

Item 1. Cover Page

Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Kainos (TX) Capital, LLC. If you have any questions about the contents of this brochure, please contact William G. Neisel at 214-740-7350. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about us is available on the SEC's website at www.adviserinfo.sec.gov.

We refer to ourselves as a “registered investment adviser”. Registration does not imply a certain level of skill or training.

Item 2. Material Changes

This is our initial brochure (Form ADV Part 2A).

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Item 4. Advisory Business

Kainos (TX) Capital, LLC (“Kainos,” “us,” “we,” and “our”), based in Dallas, Texas, was formed as a Delaware limited liability company in May 2011. Kainos will be a manager to Kainos Capital Partners, L.P., a private equity fund formed to make primarily control investments in food and consumer product companies located in North America. Kainos is currently owned and managed by its three partners: Andrew S. Rosen (Managing Partner); Robert W. Sperry; and Sarah A. Bradley (our “Partners”) and advised by non-executive chairman, John R. Muse.

Our Partners have worked together in the food and consumer products sector during their tenure at HM Capital Partners I LP.

We will provide discretionary investment advice to Kainos Capital Partners, L.P., a private equity fund that seeks substantial long-term capital appreciation by making privately negotiated equity investments in lower to middle-market sized food and consumer product companies primarily headquartered in North America. We seek to invest in buyouts and recapitalizations of privately-held companies and non-core subsidiaries of larger companies, as well as in companies requiring growth capital. We may also invest in full control situations or exercise influence over a company’s management and strategic direction. Kainos Capital Partners, L.P. is referred to in this brochure as the “Fund”. Investors in the Fund are referred to in this brochure as “investors” or “limited partners.”

Wrap Fee Programs

We will not participate in wrap fee programs.

Assets Under Management

We are recently formed and will not commence managing assets of the Fund until our registration becomes effective. We will not manage client assets on a non-discretionary basis.

Item 5. Fees and Compensation

Management Fees

The Fund will generally pay us an annual management fee (payable quarterly) in exchange for our investment management services. Such management fee is (i) negotiated during the offering process; (ii) described in the Fund’s offering memorandum; and (iii) provided for in the Fund’s limited partnership agreement.

The amount of management fees payable by the Fund during its investment period (*i.e.*, period of time during which we may draw upon the limited partners’ capital commitments to make new investments) will be 1.90% per annum of the Fund’s

aggregate capital commitments from limited partners not affiliated or otherwise associated with us. The amount of management fees payable by the Fund following its investment period will be 1.90% per annum of the Fund's unreturned capital from unrealized investments allocable to limited partners not affiliated or otherwise associated with us. As further described below, such management fees may be reduced (but not below the greater of zero or the amount of placement agent fees due by the fund) to the extent additional fees are collected by us from the portfolio companies owned by the Fund. The management fees will generally be paid in quarterly installments, on or after each of January 1, April 1, July 1 and October 1, for the respective quarterly periods beginning on such dates. The calculation of the management fees is more fully described in the Fund's offering memorandum and limited partnership agreement.

We will deduct management fees from the account of the Fund.

Other Fees

We may receive monitoring, directors', consulting and other similar fees and financing or other transaction fees in connection with the activities of the Fund ("Other Fees"). In addition, we may be reimbursed by the Fund's portfolio companies for expenses we incur in connection with our performance of the services that give rise to Other Fees. The monitoring, directors', consulting and other similar fees that we will receive with respect to a portfolio investment will generally be determined with reference to a Monitoring and Oversight Agreement with the portfolio company and will typically be agreed to at the closing of the Fund's investment in the portfolio company. The financing or other transaction fees that we will receive with respect to a portfolio investment will generally be determined with reference to a Financial Advisory Agreement with the portfolio company and will typically be agreed to at the closing of the Fund's investment in the portfolio company. Additional fees may be due upon the early termination of a Monitoring and Oversight Agreement or Financial Advisory Agreement.

In general and as more fully described in the Fund's offering memorandum and limited partnership agreement, the management fee that the Fund will pay us will be reduced (but not below the greater of zero or the amount of placement agent fees due by the fund) by a portion of the Other Fees, if any, to be received by us in connection with the activities of the Fund.

The Fund will typically pay all costs and expenses relating to its operations, including, but not limited to: organizational and offering costs of the Fund; legal, auditing, consulting and accounting fees and expenses (which may include third party expenses associated with gathering information for and preparing Form PF); expenses of third party administrators and custodians; expenses of meetings of its advisory committee and of or with its limited partners; insurance, indemnification and other expenses associated with the acquisition, holding and disposition of proposed or actual portfolio investments; all extraordinary expenses, such as litigation; interest on and fees and expenses arising

out of all permitted borrowings made by the Fund; all third-party expenses relating to un consummated transactions; all expenses of liquidating the Fund; and any taxes, fees or other government charges levied against the Fund and expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund.

Neither we nor any of our “supervised persons” accepts compensation for the sale of securities or other investment products.

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

The general partner of the Fund (our affiliate) will generally be entitled to a “carried interest” on the Fund’s profits in accordance with the provisions of the Fund’s limited partnership agreement. The “carried interest” will be equal to twenty percent of the investment proceeds distributable by the Fund in excess of the capital invested by the Fund’s limited partners, and will be subject to an eight percent preferred return. The general partner of the Fund will also generally be subject to a “clawback” of “carried interest” previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable to the general partner by the Fund as “carried interest”, applied on an aggregate basis covering all transactions of the Fund. In no event will the general partner of the Fund be required to restore more than the cumulative distributions received by such general partner as “carried interest”, determined on an after-tax basis. The “carried interest” to be received by the general partner of the Fund is negotiated during the offering process. The calculation of the carried interest is more fully described in the Fund’s offering memorandum and limited partnership agreement. The existence of the general partner’s carried interest may create an incentive for us to make more speculative portfolio investments on behalf of the Fund than we might otherwise make in the absence of such performance-based arrangement.

We may enter into side letters or other organizational documents that may change certain terms described in the Fund’s offering memorandum or limited partnership agreement, including providing that certain limited partners affiliated or otherwise associated with us may be exempt (i) from paying performance-based fees and (ii) from contributing capital to pay for management fees.

Item 7. Types of Clients

We will provide discretionary investment advice solely to private equity funds. We will not have any requirements for opening or maintaining an account.

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

Investment Strategies and Methods of Analysis

We generally seek investment opportunities in buyouts and recapitalizations of privately-held companies and non-core subsidiaries of larger companies, as well as in other

companies requiring growth capital, primarily headquartered in North America in the food and consumer products sector.

We expect to focus on investing in manufacturers and marketers of food products, as well as other consumer product businesses in the household and personal care products, and over-the-counter health and nutritional products sectors. The majority of the Fund's investments are expected to comprise control positions in family-owned businesses or businesses controlled by smaller investment firms where the business has grown to such a point that it outstrips the resources and capabilities of those families or firms. In addition, dialogues with the larger food and consumer companies who are evaluating their portfolios for possible divestitures generally provide potential investment opportunities.

We generally seek profitable, growing, middle-market companies with EBITDA between \$20 and \$50 million, where we can invest, on average, between \$30 to \$75 million of equity per transaction, and offer co-investment opportunities to the limited partners as well as other third party investors.

Our investment strategy does not include frequent trading.

Change Capital and Risk Management - As part of the underwriting process for investments, we seek to identify initiatives that can be implemented to increase the sales and profitability of each company as well as make the business more strategically relevant, such that upon exit of the investment it will be more attractive to trade buyers or the public equity markets. These initiatives may include replacing or supplementing the existing management team, expanding the manufacturing and sales capabilities to fully capitalize on market opportunities, increasing the efficiency and profitability by eliminating wasteful spending as well as implementing cost reduction techniques such as lean manufacturing, developing new products and sales channels to grow revenues, and looking at complementary acquisitions that leverage the core infrastructure of the business or expand its product capabilities.

Key elements of our risk management process include (i) control investing, (ii) purchase price discipline, (iii) prudent use of leverage, and (iv) exit management. It is anticipated that the majority of investments will be in control positions as opposed to minority stakes. Purchase price discipline begins with the due diligence and underwriting of each investment opportunity and a disciplined approach to purchase price multiples. We do not intend to seek to maximize the total leverage in each investment, but will instead endeavor to appropriately apply leverage that is not expected to unduly burden the resources of the business nor hinder the ability to implement identified initiatives. We endeavor to work closely with company management to identify and execute value-added initiatives and projects that can be implemented within the relevant investment time horizon, with an exit strategy that coincides with the completion of the strategies employed with each particular investment.

Company Characteristics - We expect to invest as a control investor in the food and consumer products sectors, where we have experience and expertise. We seek to invest

in companies with growth prospects supported by enduring trends, such as convenience and balanced nutrition, and avoid fads that lack a track record of sustainability. We look for companies that have high quality and great tasting products, as these are product attributes that consumers are typically unwilling to compromise on, despite what health or cost benefits they may perceive. Additional attributes of companies that we seek include:

- On-trend with evolving consumer preferences;
- Attractive category dynamics;
- Leading position in the categories they serve;
- Culture of innovation;
- Sufficient scale to be a low cost producer and distribute products on a national scale;
- Ability to act as a platform for future acquisition opportunities; and
- Undermanaged or underappreciated element that can be exploited with the ability to be strategically relevant upon exit to a trade buyer or the public markets.

Ongoing Evaluation of Strategy and Exit Opportunities

Decisions regarding exit timing and methods will be based principally on expectations regarding a portfolio company's future operations, industry trends, and capital market conditions. An exit may be appropriate if: (i) the operating strategy has been largely completed, (ii) the objectives outlined in the operating strategy are no longer relevant, or (iii) the markets are willing to pay a premium multiple for the company.

Risk Factors

Private equity investing involves significant risks that the Fund and its investors should be prepared to bear. Also, investing in the Fund involves significant risks relating both to the types of investments contemplated and our ability to achieve the investment objectives. The discussion below of risks associated with private equity investments does not purport to be an exhaustive list of all risks associated with an investment in the Fund. Applicable risk factors, including potential conflicts of interest, are more fully described in the Fund's offering memorandum.

Risk of Loss of Capital. Investing in securities involves the risk of loss of capital. While we believe that our investment processes, strategy and research techniques mitigate the investment risk through a careful selection of investment opportunities, no guarantee or representation is made that we will achieve the Fund's investment objectives or that we will be successful.

Nature of Investments. While investments in leveraged companies offer the

opportunity for capital appreciation, such investments also involve a high degree of risk. Investments by the Fund may be highly leveraged and, therefore, may be more sensitive to adverse business or financial developments, or economic factors. Moreover, rising interest rates may have a more pronounced effect on the profitability or survival of such companies. If for any of these or other reasons a portfolio company is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness, meet financial or other covenants required by such indebtedness, or make regular dividend payments, the value of the Fund's investment could be significantly reduced or even eliminated.

Investing in Growth Businesses. The Fund intends to invest in growth companies often characterized by short operating histories, evolving markets, intense competition and management teams that have limited experience working together. Such a company may need to implement appropriate sales and marketing, inventory, finance, personnel and other operational strategies and systems to become and remain successful. The Fund's returns will depend upon our ability to find and invest in companies that can successfully combine these strategies and systems where products and markets are constantly evolving. There can be no assurance that the Fund will find and invest in a sufficient number of these companies to meet investor return expectations.

General Economic Conditions. General economic conditions may affect the Fund's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of portfolio investments made by the Fund or considered for prospective investment. Portfolio investments can be expected to be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of the Fund's portfolio investments. No assurances can be given as to the effect of these events on the Fund's investment objectives.

Illiquid and Long-Term Investments. Although portfolio investments may generate current income, the return of capital and the realization of gains, if any, from a portfolio investment generally will most likely occur only upon the partial or complete disposition of such portfolio investment. While a portfolio investment may be sold at any time, it is generally expected that the dispositions of most of the Fund's portfolio investments will not occur for a number of years after such portfolio investments are made. It is unlikely that there will be a public market for the securities held by the Fund at the time of acquisition. The Fund generally will not be able to sell its securities publicly unless the sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases, the Fund may be prohibited or limited by contract from selling certain securities for a period of time and, as a result, may not be permitted to sell a portfolio investment at a time it might otherwise desire to do so.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing on attractive portfolio investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that the Fund will be able to identify and complete portfolio investments that satisfy its investment objectives, realize the value of such portfolio investments, or fully invest its commitments. Nevertheless, as more fully described in the Fund's offering memorandum and limited partnership agreement, the Fund will be required to pay management fees based on aggregate commitments during the Fund's investment period.

Portfolio Company Management Risks. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. Although we expect to monitor each portfolio company's management team, each portfolio company's management team will have day-to-day responsibility for the business of such portfolio company.

Key Person Risk. As more fully described in the Fund's offering memorandum and limited partnership agreement, if any two of our Partners cease to devote the requisite amount of their business time and attention to the Fund, the Fund may be prohibited from making additional investments that it otherwise would have been able to make.

Concentration of Investments. The Fund will participate in a limited number of portfolio investments and, as a consequence, the aggregate return of the Fund may be affected by the performance of a single portfolio investment or the food and consumer products sector. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified.

Disposition of Private Investments. Fund investments will generally involve securities for which there is no liquid market. In connection with the sale or other disposition of such securities, the Fund may be required to make representations about the business and financial affairs of the investment, typical of those made in connection with the sale of a business. The Fund may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. Accordingly, subsequent to the disposition of an investment, whether or not for a profit at the time of sale, there may be a contingent liability that must be satisfied by the limited partners of the Fund, to the extent of distributions made to them.

Control Position. The Fund will generally seek investment opportunities that allow the Fund to have significant influence on the management, operations and strategic direction of the portfolio companies in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of the Fund to claims by a portfolio company's security holders and creditors. While we intend to manage the Fund in a way that will

minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Board Participation. The Fund may be represented on the boards of directors of certain of its portfolio investments. Although such positions may be important to our investment strategy and may enhance our ability to manage the investment, they may also impair our ability to sell the investment when, and upon the terms, we may otherwise want. It may also subject us and the Fund to claims we would not otherwise be subject to, including claims of breach of duty of loyalty, securities claims and other director-related claims. In addition, it is possible there may be a conflict of interest with our duty of care to the portfolio company as a board member and our duty of care to the Fund.

Non-U.S. Investments. The Fund may make investments outside of the United States and North America. Foreign securities involve risks not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, (ii) differences between the U.S. and foreign securities markets, (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (iv) certain economic and political risks, (v) obtaining foreign governmental approvals and complying with foreign laws and (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities. Furthermore, the legal systems in these countries may offer no effective means for the Fund to seek to enforce its rights or otherwise seek legal redress.

Item 9. Disciplinary Information

None.

Item 10. Other Financial Industry Activities and Affiliations

We are not registered, nor do we have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. We are also not registered, nor do we have any application pending to register, as a futures commission merchant or an associated person of a futures commission merchant.

The general partner of the Fund has filed for an exemption from registration as a commodity pool operator and we have filed for an exemption from registration as a commodity trading advisor.

We will not engage in “short selling”.

Kainos Capital Partners GP, L.P. is the general partner of the Fund, which is indirectly controlled by our Partners.

HM Capital Partners I LP (“HMC”), Texas limited partnership and a registered investment advisor, is owned in part by our Partners and related to us. Like us, HMC manages private equity funds and makes control investments in food and consumer

product companies located in North America. We are co-located at the same address as HMC and have substantially the same employees as HMC.

See, *Conflicts of Interest* in Item 11 below.

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

Code of Ethics

We have adopted a “Code of Ethics,” which is included as a part of our “Compliance Manual” and which (along with any amendments) is provided to each employee and will be made available to investors in the Fund upon request. Our Code of Ethics requires all of our employees to conduct themselves with integrity and dignity and to act in a professional and ethical manner in all dealings on our behalf; act with competence and strive to maintain and improve their competence; use proper care and exercise independent professional judgment in the execution of their duties; avoid actions or relationships that might conflict, or appear to conflict with, job responsibilities or the interests of our firm and our clients; and comply with all applicable federal securities laws. Also, our Compliance Manual (including our Code of Ethics) informs our employees on what constitutes material, nonpublic information and the laws and requirements relating to insider trading and confidentiality of nonpublic information.

Each employee must certify that he or she has read, understands and agrees to comply with our Compliance Manual. Each employee must also certify annually that he or she has complied with the Compliance Manual. We hold an annual compliance training session and attendance is mandatory for all employees.

Our “Access Persons” (all employees except for certain employees involved only in clerical and administrative activities) are required to notify us of all of their securities holdings and accounts and to submit to us no later than 30 days after the end of each calendar quarter securities transaction reports identifying all securities purchased and sold. At least quarterly, we review the employee securities transaction reports as well as brokerage and adviser statements to determine compliance with our reporting procedures. Furthermore, we require that each Access Person re-affirm the accuracy of his or her list of accounts on record with us at least annually. Access persons are required to obtain our approval before investing in any initial public offering of securities or in any private placement of securities.

Conflicts of Interest

Participation or Interest in Client Transactions. As described in the responses to Items 5 and 6, we are generally entitled to receive management fees, and the general partner of the Fund is entitled to receive a carried interest from the Fund. The general partner of the Fund is also required to make capital commitments to the Fund. We may receive fees from the Fund’s portfolio companies for performing consulting and other services for, or

serving as directors (or similar positions) of, such companies. Each of the foregoing may represent a conflict of interest in our selection of portfolio investments for the Fund. These potential conflicts of interest will be mitigated in part because (i) the general partner has a capital commitment to the Fund; (ii) our consulting, servicing and board member fees will be negotiated with the applicable portfolio company management teams; (iii) our fees will be disclosed to the Fund's investors; and (iv) a portion of the consulting, servicing and board member fees we receive will be offset against management fees otherwise payable by the Fund (as described in the response to Item 5 above).

Allocation of Investment Opportunities. In general, due to the sequential nature in which future funds may be formed, we will generally be pursuing new investment opportunities for only one fund at any one time. To the extent that the expiration of the Fund's investment period has not occurred when a subsequent fund is formed, it is possible that multiple funds, including the Fund, will be permitted to make an investment in the same portfolio company. In addition, it is possible that funds managed by or affiliated with HMC will be offered the opportunity to participate as co-investors with the Fund. Furthermore, it is possible that investment opportunities in existing portfolio companies managed by HMC may be offered to the Fund. In those instances, we will obtain the approval of the applicable funds' advisory committees in accordance with the terms of their respective limited partnership agreements.

Where possible and appropriate, we may offer certain persons (other than the general partners and their affiliates), including limited partners or other third parties, co-investment opportunities. The Fund may co-invest through partnerships, joint ventures or other entities with third parties that may have economic or business interests or objectives that are different than or conflict with those of the Fund. We may receive a management fee and the general partner of a co-investment partnership may receive a carried interest in respect of such co-investment opportunities.

Allocation of Exit Opportunities. In the event multiple funds own the same security, unless otherwise approved by the Fund's advisory committee in accordance with the terms of the Fund's limited partnership agreement, we will allocate an exit opportunity pro-rata based on the amount of such securities held by each fund.

Principal Transactions. We do not anticipate entering into principal transactions where we or any of our affiliates purchase or sell any security for our own account from or to the account of the Fund. In the event that we (or an affiliate) may engage in a principal transaction, we will obtain the approval of the Fund's advisory committee or limited partners in accordance with the Fund's limited partnership agreement.

Cross Transactions. We are not affiliated with a registered broker-dealer and as such cannot engage in agency cross transactions. While unlikely, we may engage in a cross transaction where one fund purchases or sells a security for its account from or to the account of another fund or where we direct a portfolio company of a fund to purchase or sell a security for its own account from or to the account of another portfolio company.

In the event of a cross transaction, we will obtain any required approvals, including that of the Fund's advisory committee in accordance with the terms of the Fund's limited partnership agreement.

Allocation of Personnel. Our Partners have ongoing duties with respect to HMC and will, therefore, be unable to devote all of their business time to the Fund. We believe this potential conflict of interest is mitigated by the general partner's capital commitment to and its carried interest in the Fund. In addition, HMC is not expected to sponsor another fund. Thus the time allocation with respect to HMC should decline over time.

Conflicts with Portfolio Companies and Access to Inside Information. Our Partners, officers, employees, or affiliates may serve as directors of certain entities through which the Fund will hold portfolio investments and, in that capacity, may be required to make decisions that consider the best interests of such entity and its shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of such an entity, actions that may be in the best interest of the entity may not be in the best interests of the Fund, and vice versa. Accordingly, in these situations, there may be conflicts of interest between such individual's duties as our Partner, officer, employee or affiliate and such individual's duties as a director of the entity. Further, these entities may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of HMC that, although consistent with the requirements of the Fund's limited partnership agreement, may not have otherwise been entered into but for the affiliation with HMC.

As a result of participation by our Partners, officers, employees or affiliates on the boards of directors of certain companies, and/or as a result of confidentiality agreements or non-disclosure agreements entered into by us or the Fund, the Fund may be deemed to be in possession of material, non-public information. Such possession of material, non-public information may create a conflict of interest between our representatives' duties and obligations to the companies on whose boards such representatives participate and the Fund's ability to effect purchases and sales of the securities of such companies in the best interest of the Fund.

Item 12. Brokerage Practices

We will not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Fund because the securities that we intend to purchase or sell on behalf of the Fund will typically be acquired and/or disposed of in privately negotiated purchase and sale transactions.

From time to time, we may use a broker to effect transactions in public securities resulting from, or in connection with, portfolio investments. In those instances, we have full discretionary authority with respect to the selection of, and commissions paid to, brokers. If we determine to engage a broker, we will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness to us.

We will not receive soft dollar benefits or client referrals from broker-dealers in connection with Fund transactions.

Item 13. Review of Accounts

Our Partners are responsible for oversight of the investment, monitoring, and exit processes. In addition, our investment professionals generally meet weekly to review potential new and existing portfolio investments.

Limited partners in the Fund will be provided with audited annual financial reports and quarterly unaudited summary financial information in accordance with the terms of the Fund's limited partnership agreement. This information may be provided electronically. Limited partners are also provided with annual tax information.

Item 14. Client Referrals and Other Compensation

The Fund may make use of placement agents or other advisors to help place limited partner interests in the Fund. In exchange for such services, the agents or advisors may earn a fee that will be treated as more fully described in the Fund's limited partnership agreement.

Item 15. Custody

We have engaged a third party to serve as qualified custodian for the Fund. Additionally, the Fund (within 120 days of the end of its fiscal year) will circulate to its limited partners audited annual financial reports prepared in accordance with generally accepted accounting principles.

Item 16. Investment Discretion

We have entered into an investment management agreement with the Fund. The management agreement and / or the management authority granted to the Fund's general partner pursuant to the Fund's limited partnership agreement, provides us directly or through the general partner with full discretion to determine investments to be purchased and sold on behalf of the Fund and the terms of the related transactions. Limitations on our investment discretion are set forth in the investment management agreement with, and the limited partnership agreement of, the Fund.

Item 17. Voting Client Securities

While the securities evidencing the private equity investments to be made by the Fund are not typically the subject of proxies, there could be certain circumstances where we, having discretionary authority over the Fund, may be asked to vote the securities of the Fund on restructuring or other corporate matters. We will ensure that a record of each securities position held by the Fund is maintained and, where any such vote is to occur,

we will ensure that we receive all relevant information, disclosure materials and such proxies or consents as are necessary for us to be able to cast votes in a timely manner.

We will also determine whether there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interest of the Fund. If we determine that there is no material conflict of interest, then we will make the voting determination and take the required voting action. If we determine that, due to a conflict of interest, we are not capable of making an independent determination as to the voting decision, the voting decision will be that recommended by the Fund's advisory committee. The Fund cannot direct our vote in a particular solicitation. The Fund is controlled by its general partner (our affiliate) and, as such, the Fund will be aware of how we voted with respect to its securities.

Our voting procedures are contained within our Compliance Manual and are available to investors in the Fund upon request.

Item 18. Financial Information

Not Applicable

Item 19. Requirements For State-Registered Investment Advisers

Not Applicable