

Item 1. Cover Page

Cyprium Investment Partners LLC

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Part 2A of Form ADV: Firm Brochure
February 13, 2012

This brochure provides information about the qualifications and business practices of Cyprium Investment Partners LLC. If you have any questions about the contents of this brochure, please contact us at 216-453-4500. 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 Cyprium Investment Partners LLC 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 to Cyprium Investment Partners LLC.

Item 3. Table of Contents

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means Cyprium Investment Partners LLC, a Delaware limited liability company, together (where the context permits) with its affiliates that provide advisory services to and/or receive advisory fees from the Funds (as defined below) and separately managed accounts (“Managed Accounts”). Such affiliates may or may not be under common control with Cyprium Investment Partners LLC, but possess a substantial identity of personnel and/or equity owners with Cyprium Investment Partners LLC. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds, or may serve as general partners of the Funds.

The Adviser provides investment supervisory services to 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”) as well as Managed Accounts. As of February 13, 2012, the Adviser serves as the investment manager for Cyprium Investors II LP, Cyprium Investors III LP and Cyprium International Investors III LP (the “Main Funds”) and certain Managed Accounts. The Adviser may in the future advise Main Funds in addition to those listed herein.

Additionally, the Adviser may also organize and serve as general partner (or in an analogous capacity) to alternative investment vehicles (each, an “Alternative Investment Vehicle”) organized to address, for example, specific tax, legal, business, accounting or regulatory-related matters that may arise in connection with a transaction or transactions.

The Main Funds and the Alternative Investment Vehicles are collectively referred to as the “Funds.”

The Funds and Managed Accounts make primarily long-term private equity and equity-related investments, as well as investments in debt instruments. In accordance with the Funds’ and Managed Accounts’ respective investment objectives, investments are generally made in privately owned lower middle market companies in the United States or Canada. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds and Managed Accounts, managing and monitoring the performance of such investments and disposing of such investments. The Adviser may serve as the investment adviser or general partner to the Funds in order to provide such services.

The Adviser provides investment supervisory services to each Fund and the Managed Accounts in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or Managed Account or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Services are provided to the Funds and Managed Accounts in accordance with the Advisory Agreements with the Funds and Managed Accounts and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in

the organizational or offering documents of the applicable Fund or in the applicable Advisory Agreement.

The principal owners of Cyprium Investment Partners LLC are John Sinnenberg, Leland Lewis, Michael Conaton, Cindy Babitt and Dennis Wagner. The Adviser has been in business since 2011. As of December 31, 2011, the Adviser manages a total of \$489 million of client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

As compensation for investment supervisory services rendered to the Funds and the Managed Accounts, the Adviser receives from each such Fund (except for Alternative Investment Vehicles) and Managed Account an advisory fee (each, an “Advisory Fee”). Advisory Fees paid by a Main Fund are indirectly borne by investors in such Main Fund.

In addition, the Adviser and its affiliates may perform management, advisory, transaction-related, financial advisory and other services (“Related Services”) for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds and Managed Accounts, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions. These fees may be substantial. Although these fees are in addition to the Advisory Fees, the Adviser will in some circumstances reduce the amount of Advisory Fees paid by the applicable Fund and Managed Account in connection with the receipt of such fees. The amount and manner of such reduction is set forth in the Advisory Agreement and/or organizational documents of the applicable Fund and Managed Account. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds. Additionally, a portfolio company may reimburse the Adviser for expenses (including without limitation travel expenses, which may include expenses for chartered or first class travel) incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the sharing arrangements described above. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund and Managed Account are established by the Adviser, as modified by negotiations with investors in the applicable Fund or Managed Account participant, and are set forth in such Fund’s or Managed Account’s Advisory Agreement, organizational documents and/or other documentation received by each investor prior to investment in such Fund or the execution of the Managed Account. The Advisory Fees and other fees and distributions described above are generally subject to waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors. The fee structures described above may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

Advisory Fees billed to and received from the Funds vary Fund by Fund and may be payable quarterly in advance or up to 30 days following the commencement of each semi-annual period.

Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

The Advisory Fees paid by a Fund will generally be reduced by the amount of fees paid by such Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Fund to certain potential investors, as well as by fees incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund's limited partnership agreement or analogous organizational documents. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds. In addition, the Adviser may waive or reduce all or a portion of the Advisory Fee paid by a Fund in full or partial satisfaction of any obligation of the Adviser and certain employees and affiliates of the Adviser to invest in such Fund.

To the extent provided in the Advisory Agreements and the partnership agreements and other organizational documents of the Funds, the Adviser will pay out of Advisory Fees certain operating expenses, including expenses on account of rent, utilities, office supplies, office equipment, travel, entertainment, compensation of its partners and employees (other than Carried Interest described in Item 6 below) and other routine administrative expenses relating to the services and facilities provided by the Adviser to the Funds. Each Fund will bear all other expenses relating to it to the extent not borne by its portfolio companies, including legal, accounting, audit, investment banking, consulting, research, brokerage, finders', custody, transfer, registration, advisory board, directors' and officers' insurance, interest, taxes and extraordinary expenses, such Fund's allocable share of expenses and fees generated in the course of evaluating and making investments which are not consummated and other similar fees and expenses, as well as any other fees or expenses incurred by the Adviser or such Fund in connection with such Fund's operations that are not specifically set forth above as being paid by the Adviser.

Additionally, please see Item 6 below regarding "Carried Interest" that Funds may pay.

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

Item 6. Performance-Based Fees and Side-By-Side Management

With respect to each Fund and Managed Account, a portion of the profits of each Fund is distributed to its general partner, if any, as "carried interest" (the "Carried Interest"). Each general partner of a Fund is a related person of the Adviser. Carried Interest paid by a Main Fund is indirectly borne by investors in such Main Fund.

The payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Fund) may create an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Carried Interest, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the organizational documents of the Funds, this conflict is mitigated by provisions restricting the

Adviser and its principals, unless consented to by investors representing at least two-thirds of the aggregate commitments to the applicable Main Funds, from establishing a new investment fund with objectives substantially similar to those of the applicable Main Fund until the earlier of (i) the end of the Main Fund's investment period or (ii) such time as the applicable Main Fund is at least 75% invested or committed (including amounts reserved for follow-on investments) or used to pay (or reserved) for operating expenses and liabilities. Any Alternative Investment Vehicle will generally contain terms and conditions substantially similar to those of the applicable Main Fund with respect to which it is formed and profits and losses of an Alternative Investment Vehicle generally will be aggregated with those of such applicable Main Fund for purposes of determining distributions by the applicable Main Fund and the Alternative Investment Vehicle (except as may be advisable because of legal, regulatory or tax constraints). Please also see Item 12 below regarding trade aggregation, as well as Item 11 below for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to the Funds and certain institutional investors through Managed Accounts. Investment advice is provided directly to the Funds and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally "qualified purchasers" as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, limited partnerships and limited liability companies or other entities.

The Adviser does not have a minimum size for a Fund, but minimum investment commitments may be established for investors in the Funds. The general partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the offering documents of such Fund.

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

Methods of Analysis and Investment Strategies

Investment Strategy:

The Adviser generally makes "non-control" or "minority" investments that take the form of subordinated debt, preferred equity, and common equity, individually or in combination.

The Adviser believes that the dynamics of the non-control market create an environment where disciplined, experienced investors can generate attractive absolute and risk-adjusted returns. The Adviser believes that leverage and expected returns ("pricing") for non-control capital reflect the moderated risk appetite of controlling shareholders who are likely maintaining a significant concentration of their net worth in the equity of the business. This illiquid "re-investment" commitment provides the basis for the Adviser to differentiate its capital on characteristics other

than price and without significant upward pressure on leverage multiples often seen in the leveraged buyout market.

The Adviser targets investment opportunities driven by a wide array of factors beyond a seller's desire to exit an investment. As a result, the Adviser selectively evaluates and participates in a wide variety of investment opportunities, which significantly reduces its dependence on any one industry segment, stage of the economic cycle, state of the capital markets or pace of merger and acquisition activity.

Investment Process:

The Adviser evaluates hundreds of investment opportunities each year in order to find those investments that meet its criteria. Due diligence is conducted with increasing levels of intensity as the transaction moves closer to approval through our evaluation process. The transaction review process is specifically designed to leverage the group's collective expertise and insights.

The Adviser's investment professionals convene weekly to review the progress of each investment being considered and to discuss new investment opportunities uncovered during the previous week. Such meetings provide the opportunity for each investment professional to comment on, and contribute to, evolving perceptions of risk and risk mitigants throughout the due diligence process. If the proposed transaction fits the Adviser's investment criteria, an early warning memo outlining the potential investment is submitted to the founding partners and investment professionals for review. If the investment thesis is favorably received by the founding partners, the Adviser increases the intensity of its diligence investigation, which includes a detailed analysis of the forces influencing the company's historical and prospective profitability, its management team, the competitive structure of the industry, and eventual exit opportunities. Before an investment can be completed, the three-person investment team – always led by a partner – prepares a detailed memorandum of their findings for review and final approval by the founding partners and investment committee. Post-close, the investment team which was responsible for diligence and documentation will provide on-going monitoring and board level involvement.

Risks

Investing in securities involves a substantial degree of risk. A Fund and Managed Account may lose all or a substantial portion of its investments, and investors in the Funds and Managed Account participants must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds and Managed Accounts, include the following:

Business Risks

The Funds' and Managed Accounts' investment portfolios will likely consist primarily of private equity and mezzanine investments in middle market companies and may include, among others,

management or shareholder buyouts, recapitalizations, restructurings, and growth capital for acquisitions or expansion. Such investments involve a high degree of business and financial risk which can result in substantial losses. Portfolio companies may be in early stages of development, may have operating losses or significant variations in operating results and may be engaged in rapidly changing business with products subject to a substantial risk of obsolescence. Portfolio companies may also include companies that are experiencing or are expected to experience financial difficulties, which may never be overcome. In addition, they may have weak financial conditions and may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive positions. Portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities and a larger number of qualified managerial and technical personnel.

It is anticipated that a substantial portion of the Funds' and Managed Accounts assets will be lent to or invested in portfolio companies that have above-average leverage, which may impair such companies' ability to finance their future operations and capital needs, and may result in restrictive financial and operating covenants. As a result, such companies' flexibility to respond to changing business and economic conditions and to business opportunities may be limited. Adverse factors such as rising interest rates, downturns in the economy or deteriorations in the condition of a portfolio company or its industry could jeopardize a company's ability to meet its debt service obligations (including subordinated debt investments of the Funds and Managed Accounts). In addition, in the event that such companies do not perform as anticipated or incur unanticipated liabilities, high leverage will magnify the adverse effect on the value of the companies' equity and could result in substantial diminution in, or the total loss of, equity investments in such companies.

The Funds and Managed Accounts will receive interest payments on subordinated loans to portfolio companies. However, a portion of the success of the Funds and Managed Accounts will depend on gains generated from the equity participation of such loans and gains generated from common and preferred stock investments. It is uncertain as to when such gains, if any, will be realized.

Investment in Junior Securities

The securities in which the Funds and Managed Accounts may invest may be among the most junior in a portfolio company's capital structure, and thus subject to the greatest risk of loss. The preferred equity and debt securities in which the Funds and Managed Accounts may invest will generally be unsecured and may be subordinated to substantial amounts of senior debt, all or a significant portion of which may be secured. In addition, these securities may not be protected by any or all of the financial covenants, such as limitations upon additional indebtedness, typically protecting such senior debt. Holders of mezzanine debt and other junior capital securities generally are not entitled to receive any payments in bankruptcy or liquidation until senior creditors are paid in full. Holders of preferred equity are not entitled to payments until all creditors are paid in full. In addition, the remedies available to holders of mezzanine debt are normally limited by restrictions benefiting senior creditors. In the event any portfolio company cannot generate adequate cash flow to meet senior debt service, the Funds and Managed

Accounts may suffer a partial or total loss of capital invested in such preferred equity and/or debt securities. There can be no assurances that portfolio companies will not experience financial difficulties which may result in significant losses.

Foreign Investments

Investments in non-U.S. companies involve the following risks: (i) currency exchange risks (as described in more detail below), controls on, and changes in controls on, foreign investment and limitations on repatriation of invested capital and on the Fund's or Managed Account's ability to exchange local currencies for U.S. dollars; (ii) differences between U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and regulation; (iii) changes in tax treaties; and (iv) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such investments (as described in more detail below). While the Adviser and the general partners of the Funds intend, where they deem appropriate, to manage the Funds and the Managed Accounts in a manner that will minimize exposure to the foregoing risks, there can be no assurance that adverse developments or changes in law in certain non-U.S. countries in which the Funds and Managed Accounts invest will not adversely affect the value of Funds' and Managed Accounts' investments located in such countries.

The economies of individual non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resource self-sufficiency and balance of payments position.

Currency Exchange Risk

The books of the Funds and Managed Accounts will be maintained, and contributions to and distributions from the Funds generally will be made, in U.S. dollars. The Funds' and Managed Accounts' non-U.S. investments, however, may be denominated in currencies other than the U.S. dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. dollar compared to such other currencies. The Funds and Managed Accounts may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar, as well as the transaction costs associated with converting foreign currencies into U.S. dollars. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized on the sale of such investments. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the foreign currency exchange markets. Exchange rates also are affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. The general partner of a Fund may, but it is not obligated to, enter into currency hedging arrangements in connection with such Fund's non-U.S. investment activities. Even if the Fund does enter into such arrangements, there can be no assurance that they would successfully protect the value of the Fund's non-U.S. investments. Even if

successful in protecting the Fund against currency valuation changes, currency hedging arrangements undertaken by the Fund could result in the incurrence of significant costs.

Item 9. Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

Various limited liabilities companies (the “General Partners”) serve as general partners of the Funds, and are controlled by affiliates of the Adviser. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its members, officers and employees, as well as officers and employees of its affiliates (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund or Managed Account, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: Attn: Chief Compliance Officer, Cyprium Investment Partners LLC, 200 Public Square, Suite 2020, Cleveland, OH 44114.

Participation or Interest in Client Transactions

Certain employees and affiliates of the Adviser may invest in and alongside the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its

General Partner, as applicable, may reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a Fund (including potential purchasers of a limited partner’s interests in a secondary transaction) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Conflicts of Interest

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds and institutional investors, and providing transaction-related, investment advisory, management and other services to funds, institutional investors and operating companies. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of the Adviser, other Funds or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

Resolution of Conflict

In the case of all conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s best judgment, but in its sole discretion. In resolving conflicts, the Adviser may consider various factors, including the interests of the applicable Funds and Managed Accounts with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

1. A Fund or Managed Account will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund or Managed Account;
2. Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering and/or organizational documents for the Funds or Advisory Agreement of the Managed Account;
3. Generally, each Main Fund has established an advisory board, consisting of representatives of investors not affiliated with the Adviser. The advisory boards meet as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion;

4. Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
5. Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

Conflicts

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

Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which may include, but are not limited to, the following:

- The Main Funds, which may include Main Funds organized as parallel investment entities that have been formed to invest side-by-side with one or more of the Funds (either in all transactions entered into by such Fund(s) or in a limited subset of such investments);
- Any Alternative Investment Vehicles that have been formed to address, for example, specific tax, legal, business, accounting or regulatory-related matters that may arise in connection with a transaction or transactions;
- Managed Accounts;
- Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Third Parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

In recognition of its fiduciary duties, it is the policy of the Adviser to treat the Funds and Managed Accounts fairly and equitably in the allocation of investment opportunities and transactions more generally. The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith.

The Funds and Managed Accounts are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”). Investment Allocation Requirements may

be set forth in the instrument under which the Fund or Managed Account was established (such as a Fund's limited partnership agreement or private placement memorandum), or in side letters. To the extent the Investment Allocation Requirements of a Fund or Managed Account do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds and Managed Accounts, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds and Managed Accounts will participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s) or Managed Account(s), based on the Fund's or Managed Account's investment objectives, strategies and structure. A Fund's investment objectives, strategies and structure typically are reflected in the Fund's offering memoranda and organizational documents. A Managed Account's investment objectives and strategies are typically reflected in the Managed Account's Advisory Agreement. Prior to making any allocation to a Fund or Managed Account of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s) or Managed Account(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Adviser may be required to offer an investment opportunity to one or more Funds. This obligation to offer investment opportunities may be set forth in a Fund's offering documents and/or operating agreement.
- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Fund(s) or Managed Account(s) to such Fund(s) or the Managed Account(s) to the exclusion of, or resulting in a limited offering to, other Funds or Managed Accounts.
- **Legal and Regulatory Exclusions:** the Adviser may determine that certain Funds, investors in such Funds, or Managed Accounts should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Funds and Managed Accounts that will participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds and Managed Accounts. In allocating such investment opportunity, the Adviser may consider some or all of a wide range of factors, which may include, but are not necessarily limited to, the following:

- Each Fund's and Managed Account's investment objectives and investment focus;
- Transaction sourcing;
- Each Fund's liquidity and reserves;
- Each Fund's or Managed Account's diversification;
- Lender covenants and other limitations;
- Amount of capital available for investment by each Fund and Managed Account as well as each Fund's projected future capacity for investment;

- Each Fund's and Managed Account's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment;
- Composition of each Fund's or Managed Account's portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Fund or Managed Account;
- The availability of other suitable investments for each Fund or Managed Account;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the applicable offering and organizational documents of each Fund or Advisory Agreement of each Managed Account.

The Adviser will seek to make all allocations of investment opportunities among the Funds and Managed Accounts in a fair and equitable manner, and will not favor or disfavor, consistently or consciously, any Fund, class of Funds or Managed Account in relation to any other Funds or Managed Accounts. Further, the Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or Managed Account, (ii) the profitability of any Fund or Managed Account or (iii) any person's interest in offering or participating in co-investment opportunities outside of any Fund.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Adviser or its related persons, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons, and (iv) certain persons other than investors in the Funds (e.g., Third Parties) may be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons.

In exercising its discretion to allocate co-investment opportunities among the Funds and other persons (including Adviser Investors and Third Parties), the Adviser may consider some or all of a wide range of factors, which may include, but are not limited to, the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant

Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;

- Any confidentiality concerns the Adviser may have that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds.

The Adviser's exercise of its discretion in allocating investment opportunities among the persons, including the Funds, Managed Account and Third Parties, and in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's or Managed Account's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's organizational documents, the Adviser may consider the factors listed above in exercising such discretion. Subject to any restrictions in the organizational documents of the applicable Fund, the Adviser or its related persons may be asked to identify a limited number of Adviser Investors or Third Parties to potentially acquire the interest being transferred.

The appropriate allocation between Funds, Managed Account and Third Parties of expenses and fees generated in the course of evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion, consistent with the organizational documents of the Funds and the Managed Account agreements, as applicable. There may be occasions when one Fund (the “Payor Fund”) or the Adviser pays an expense common to multiple funds (the “Allocated Funds”) (e.g., legal expenses for a transaction in which all such funds participate). On such occasions, each Allocated Fund will reimburse the Payor Fund or the Adviser for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. While highly unlikely, it is possible that one of the Allocated Funds could default on its obligation to reimburse the Payor Fund.

In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser may be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser may have an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit.

In addition, principal executive officers and other personnel of the Adviser invest indirectly in and may be permitted to invest directly in Funds and may therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

Conflicts Related to Purchases and Sales

Conflicts may arise when a Fund or Managed Account makes investments in conjunction with an investment being made by other Funds or Managed Accounts, or in a transaction where another Fund or Managed Account has already made an investment. Investment opportunities may be appropriate for Funds or Managed Accounts at the same, different or overlapping levels of a portfolio company’s capital structure. Conflicts may arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. 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 may raise conflicts of interest, particularly in Funds or Managed Accounts that have invested in different securities within the same portfolio company. Certain clients of the Adviser and its affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. In the event that such investments are made by a Fund or a Managed Account, the interests of such Fund or Managed Account may be in conflict with the interest of such other Fund or Managed Account, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit

strategic information exchanges among fellow creditors. In certain circumstances, Funds or Managed Accounts may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds or Managed Accounts may or may not provide such additional capital, and if provided each Fund or Managed Account will supply such additional capital in such amounts, if any, as determined by the Adviser. In addition, a conflict may arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund or a Managed Account. Investments by more than one client of the Adviser in a portfolio company may also raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser. Employees and related persons of the Adviser and its affiliates have made or may make capital investments in or alongside certain Funds or Managed Accounts, and therefore may have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund or a Managed Account participating in a transaction would be equal to and not less than another Fund or a Managed Account participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Fund or Managed Account may invest in opportunities that other Funds or Managed Accounts have declined, and likewise, a Fund or Managed Account may decline to invest in opportunities in which other Funds or Managed Accounts have invested.

Cross-Transactions

In certain cases, the Adviser may cause a Fund or a Managed Account to purchase investments from another Fund or Managed Account, or it may cause a Fund or a Managed Account to sell investments to another Fund or Managed Account. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund or a Managed Account may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund or Managed Account by selling underperforming assets to another Fund or Managed Account in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund or Managed Account that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates may receive management or other fees in connection with their management of the relevant Funds or Managed Accounts involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Funds or Managed Accounts. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the Investment Allocation Requirements of the relevant Funds or Managed Accounts (e.g., the organizational documents of certain Funds and their associated parallel fund(s) or the Advisory Agreements of Managed Accounts) may provide for the rebalancing of investments at certain times and at a cost set forth in those documents so that these Funds' or Managed Accounts' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund and such parallel fund(s) and Managed Accounts. To the extent such matters are not addressed in the Investment Allocation

Requirements, the Adviser's Chief Compliance Officer, in consultation with the Adviser's Chairman, will be responsible for confirming that the Adviser (i) considers its respective duties to each Fund and Managed Account, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party, and (iii) obtains any required approvals of the transaction's terms and conditions. The Adviser will not directly or indirectly receive any commission or other transaction-based compensation for effecting any such transaction, and the Adviser will not effect any such transaction for any Fund or Managed Account where the Adviser may be deemed to own more than 25% of the Fund or Managed Account, unless such transaction complies with the requirements of the Adviser's principal transactions policy, as described below.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) or Managed Account(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. In addition, the offering documents, limited partnership agreements or other organizational documents and related documents relating to the Funds generally contain additional restrictions on the ability of the Funds or the Adviser to engage in principal transactions.

Management of the Funds

The Adviser manages a number of Funds and Managed Accounts that may have investment objectives similar to each other. The Adviser may in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "*Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities*" above. In addition, it is expected that employees of the Adviser responsible for managing a particular Fund or Managed Account will have responsibilities with respect to other Funds and Managed Accounts managed by the Adviser, including Funds that may be raised or Managed Accounts obtained in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the

allocation of the investment opportunities in the case of follow-on acquisitions by one Fund or Managed Account in a portfolio company in which another Fund or Managed Account has previously invested. In addition, a Fund or Managed Account may participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund or Managed Account has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the General Partner and the Adviser

The Adviser generally may, in its discretion, contract with any related person of the Adviser (including but not limited to a portfolio company of a Fund) to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Adviser may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally may, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser may, because of its financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser, its affiliates, and members, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to Funds and Managed Accounts. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by Funds and Managed Accounts. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. If officers, principals and employees of the Adviser have made large capital investments in or alongside the Funds and Managed Accounts they may have conflicting interests with respect to these investments.

Because certain expenses are paid for by a Fund, Managed Account and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund, a Managed Account and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund, its portfolio companies or Managed Account to incur) such expenses.

Fee Structure

Because there is a fixed investment period after which capital from investors in the Funds may only be drawn down in limited circumstances and because Advisory Fees are, at certain times during the life of the Funds and Managed Account, based upon capital invested by the Funds and Managed Accounts, this fee structure may create an incentive to deploy capital when the Adviser may not otherwise have done so.

Additionally, as discussed above in Item 6, the General Partners of the Funds are entitled to Carried Interest under the terms of the limited partnership agreements of such Funds. Such general partners are affiliates of the Adviser. The existence of the General Partners' Carried Interest may create an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Related Services

As described in Item 5 above, the Adviser and its affiliates may perform Related Services for, and will receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds and Managed Accounts. Such fees will be in addition to any Advisory Fees or Carried Interest paid by the Funds and Managed Accounts to the Adviser. Additionally, a portfolio company may reimburse the Adviser for expenses (including without limitation travel expenses, which may include expenses for charter service or first class travel) incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the sharing arrangements described above. This creates a conflict of interest between the Adviser and its affiliates and the Funds, their investors and the Managed Accounts because the amounts of these fees and reimbursements may be substantial and the Funds, their investors and the Managed Accounts generally do not have an interest in these fees and reimbursements. The Adviser determines the amount of these fees for Related Services and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements may not (except in connection with the reductions described below) be disclosed to investors in the Funds. The Adviser and its affiliates will in some circumstances reduce the amount of Advisory Fees paid by the applicable Fund or Managed Account in connection with the receipt of the applicable Fund's or Managed Account's share of such fees. The amount and nature of this reduction varies from Fund to Fund and is set forth in the Advisory Agreement and/or organizational documents of the applicable Fund.

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection

with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund and the investors as a whole, not the investment, tax or other objectives of any investor individually.

Business with Portfolio Companies and Investors

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Funds and Managed Accounts have invested, there are often situations where the Adviser is in the position of recommending portfolio company services to other portfolio companies. The Adviser may have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds and Managed Accounts, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds or Managed Accounts.

The Adviser may have an incentive to recommend the products or services of certain investors in the Funds or Managed Accounts or their related businesses to the Funds or Managed Accounts or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds, the portfolio companies or the Managed Accounts.

The Adviser and/or its affiliates may engage in business opportunities arising from a Fund's or Managed Account's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company).

The Adviser has service providers, including for example, investment bankers, outside legal counsel and pension consultants, who are investors in Funds and/or who provide services to businesses that are competitors of the Adviser. The Adviser may have a conflict of interest with the Funds and Managed Accounts in recommending the retention or continuation of a service provider to the Funds and Managed Accounts or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. There is a possibility that the Adviser, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain members of the Adviser's advisory council are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in a Fund. The general partner of a Fund may from time to time utilize the services of investors and their affiliates on an arm's length basis, as it deems appropriate.

Positions with Portfolio Companies

Employees of the Adviser may serve as directors of portfolio companies. Such employees are required to remit any remuneration they may receive as directors to the applicable Funds. In addition, employees of the Adviser may leave the employment of the Adviser or its affiliates and become an officer or employee of a portfolio company. Employees are prohibited from receiving consulting, management or other fees personally from portfolio companies.

Side Letter Agreements

The Adviser may enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

Other Potential Conflicts

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required.

The Adviser may, in its discretion, have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

If a Fund purchases in the secondary market at a discount debt securities of a company in which a Fund has, for example, a substantial equity interest, (a) a court might require a Fund to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Fund might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

The partnership agreements (or analogous organizational documents) of certain Funds permit each such Fund's General Partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The

General Partner may elect to withhold certain information to such limited partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Item 12. Brokerage Practices

As Funds or Managed Accounts invest primarily in private equity ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

For each of the Funds or Managed Accounts, the Adviser generally has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund or Managed Account involving a broker-dealer, the Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund account or Managed Account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser's CCO takes into account all factors that he or she deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks ("ECNs") when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, the Adviser's CCO will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund and Managed Account.

Aggregation of Trades

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund or Managed Account for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions can enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds and Managed Accounts with orders for other Funds and Managed Accounts for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally aggregate trade orders for publicly traded securities so that each participating Fund and Managed Account will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The investment portfolios of the Funds and Managed Accounts are generally private, illiquid and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and Managed Accounts and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis. The team generally includes Managing Partners and other investment professionals of the Adviser.

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund, as well as quarterly performance reports within 60 days after each fiscal quarter end. The Adviser and the applicable General Partner, if any, may from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

While not a client solicitation arrangement, the Adviser may from time to time engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Such Fund may, subject to any limitations set forth

in its partnership agreement or other organizational documents, reimburse such fees. Advisory Fees received by the Adviser are generally reduced by the amount of such fees.

Item 15. Custody

Item 15 is not applicable to the Adviser.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds and Managed Accounts and not individually to the investors in the Funds. Services are provided to the Funds and Managed Accounts in accordance with the Advisory Agreements with the Funds and Managed Accounts and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds and Managed Accounts (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund and Managed Account by maximizing the economic value of the relevant Fund’s and Managed Account’s holdings, taking into account the relevant Fund’s and Managed Account’s investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser’s Chief Compliance Officer (the “CCO”), or the relevant Adviser investment professional, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Funds generally cannot direct the Adviser’s Vote.

All Voting decisions initially are referred to the appropriate investment team for a voting decision. In most cases, the investment team covering the particular investment will make the decision as to the appropriate vote for any particular Vote. In making such decision, the team may rely on any of the information and/or research available to it. The investment team making the Voting decision will inform the CCO of any such Voting decision, and if the CCO does not object to such decision as a result of his or her conflict of interest review, the Vote will be voted in such manner. If the investment professional and the CCO are unable to arrive at an agreement as to how to vote, then the CCO may consult with the Adviser’s senior management as to the appropriate vote, who will then review the issues and arrive at a decision based on the overriding principle of seeking the maximization of the economic value of the relevant Funds’ holdings.

The Adviser's CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All Voting decisions will require a mandatory conflicts of interest review by the Adviser's CCO in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote and/or the Adviser's affiliates and their clients has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser's CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the Adviser's CCO deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the Adviser's CCO shall have the power to retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: Cyprium Investment Partners LLC, Attn: Chief Compliance Officer, 200 Public Square, Suite 2020, Cleveland, OH 44114.

Item 18. Financial Information

Item 18 is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.