JLL Partners.

Conflicts of Interest

Sources of Conflicts of Interest

The conflicts of interest encountered by a JLL Fund include those discussed below, although the discussion below does not describe all of the conflicts that may be faced by the JLL Funds. Other conflicts may be disclosed throughout this document and the document should be read in its entirety for other conflicts.

Carried Interest

As described in Item 6, carried interest may create an incentive for the Fund General Partner of a JLL Fund to make riskier or more speculative investments on behalf of a JLL Fund than would be the case in the absence of this arrangement.

The terms of the carried interest or performance allocations could also give JLL Partners an incentive to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors. For example, the Fund General Partner may be in a position to receive carried interest distributions earlier if profitable investments are liquidated

prior to investments that are not profitable because, at the time proceeds from such profitable investments are liquidated, the applicable JLL Fund would not be required to first distribute capital to limited partners to make up for prior losses associated with unprofitable investments. Although the JLL Funds contain a “clawback” requiring the Fund General Partner to return excess distributions to limited partners in the event the general partner receives more than its carried interest percentage of fund profits on an aggregate basis over the life of the fund, the return of such distributions to the limited partners would generally be delayed until the end of the fund’s term.

The existence of the carried interest or performance allocation creates a potential conflict of interest for the Fund General Partner and JLL Partners in valuing investments. For example, because distributions to the partners in such funds are generally calculated in a “deal-by-deal” waterfall, the general partner will not receive a carried interest until the partners receive distributions equal to their share of writedowns not taken into account in prior distributions. This creates an incentive for the general partner and JLL Partners to avoid writing down the value of assets that are not readily marketable or difficult to value, because the general partner will be in a position to receive a higher carried interest. JLL Partners has adopted written valuation procedures intended to mitigate potential conflicts of interests in respect of the valuation of assets that are not readily marketable or are difficult to value. JLL Partners also seeks to mitigate any potential conflicts of interest by having independent auditors review its valuations for accuracy and reasonableness.

Conflicts Relating to the Fund General Partners of the JLL Funds and JLL Partners

As described above, JLL Partners will typically receive fees in connection with its performance of Related Services. Such fees will be in addition to the management fee and the carried interest paid by such JLL Fund. JLL Partners will determine the amount of these fees in its own discretion, subject to agreements with sellers, buyers and management teams, the boards of directors of or lenders to portfolio companies, and/or third-party co-investors in its transactions. Sometimes portfolio companies disclose fees for Related Services in materials such as debt offering memoranda. Although JLL Partners receives these fees from actual or prospective portfolio companies or other investment vehicles of a JLL Fund, the opportunity to earn these fees creates a conflict of interest between JLL Partners, on the one hand, and such JLL Fund and its limited partners, on the other hand, because the amounts of such fees may be substantial, the JLL Fund and its limited partners do not have an interest in JLL Partners and the rights of the JLL Fund and its limited partners to these fees is limited to the reduction of future management fees described above. JLL Partners will determine, in good faith but in its discretion, the cost of obtaining services similar to the management, advisory and similar services it provides to portfolio companies of the Funds. In order to mitigate any conflicts of interest associated with the receipt of fees by JLL Partners, each of the JLL Funds' governing documents provide for all or a portion of management fees to be offset by these fees.

It is expected that the officers and employees of JLL Partners responsible for managing a particular JLL Fund will have responsibilities with respect to other JLL Funds, including funds

and accounts that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these Managing Directors, officers and employees.

Conflicts Relating to the Allocation of Investments Among JLL Funds

Subject to any requirements of the governing documents of the JLL Funds, opportunities for investments will be allocated among the JLL Funds in a manner that JLL Partners, as well as the respective Fund General Partners, believe in their sole discretion to be appropriate given factors they believe to be relevant. Such factors may include the investment objectives, geography, nature of the target's business, scale, transaction sourcing, liquidity, diversification, lender covenants and other limitations of the JLL Funds and the amount of capital each then has available for such investment. Additionally, certain JLL funds may have a priority to certain investments and as such certain investments may be required to be offered first to such JLL Funds. JLL Partners also reserves the right to make independent decisions regarding recommendations of when a JLL Fund should purchase and sell investments, including where more than one JLL Fund owns an interest in the investment. As a result, a JLL Fund may be purchasing an investment at a time when another JLL Fund is selling the same or a similar investment, or vice versa. JLL Partners may elect to cause one JLL Fund to invest in opportunities but not another JLL Fund.

Conflicts may arise when a JLL Fund makes investments in conjunction with an investment being made by another Fund, or in a transaction in which another Fund has already made an investment. Investment opportunities may be appropriate for one JLL Fund and another JLL Fund at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts may also arise in determining the terms of investments. For example, investments by a JLL Fund in transactions controlled by another JLL Fund may be subject to investment terms, including with respect to liquidity or governance, that may be more restrictive than those preferable for such JLL Fund if it were investing without a JLL Fund. As another example, if a Fund is investing in debt securities, it will have an interest in structuring debt securities that have financial terms (such as interest rates, repayment terms, seniority, covenants and events of default) that are more restrictive than a JLL Fund or another JLL Fund, as an equity owner, may desire. There can be no assurance that the return on a JLL Fund's investments will not be less than the returns obtained by other JLL Funds participating in the transaction.

Conflicts Relating to Existing Investments

Further conflicts may arise once a JLL Fund has made an investment in a company in which another JLL Fund has also invested. For example, questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, one or more JLL Funds may or may not provide such additional capital, and if provided the JLL Funds will supply such additional capital in such

amounts, if any, as determined by JLL Partners in its sole discretion. JLL Partners will resolve all such conflicts using its best judgment but in its sole discretion, subject in certain cases to approval by the advisory boards of the participating investment funds.

Valuations of Investments

The JLL Funds typically invest in securities or other assets that are illiquid and lack a readily assessable market value. Such illiquid investments are a part of each of the JLL Funds' portfolios which are typically subject to the management fees described above and are valued pursuant to JLL Partners' valuation policy and procedures, unless specific valuation procedures have been agreed upon between JLL Partners and/or the Fund General Partner and the JLL Fund. During the commitment period fees are based upon committed capital. After the expiration of the commitment period fees are based upon invested capital which, under the terms of each JLL Funds' governing documents, is adjusted for net unrealized losses. Thus, valuing assets at historical cost may result in a Fund General Partner receiving a higher carried interest distribution or performance allocation than it would if assets are valued at fair value. A JLL Fund's constituent documents will disclose the applicable valuation methodology.

Preparation of Tax Returns

Tax returns for each JLL Fund are initially prepared by an accounting entity that is controlled by the Chief Compliance Officer of JLL Partners. JLL Partners seeks to mitigate any potential conflicts of interest by having independent auditors review the tax returns and sign the tax returns of each JLL Fund as the tax preparer of record.

Side Letters

A Fund General Partner of a JLL Fund may enter into side letters or other similar agreements with investors in connection with their admission to such JLL Fund without the approval of any other investor. The side letters or other similar agreements have the effect of establishing rights under, altering or supplementing the terms of the governing documents of the applicable JLL Fund with respect to one or more such investors in a manner more favorable to such investors than those applicable to other investors.

Other Conflicts of Interest

JLL Funds will generally engage common legal counsel and other advisers to represent all of the JLL Funds in a particular transaction, including a transaction in which the JLL Funds have conflicting interests because they are investing in different securities of a single portfolio company. In the event of a significant dispute or divergence of interest between one or more Funds, such as in a work-out or other distressed situation, separate representation may become

desirable, in which case JLL Partners may hire separate counsel in their sole discretion, and in litigation and other circumstances, separate representation may be required.

A JLL Fund may have tax-exempt, taxable, foreign and other investors, whereas most members of the general partners of the JLL Funds are taxable at individual U.S. rates. Conflicts may exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations.

Different conflicts may exist with respect to investments in different JLL Funds.

Neither JLL Partners nor any of its management persons are registered, or have applications pending to register, as futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of any of the foregoing or as broker-dealers or registered representatives of broker-dealers.

JLL Partners does not receive compensation directly or indirectly from other investment advisers for recommending or selecting other investment advisers for its clients and has no business relationships with such advisers that create a material conflict of interest.

Please contact the JLL Partners Compliance Department with any additional questions or concerns.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

JLL Partners recognizes and believes that high ethical standards are essential for its success and to maintain the confidence of its clients and their investors. JLL Partners believes its interests are best served by adherence to the principle that clients' interests come first. JLL Partners' personnel are required to act in accordance with the implied contractual covenants of good faith and fair dealing in respect of their dealings with clients. JLL Partners' personnel must also comply with all federal securities laws.

Each Fund General Partner is responsible for identifying, reviewing, and resolving potential and actual conflicts of interest between JLL Partners and the JLL Funds. In addition, whenever necessary, conflicts of interest are also identified, reviewed and resolved by the senior management of JLL Partners. All of JLL Partners' employees have the duty to report any material potential or actual conflicts of interest to JLL Partners' Chief Compliance Officer. All material conflicts of interest are reviewed and resolved by JLL Partners' Chief Compliance Officer.

JLL Partners has adopted a Code of Ethics policy for its employees. The Policy describes employees standard of conduct and fiduciary duties and limits personal trading by its employees and their immediate family/household members in a wide range of securities, including common and preferred stock, debt instruments, securities that are convertible or exchangeable for equity or debt securities, and derivative instruments. Employees must report every account that they or their immediate family member use for trading securities covered by the policy and, if they directly or indirectly influence or control trading in the account, they must generally pre-clear covered securities transactions and have copies of trade confirmations and periodic account statements sent by their broker to the compliance department. Controlled trading by employees and their immediate family/household members is prohibited in a wide range of securities that appear on restricted lists and confidential watch lists, and additional steps are taken to ensure that employees and their immediate family/household members are not permitted to trade for their personal account in securities selected for the JLL Funds and to ensure employees do not engage in "front-running" of the JLL Funds' investment opportunities.

A detailed summary of the Code of Ethics is available to limited partners and prospective limited partners during the investment due diligence process. A copy of may be obtained by contacting the JLL Partners Compliance department.

Related Person Investment

For further details regarding circumstances in which JLL Partners or a related person (a) buys or sells for client accounts, securities in which JLL Partners or a related person has a material

financial interest, (b) invests in the same securities that JLL Partners or a related person recommends to clients, or (c) recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that JLL Partners or a related person buys or sells the same securities for JLL Partners' own (or the related person's own) account, as well as related conflicts of interest, please see "Code of Ethics" and Item 10 above.

Item 12. Brokerage Practices

Although JLL Partners does not generally utilize the services of broker-dealers for transaction related services, in the event it chooses to use a broker-dealer, JLL Partners seeks to obtain best execution of transactions. To the extent they aggregate orders for purchase and sale, JLL Partners will aggregate such orders as it deems appropriate and in accordance with each JLL Fund's documents and in the best interest of each JLL Fund.

Item 13. Review of Accounts

Oversight and Monitoring

The portfolio investments of each JLL Fund are continuously reviewed by a team of investment professionals. The team generally includes Managing Directors and other investment professionals of JLL Partners. JLL Partners closely monitors the portfolio companies of the JLL Funds and generally maintains an ongoing oversight position in such portfolio companies.

Reporting

Investors in the JLL Funds will typically receive, among other things, a copy of audited financial statements of the relevant JLL Fund within 120 days after the fiscal year end of such JLL Fund. In addition, investors in each JLL Fund will typically receive unaudited quarterly summary financial information regarding such JLL Fund following the end of each financial quarter. Investors in the JLL Funds also receive regular reporting updates through quarterly letters, investor meetings and other materials provided on the secure investor intranet.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to JLL Partners by non-clients, including a description of related conflicts of interest, please see Item 10 above. In addition, JLL Partners and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies.

Item 15. Custody

JLL Partners' clients generally maintain custody arrangements through independent qualified custodians. JLL Partners' clients have selected as their qualified custodian Wells Fargo Bank, 12 East 49th Street, New York, New York 10017.

However, JLL Partners may in some circumstances be deemed to have "custody" of client securities and funds, even though it does not actually maintain client assets. In such instances, it is JLL Partners' policy to cause each fund with assets over which the company is deemed to have "custody" to distribute annually audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and audited by an accountant subject to regular inspection by the Public Company Accounting Oversight Board, to investors no later than 120 days after the end of each fiscal year (or 180 days for any funds that are "funds of funds" as defined by Rule 206(4)-2). In addition, upon the final liquidation of any such fund, JLL Partners will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such fund to all investors promptly after completion of the audit.

Item 16. Investment Discretion

JLL Partners provides investment advisory services to each of the JLL Funds pursuant to the Management Agreements. Investment advice is provided by JLL Partners directly to the JLL Funds, subject to the direction and control of the affiliated Fund General Partner of such JLL Fund. Any restrictions on investments in certain types of securities are established by the Fund General Partner of the applicable JLL Fund, and are set forth in the documentation received by each limited partner prior to investment in such JLL Fund.

Item 17. Voting Client Securities

JLL Funds are not able to direct the vote of their Fund General Partner. The Fund General Partners intend to vote proxies or similar corporate actions in the best interests of the applicable JLL Fund, taking into account such factors as it deems relevant in its sole discretion.

JLL Partners' proxy voting policy is designed to ensure that if a material conflict of interest is identified in connection with a particular proxy vote, that the vote is not improperly influenced by the conflict.

A detailed summary of JLL Partners' proxy voting policies and procedures are available to limited partners and prospective limited partners during the investment due diligence process. The general policy is to recommend voting proxy proposals and to vote proxy proposals as well as any amendments, consents or resolutions relating to client securities (collectively, "proxies"),

in a manner that serves the best interests of client accounts, as determined by JLL Partners in its discretion, taking into account various factors, including, without limitation, the impact on the value of the securities. A copy of the proxy voting policies and procedures may be obtained by contacting JLL Partners' Compliance Department.

Existing clients may obtain copies of relevant proxy logs, identifying how proxies were voted in connection with a JLL Fund, and copies of proxy voting policies and procedures upon written request to: JLL Partners Inc. 450 Lexington Avenue, 31st Floor, New York, New York 10017

Item 18. Financial Information

JLL Partners has no financial commitment(s) that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to JLL Partners.