

**Item 1. Cover Page**

**Constitution Capital Partners, LLC**

300 Brickstone Square, Suite 1001  
Andover, MA 01810

+1 978-749-9600

[www.concp.com](http://www.concp.com)

Part 2A of Form ADV: Firm Brochure  
April 1, 2013

**This brochure provides information about the qualifications and business practices of Constitution Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 978-749-9600. 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 Constitution Capital Partners, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://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 Constitution Capital Partners, LLC.

### **Item 3. Table of Contents**

	<b>Item</b>	<b>Page</b>
Item 1.	Cover Page	1
Item 2.	Material Changes	2
Item 3.	Table of Contents	3
Item 4.	Advisory Business	4
Item 5.	Fees and Compensation	6
Item 6.	Performance-Based Fees and Side-By-Side Management	8
Item 7.	Types of Clients	9
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9.	Disciplinary Information	20
Item 10.	Other Financial Industry Activities and Affiliations	21
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	22
Item 12.	Brokerage Practices	30
Item 13.	Review of Accounts	31
Item 14.	Client Referrals and Other Compensation	33
Item 15.	Custody	34
Item 16.	Investment Discretion	35
Item 17.	Voting Client Securities	36
Item 18.	Financial Information	38
Item 19.	Requirements for State-Registered Advisers	39

#### **Item 4. Advisory Business**

For purposes of this brochure, “Adviser” or “CCP” means Constitution Capital 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). Such affiliates possess a substantial identity of personnel and/or equity owners with Constitution Capital Partners, LLC. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds, and some may serve as general partners of the Funds.

Adviser provides investment supervisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”) (the “Main Funds” or the “Clients”).

Adviser may also, from time to time, establish, on a transaction-by-transaction basis, certain pooled investment vehicles through which certain persons may invest alongside one or more Main Funds in a particular investment opportunity (each such vehicle, a “Co-Investment Vehicle”). Co-Investment Vehicles are typically limited to investing in securities relating to the transaction with respect to which they were organized. As a general matter, each such Co-Investment Vehicle is contractually required, as a condition of its investment, to exit its investment in the particular investment opportunity at substantially the same time and on substantially the same terms as the applicable Main Fund(s) that are also invested in that investment opportunity.

Additionally, Adviser may also organize and serve as general partner (or in an analogous capacity) to certain other “feeder” vehicles (each such vehicle, a “Feeder Vehicle”) organized to invest exclusively in a Main Fund and/or 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, Co-Investment Vehicles, Feeder Vehicles and Alternative Investment Vehicles are collectively referred to as the “Funds.” The Funds offer an investment in limited partnership interests (the “Interests”) to sophisticated prospective investors. Certain Funds may have only a single investor or group of related investors.

In accordance with the Funds’ respective investment objectives, certain of the Funds (the “Partnership Funds”) make Partnership Investments (as defined below) in high quality, middle market buyout funds. These funds will be principally organized in North America and will primarily invest in portfolio companies located in or having a principal place of business in North America. In addition, certain of the Funds (the “Co-Investment Funds”) make Direct Investments (as defined below) in premium leveraged buyout and growth equity transactions in portfolio companies primarily located in or having a principal place of business in North America.

The Partnership Funds will seek to make investments (“Partnership Investments”) primarily in private equity pooled investment vehicles (“Underlying Funds”). These Underlying Funds will

be principally organized in North America and will primarily engage in leveraged buyouts of middle market companies located in or having a principal place of business in North America.

The Co-Investment Funds seek to make direct private equity investments (“Direct Investments”), generally sourced on a co-investment basis with Underlying Funds and with other private equity fund managers identified by Adviser. These Direct Investments will primarily have a principal place of business in North America. The Co-Investment Fund will primarily invest directly in equity securities of private companies (collectively, “Portfolio Companies”) on a side by side basis with private equity funds,

Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. Adviser may serve as the investment adviser or general partner to the Funds in order to provide such services.

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

The terms of the advisory services to be provided to a Fund, including any restrictions on investments in certain types of securities, are established by Adviser, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund’s Advisory Agreement, offering documents, organizational documents and/or other documentation received by each investor prior to investment in such Fund. Once invested in a Fund, investors cannot generally impose restrictions on the types of securities in which such Fund may invest.

The principal owners of Constitution Capital Partners, LLC are Daniel M. Cahill and John J. Guinee, together the “Managing Partners”. Adviser has been in business since 2008. As of April 1, 2013, Adviser manages approximately \$884 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, Adviser receives from each such Fund an advisory fee (each, an “Advisory Fee”). Adviser may not receive a fee from all Funds or from Funds that are set up to serve as co-investment vehicles or feeder vehicles.

The Advisory Agreements, along with organizational documents of each Client, set forth in detail the fee structure relevant to the Client and are described in the applicable Client’s offering document. The Advisory Agreements are generally terminable by a Fund upon the occurrence of certain specified events set forth in the Fund’s limited partnership agreement.

Adviser currently advises four Clients, which consist of two private equity fund-of-funds and two co-investment funds. Private equity fund-of-funds are referred to as “Fund of Fund Clients” and co-investment funds are referred to as “Co-Investment Clients.” Adviser expects that in the future it will advise additional Clients.

### **Advisory Fees**

To the extent Advisory Fees are payable, such fees are generally payable quarterly in advance. Where Advisory Fees are a fixed dollar amount, such fees are payable annually in advance. Advisory Fees will generally not be returned to the Client should Adviser cease to provide investment supervisory services prior to the end of a quarter. Adviser generally causes Advisory Fees to be deducted from the assets of the Funds.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by Adviser, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund’s Advisory Agreement, organizational documents and/or other documentation received by each investor prior to investment in such Fund. The Advisory Fees and other fees and distributions described above are generally subject to waiver or reduction by 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.

Advisory Fees are typically paid by the Funds to the Adviser, and each Fund allocates the fees to the accounts of the investors in those Funds.

Organizational expenses of a Client in excess of a certain amount will reduce management fees of such Client. In addition, management fees are subject to reduction as provided in “Other Fees” below.

The information above is subject to change on a case by case basis.

### **Carried Interest**

A portion of each Client’s income and loss is allocated to its general partner as “carried interest.” The general partner of each Client is a related person of Adviser. The precise amount and the manner of calculation of such carried interest is disclosed in the partnership agreement for each Client, and may vary Client by Client.

The general partner of each Client, in its sole discretion, may waive the allocation of carried interest with respect to one or more investors in a Client, including investors who are related persons of Adviser.

Adviser expects in the future that it may act as an “Investment Manager” (as defined in Section 3(38) of the Employee Retirement Income Security Act of 1974, as amended) with respect to certain benefit plan investors in the Clients.

#### Other Fees

Adviser or its affiliates may receive from portfolio companies transaction fees, monitoring fees, break up fees and other similar advisory fees. Adviser believes that it will receive such fees infrequently, if at all. An amount equal to 80% to 100% of all such fees paid by portfolio companies that are received by Adviser or any of its affiliates in respect of Partnership Investments, net of any related expenses, will be applied to reduce the management fees otherwise payable by the applicable Client. An amount equal to 50% of all such fees paid by portfolio companies that are received by Adviser or any of its affiliates in respect of Direct Investments, net of any related expenses, will be applied to reduce the management fees otherwise payable by the applicable Co-Investment Client. All such fees will be allocated between each Fund of Fund Clients and any related Co-Investment Clients on the basis of capital committed by each to the relevant investment. Management fee reductions will be carried forward to the extent possible. For a discussion of material conflicts of interest created by the receipt of such fees, please see Item 11 below.

Although Adviser does not generally utilize the services of broker-dealers, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such as the disposition of portfolio securities received by a Fund from an underlying investment, 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 a portion of the profits of each Fund is distributed to its general partner, if any, as “carried interest” (an “Incentive Allocation”). Each general partner of a Fund is a related person of Adviser. See Item 5 above for more information about these fees.

The payment by some, but not all, Funds of an Incentive Allocation or the payment of Incentive Allocations at varying rates may create an incentive for Adviser to disproportionately allocate time, services or functions to Funds paying an Incentive Allocation or Funds paying Incentive Allocations at a higher rate, or allocate securities to such Funds.

Adviser has adopted allocation policies which are intended to ensure that investment opportunities are allocated fairly over time. In addition, Adviser periodically reviews the time and services being devoted to the Funds to ensure that the necessary resources are being allocated to each Fund.

The general partner of each Client, in its sole discretion, may waive the allocation of carried interest with respect to one or more investors in a Client, including investors who are related persons of the Applicant.

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 Adviser.



**Item 7. Types of Clients**

Adviser provides investment supervisory services to Fund of Fund Clients and Co-Investment Clients, all of which are structured as Delaware limited partnerships.

Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) 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, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

The Fund’s typically have a minimum required investment; however, 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**

For Partnership Investments, Adviser reviews approximately 250 investment opportunities each year. Of these investment opportunities, a team of investment professionals (the “Investment Partners”) take meetings with approximately 140 groups, perform due diligence on approximately 50 groups and invest in an average of 5-8 funds each year. Each new fund is assigned two investment professionals. Potential opportunities are reviewed on a weekly basis.

The Investment Partners maintain a forward calendar of future funds to track potential opportunities and proactively contact funds as they are expected to re-enter the market. Adviser focuses on the North American buyout market gives Adviser the expertise necessary to analyze market trends, understand the ideal strategies and identify the top managers.

For Direct Investments, Adviser actively pursues co-investment opportunities with general partners and managers in its relationship network. Adviser’s direct deal experience provides it with the reputation to attract more deal flow and the ability to quickly respond to these transactions. Once an investment opportunity is received, a deal team will be assigned, and an initial deal notification memo is prepared. This memo will be reviewed by the Investment Partners to determine if further due diligence is required.

For Partnership Investments, the process begins with a detailed questionnaire with over 100 unique inquiries. The Investment Partners analyze a private equity fund’s strategy and ensure that this strategy has the potential to deliver strong returns. Adviser uses quantitative tools to analyze and stress the fund’s track record. Adviser makes extensive reference checks to verify the team’s reputation and ability to add-value. To provide maximum investor/limited partner protection and value, Adviser negotiates key terms and investment provisions. The team also evaluates any potential conflicts of interest to ensure that the general partner and limited partner’s interests are aligned. The due diligence items reviewed for Partnership Investments will include the following:

- Validation of the proposed partnership investment’s merits
- Quantitative evaluation of the fund manager’s track record
- Analysis of any changes from the fund managers prior strategy
- Extensive reference checks on the individuals in the fund manager
- Evaluation of the management team’s organizational depth and adequacy
- Interviews with other investors
- Review and negotiation of key terms and investment provisions
- Evaluation of any conflicts of interest
- Validate the documentation and actual cashflows for a sample of underlying investments
- Complete onsite visits to at least four underlying companies

For Direct Investments, Adviser works intently with the lead manager to analyze the investment opportunity. The Investment Partners quickly mobilize their resources to understand the industry dynamics and market trends. In addition, certain of the Investment Partners of Adviser personally meet the portfolio company management team in order to evaluate management's ability to execute the investment thesis. Adviser conducts detailed financial analysis, including the creation of financial models and the generation of multiple scenarios to understand the risks. Once the key risks are identified, Adviser ensures that returns justify the risk and that the proper mitigants are in place to limit the downside. The due diligence items reviewed for each prospective Direct Investment include the following:

- Extensive review of company's history, current condition, and future prospects
- Industry analysis including an assessment of the company's competition and industry attractiveness - augmented by third party consulting firms, as required
- Management interviews
- Financial analysis of projections, valuation, and returns
- Creation of Adviser's own scenarios to understand balance between return and risk
- Review of legal due diligence
- Evaluation of deal sponsor

For both Partnership Investments and Direct Investments, the Investment Partners will implement closing procedures as soon as the transaction is approved. The Investment Partners will work with legal counsel to negotiate and execute the appropriate legal documentation. Several checklists are utilized to ensure that all investment procedures are properly completed prior to closing. The investment will be properly entered into Adviser's investment administration system. All key due diligence files and legal files will be stored for future reference.

## **Risks**

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its 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 in connection with those strategies and methods, include the following:

### **Partial or Total Loss of Capital**

There is no assurance that the Funds will achieve their investment or performance objectives, including without limitation the location of suitable investment opportunities, or that the Funds will be able to fully invest their committed capital. The possibility of partial or total loss of capital in the Funds exists.

## **Illiquidity of Investments**

The Funds are intended for long-term investors who can accept the risks associated with making highly speculative, primarily illiquid investments in privately negotiated transactions. Illiquidity may result from the absence of an established market for investments as well as from legal or contractual restrictions on their resale by the Funds. The investments of the Funds are unlikely to provide current income, which is not an objective of the Funds. Even if the Funds' investments prove successful, they are unlikely to produce a realized return to investors for a period of years from the date of initial investment. It is likely that no significant return from the disposition of the Funds' investments will occur for a significant period of time from the date an investor is admitted to a Fund.

## **Nature of Investment**

Certain of a Fund's investments may be in businesses with little or no operating history. In addition, certain of a Fund's investments may be in businesses with high levels of debt or may be investments in leveraged buyouts; leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. The amounts of a leveraged company's borrowings and the interest rates on those borrowings, which may fluctuate from time to time, as well as the fees and other costs of borrowing, may have a marked effect on a leveraged company's performance.

## **Limited Diversification of Investments**

Each Fund may make a limited number of investments, and each Underlying Fund may invest in a limited number of portfolio companies. A consequence of a limited number of investments or of similar investments is that the aggregate returns realized by a Fund may be substantially adversely affected by the unfavorable performance of a small number of these investments.

## **Lack of Operating History; No Control of Fund Operations; Past Results are Not Necessarily Indicative of Future Performance**

Each Fund will begin operations upon its Initial Closing and has no operating history. Limited Partners will have no right or power to participate in the management or control of the business of the Funds, and thus must rely solely upon the ability of the General Partner and Adviser to identify, structure and implement investments consistent with each Fund's investment objective and investment policies. In addition, Limited Partners will have no opportunity to evaluate the specific investments made by the Funds. The historical results of client accounts or other investment funds, or co-investment made, by Adviser or its affiliates, or of private equity investment funds managed by the general partners or advisers of Underlying Funds, are not guarantees or predictors of the results that the Funds will achieve.

## **Recent Market Dislocation**

The aftermath of the wars in Iraq and Afghanistan and the continuing occupation of those countries, instability in the Middle East and terrorist attacks in the United States and around the world have resulted in recent market volatility and may have long-term effects on the U.S. and

worldwide financial markets and may cause further economic uncertainties in the United States and worldwide. Neither Adviser nor the Funds know how long the securities markets will continue to be affected by these events and cannot predict the effects of the occupation, terrorism or similar events in the future on the U.S. economy and securities markets.

Global financial markets have recently experienced periods of unprecedented turmoil. The debt and equity capital markets in the United States were negatively impacted by significant write-offs in the financial services sector relating to subprime mortgages and the re-pricing of credit risk in the broader market, among other things. These events, along with the deterioration of the housing market, the failure of major financial institutions and the concerns that other financial institutions as well as the global financial system were also experiencing severe economic distress materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial firms in particular. These events contributed to severe market volatility and caused severe liquidity strains in the credit markets. Volatile financial markets can expose each Fund to greater market and liquidity risk. Risks to a robust resumption of growth persist: a weak consumer sector weighed down by too much debt and increasing joblessness, the growing size of the federal budget deficit and national debt, and the threat of inflation.

The public securities markets have seen significant volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely constrained by the tightening of the credit markets and the ongoing financial turmoil. The ability to realize investments depends not only on the underlying portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of realization of such investments. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable the underlying funds or, with respect to Direct Investments, the Co-Investment Fund, to sell these securities when it believes it is most advantageous to do so, or without adversely affecting the stock price. In addition, in the past, many private equity funds have looked to the public securities markets as an exit strategy and there can be no assurance, particularly given any continued volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that it will be possible to exit from underlying investments by listing shares on a securities exchange in the U.S. or abroad.

The current financial market situation, as well as various social, political, and psychological tensions in the United States and around the world, may continue to contribute to increased market volatility, may have long-term effects on the U.S. and worldwide financial markets; and may cause further economic uncertainties or deterioration in the United States and worldwide. The prolonged continuation or further deterioration of the current U.S. and global economic downturn could adversely impact each Fund's portfolio.

### **Co-investment with Third-Parties**

The Co-Investment Funds intend to co-invest in portfolio companies with third-parties (which may include affiliates of the General Partner) through partnerships, joint ventures or other arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-investor or partner may at any time have economic or business interests or goals that are inconsistent with those of the Co-

Investment Funds or may be in a position to take action contrary to the Co-Investment Funds' investment objectives. In addition, the Co-Investment Fund may under certain circumstances be liable for actions of its third-party co-investors or partners.

### **Fund Performance Dependent on Unrelated Managers**

Some or all of the Underlying Funds will be managed by portfolio managers unrelated to Adviser, and the Co-Investment Funds may make Direct Investments sourced by these unrelated portfolio managers. While representatives of Adviser may serve on the advisory boards of certain Underlying Funds, neither Adviser nor the Partnership Funds generally will have the opportunity to evaluate the specific investments made by any Underlying Fund and will not have an active role in the day-to-day management of the Underlying Funds. As a result, the returns of the Partnership Funds will depend largely on the performance of these unrelated portfolio managers and could be substantially adversely affected by the unfavorable performance of these portfolio managers. The performance of an Underlying Fund may also rely on the services of a limited number of key individuals, the loss of whom could significantly adversely affect the Underlying Fund's performance. Similarly, although the Co-Investment Funds may seek management rights in portfolio companies in which it invests directly, the Co-Investment Funds expects to make minority equity investments in portfolio companies where it may not be able to control or influence effectively the business or affairs of such entities. The entity in which Co-Investment Fund's investment is made may have economic or business interests or goals which are inconsistent with those of the Co-Investment Funds, and the Co-Investment Funds may not be in a position to limit or otherwise protect the value of its investment in the portfolio company. In addition, although the Fund may seek board representation in connection with its investments, there is no assurance that such representation, if sought, will be obtained.

### **Restrictions on Transfer and Withdrawal**

There is no public market for the interests in a Fund and none is expected to develop. In addition, no Limited Partner may transfer or otherwise dispose of any portion of its Interest in the Funds without the written consent of the General Partner, which generally may be withheld by the General Partner in its sole discretion. The General Partner may not consent to a transfer if the transfer would subject a Fund to ERISA or other additional regulation. Furthermore, transferees must be "qualified purchasers" as defined in the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), and must be "accredited investors" as defined in the U.S. Securities Act of 1933, as amended (the "Securities Act"). Limited Partners generally may not withdraw capital from a Fund. Consequently, Limited Partners may not be able to liquidate their investments prior to the end of a Fund's term.

### **Competitive Nature of the Funds' Business**

The market for investments in private equity is highly competitive, and successfully sourcing Partnership Investments and Direct Investments can be problematic given the high level of investor demand some investment opportunities receive. In addition, the current private equity environment has become even more competitive as hedge funds have begun to compete for investment opportunities that have traditionally been targeted by private equity funds. Similarly, identifying attractive investment opportunities and the right private equity managers is difficult

and involves a high degree of uncertainty. Furthermore, Adviser may not be able to obtain as favorable terms as it would otherwise in a less competitive investment environment. Although the Investment Partners have been successful in identifying suitable investments in the past, the Funds will be competing for investments against other investors, including direct investment firms, merchant banks and industrial groups, there is no assurance that either Fund will be able to invest fully its committed capital or that Adviser will be able to identify suitable investment opportunities. A Fund's performance may be adversely affected if such Fund is unable to invest its committed capital.

### **Dependence on Key Personnel**

The success of the Funds depends in substantial part on the skill and expertise of certain representatives of Adviser. There can be no assurance that these persons will continue to be employed by Adviser throughout the term of the Funds. The loss of key personnel could have a material adverse effect on the Funds. In addition, although the key personnel will commit an appropriate amount of their business efforts to the Funds, they are not required to devote all of their time to the affairs of the Funds and will advise and manage other investments and investment funds. The key representatives of Adviser will continue to devote such time and attention to their existing business activities as is required to discharge their duties relating to such activities. Also, as a result of existing investments and activities, representatives of Adviser and its affiliates may from time to time acquire confidential information that they will not be able to use for the benefit of the Funds.

### **Risks Upon Disposition of Investments**

In connection with the disposition of an investment in a Portfolio Company, an Underlying Fund may be required to make representations about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. The Underlying Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities for the Underlying Funds and possibly for the Partnership Fund, depending upon recontribution obligations owed to the Underlying Funds. The Co-Investment Funds may face similar risks with respect to dispositions of interests in Portfolio Companies in which the Co-Investment Funds invests directly. The Partnership Agreement contains provisions to the effect that if there is any such claim in respect of a Portfolio Company, it will be funded by the Partners to the extent that they have received distributions from the Funds, subject to certain limitations.

### **Performance Allocations**

The General Partner will receive incentive carried interest from the Funds, and certain employees of Adviser may receive a portion of the carried interest. This carried interest arrangement may create an incentive for the General Partner and Adviser to cause the Funds to make investments that are riskier or more speculative than would be the case in the absence of performance-based compensation.

## **Absence of Regulatory Oversight**

The Funds have not registered under, do not intend to register under, and are not subject to, the Investment Company Act of 1940, as amended, in reliance on exception from registration provided by Section 3(c)(7) of that Act. The Interests in the Funds are not registered under the Securities Act of 1933, as amended, in reliance on Section 4(2) and Regulation D (including Rule 506) promulgated thereunder. Consequently, the Funds are subject to significantly less federal or state regulation and supervision than registered investment companies.

## **General Economic Conditions**

General economic conditions may affect the Funds' 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 investments made by the Funds or considered for prospective investment.

## **Potential Conflicts of Interest**

Adviser will manage one or more other investment vehicles that will invest in private equity funds and direct investments. In the ordinary course of business, Adviser and its affiliates may engage in activities in which their interests or the interests of their clients may conflict with or be adverse to the interests of the Funds. In addition, such clients may utilize the services of Adviser, for which they will pay customary fees and expenses, which will not be shared with the Funds or the Limited Partners.

Adviser has long-term relationships with a significant number of private equity funds and their respective senior management. Adviser also has relationships with numerous investors, including institutional investors and their senior management. The existence and development of these relationships may influence whether or not Adviser undertakes a particular investment on behalf of the Funds and, if so, the form and level of such investment. Similarly, Adviser may take the existence and development of such relationships into consideration in its management of the Funds and its investments. Without limiting the generality of the foregoing, there may, for example, be certain strategies involving the management or realization of particular investments that Adviser will not employ on behalf of the Funds in light of these relationships.

## **Middle Market Companies**

Investments in middle market companies such as those that the Funds intend to invest in, while often presenting greater opportunities for growth, may also entail larger risks than are customarily associated with investments in large companies. Medium-sized companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small- and medium-



sized companies, could make it difficult for the Funds to react quickly to negative economic or political developments.

### **Tax Treatment**

There may be changes in tax laws or interpretation of such tax laws adverse to the Funds or their respective Partners. There can be no assurance that the structure of the Funds or of any investment will be tax-efficient to any particular Partner.

### **Unspecified Use of Proceeds**

The Funds have not selected all the investments that it will make. Purchasers of Interests will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Funds and, accordingly, will be dependent upon the judgment and ability of the General Partner and Adviser in investing and managing the capital of the Funds. No assurance can be given that the Funds will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the Funds will be achieved.

### **Follow On Investments**

The Co-Investment Funds may be called upon to provide follow on funding for their Portfolio Companies or have the opportunity to increase their investment in such Portfolio Companies. There can be no assurance that the Co-Investment Funds will wish to make follow on investments or that they will have sufficient funds to do so. Any decision by a Co-Investment Fund not to make a follow on investment or its inability to make a follow-on investment may have an adverse impact on a Portfolio Company in need of such an investment or may diminish such Co-Investment Fund's ability to influence the Portfolio Company's future development.

### **Failure to Meet a Capital Call**

If a Limited Partner fails to make a required capital contribution a Fund, the Limited Partner will be in default and the General Partner, in its sole discretion, may undertake any of the remedies provided in the Partnership Agreement for such Fund. The exercise of any of these remedies will not alter the defaulting Limited Partner's obligations to the Fund, including any obligation to fund future capital calls, and the Limited Partner will continue to be bound by all of these obligations. Furthermore, Underlying Funds typically require the capital contributions be made over an extended period of time. Failure by a Limited Partner to meet a capital call could result in the Partnership Fund defaulting on a capital call for an Underlying Fund or reduce the number of investments which the Funds may make.

### **Failure by Other Investors to Meet Capital Calls of Underlying Funds**

The Partnership Funds, directly or indirectly, may be one of many investors in Underlying Funds, many of which will have capital contribution obligations over an extended period of time. Failure by one or more other investors to meet a capital call of an Underlying Fund could have adverse consequences for the Partnership Funds. The Underlying Fund may be permitted to

require the Partnership Funds and other investors in the Underlying Fund to contribute additional capital to satisfy such a shortfall. If the Underlying Fund is unable to raise sufficient capital to consummate the proposed investment, the portfolio manager may not be able to diversify its portfolio, which could adversely affect results of the Underlying Fund and could also result in the investments of the Underlying Fund being concentrated in relatively few industries and regions. Furthermore, the Underlying Fund may not have sufficient capital to contribute capital to existing portfolio companies necessary to ensure their ongoing financial stability. If multiple investors fail to meet capital calls from a particular Underlying Fund, the Underlying Fund could default in its obligations, which could result in the termination of the underlying fund, causing a lower return, or potentially a loss, on the Partnership Funds' investments.

### **Involuntary Liquidation of Interest**

Pursuant to the Partnership Agreements, the General Partner may terminate the Interest of any Limited Partner and cause such Limited Partner to withdraw from a Fund upon ten business days' prior written notice if the General Partner determines, in its sole discretion, that the continued participation of such Limited Partner in the Fund would be detrimental to the Fund. In the event of termination by the General Partner of a Limited Partner's Interest, such Limited Partner shall be paid its capital account as of the termination date within 90 days or as soon thereafter as the Fund has available funds.

### **Liability of Limited Partners**

The Partnership Funds and the Co-Investment Funds have each been organized as a Delaware limited partnership. A Limited Partner will not be personally liable for the debts of a Fund except as provided in the Partnership Agreement of such Fund except that, in the event that a Fund is otherwise unable to meet its obligations, each Limited Partner may be obligated to repay amounts previously received by such Limited Partner pursuant to the Partnership Agreements or to the extent required by the Delaware Revised Uniform Limited Partnership Act ("RULPA").

### **Phantom Income**

There can be no assurance that the Funds will have sufficient cash flow to permit it to make distributions to Limited Partners in amounts necessary to permit them to pay all tax liabilities resulting from their ownership of Interests.

### **Distributions in Kind**

Although the Funds intend to make distributions in cash, under certain circumstances (including the liquidation of a Fund), distributions may be made in kind and could consist of securities for which there is no readily available public market or securities of entities unable to meet required interest or sinking fund payments.

### **Limited Due Diligence**

The Co-Investment Funds may acquire an interest in a prospective Portfolio Company without direct discussions with the management of the Portfolio Company. Therefore, the due diligence

information on which the Co-Investment Funds rely may be difficult to obtain, limited in scope or inaccurate.

**Item 9. Disciplinary Information**

Item 9 is not applicable to Adviser.

## **Item 10. Other Financial Industry Activities and Affiliations**

### **Related General Partners**

An affiliate of Adviser acts as the general partner of each Client.

Various entities (the “General Partners”) serve as general partners of the Funds. The General Partners are subsidiaries of or otherwise controlled by Adviser. For a description of material conflicts of interest created by the relationship among 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**

Adviser has adopted a written Code of Ethics that is applicable to all of its partners, officers and employees (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.

Under the Code of Ethics, Adviser Personnel may be required to file certain periodic reports with Adviser’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps 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: Constitution Capital Partners, LLC: Attention: Chief Compliance Officer.

### **Participation or Interest in Client Transactions**

Certain employees and affiliates of 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 Incentive Allocation related to investments held by such persons. These arrangements may be limited by the organizational or other documents of a Fund. For further details regarding these types of arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

### **Conflicts of Interest**

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

## **Resolution of Conflicts**

Adviser and its affiliates will deal with all conflicts of interest using its best judgment, but in its sole discretion. 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:

- A Fund will not make an investment unless Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- 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;
- Where 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;
- Prior to subscribing for interests in a Fund (except for a Co-Investment Vehicle or an Alternative Investment Vehicle), each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund; and

## **Conflicts**

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and a Fund's private placement memorandum and the brochure and private placement memorandum 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, 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;
- Any 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), which may include, but are not limited to, parallel investment entities formed to facilitate investments by certain foreign or tax-exempt persons or business associates and other "friends and family" of Adviser or its personnel;

- 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;
- Any Co-Investment Vehicles that have been formed to invest side-by-side with one or more Main Funds in particular transactions entered into by such Main Fund(s) (the investors in such Co-Investment Vehicles may include individuals and entities that are also investors in one or more Funds (“Adviser Investors”) and/or individuals and entities that are not investors in any Funds (“Third Parties”));
- Adviser Investors and/or 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
- Adviser Investors and/or Third Parties acting as “co-sponsors” with Adviser with respect to a particular transaction.

In recognition of its fiduciary duties, it is the policy of Adviser to treat the Funds fairly and equitably in the allocation of investment opportunities and transactions more generally. Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith. In allocating such investment opportunity, Adviser may consider some or all of a wide range of factors, which may include, but are not limited to, the following:

- Each Fund’s investment objectives and investment focus;
- Transaction sourcing;
- Each Fund’s liquidity and reserves;
- Each Fund’s diversification;
- Lender covenants and other limitations;
- Amount of capital available for investment by each Fund as well as each Fund’s projected future capacity for investment;
- Each Fund’s targeted rate of return;
- Stage of development of the prospective portfolio company or other investment;
- Composition of each Fund’s portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund;
- 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.

In some cases certain Funds may receive a preferential allocation of certain types of investments. Please also refer to a Fund's private placement memorandum ("PPM") for more information about the application of Adviser's allocation policies to the Fund.

Adviser will seek to make all allocations of investment opportunities among the Funds in a fair and equitable manner over time subject to any preferential allocation policies disclosed in the applicable PPMs. Adviser will not allocate investment opportunities based on (i) the relative fee structure or amount of fees paid by any Fund, (ii) the profitability of any Fund 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 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 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 Adviser or its related persons.

In exercising its discretion to allocate investment opportunities and fees and expenses, 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, Adviser may have an incentive to allocate investment opportunities to the Funds from which 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 Adviser invest indirectly in Funds and will 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 makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Investment opportunities may be appropriate for Funds 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. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund 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 may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested.

### **Cross-Transactions**

Although Adviser does not typically cause the Funds to engage in cross transactions, certain Funds have agreed (with the consent of their investors) to “warehouse” investments for Funds in their offering stage, with the investments to be transferred to the Funds at a predetermined cost. It is also possible that in the future, Adviser may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to the market forces, a Fund may not receive the best price otherwise possible. Additionally, in connection with such transactions, Adviser, its affiliates and/or their professionals (i) may have significant investments or intentions to invest in a Fund 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 underlying investment). Adviser may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Funds. A Fund’s organizational documents may place additional restrictions on a Fund’s ability to engage in cross trades.

### **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. Adviser does not expect to engage in principal trades with its clients.

### **Management of the Funds**

Adviser manages a number of Funds that may have investment objectives similar to each other. 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 Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by Adviser, including Funds that may be raised 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 in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund 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 Adviser**

Adviser generally may, in its discretion, contract with any related person of Adviser (including but not limited to a portfolio company of a Fund) to perform services for Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, 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.

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) a related person of Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which Adviser or its affiliates or a member of their personnel has a relationship or from which Adviser or a member of its personnel otherwise derives financial or other benefit. When making such a recommendation, 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.

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

## **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, based upon capital invested by the Funds, this fee structure may create an incentive to deploy capital when Adviser may not otherwise have done so.

Additionally, as discussed above in Item 6, the General Partners of a number of Funds are entitled to Incentive Allocations under the terms of the limited partnership agreements of such Funds. Such general partners are affiliates of Adviser. The existence of the General Partners' Incentive Allocations 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.

Adviser has service providers, including for example, investment bankers, outside legal counsel and pension consultants, who may be or may become investors in Funds and/or who provide services to businesses that are competitors of Adviser. Adviser may have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds 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 Adviser information about Adviser's competitors or will provide other services that are beneficial to Adviser. There is a possibility that 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 a Main Fund's advisory committee 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 Adviser may serve as directors of portfolio companies. Some or all of the fees for serving as directors generally are offset against the Advisory Fee payable by the Fund – the actual portion varies from Fund to Fund.

### **Side Letter Agreements**

Adviser may enter into certain side letter arrangements with 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**

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, Adviser and/or its affiliates, the

parties may engage separate counsel in the sole discretion of Adviser and its affiliates, and in litigation and other circumstances separate representation may be required.

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 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 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 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.

The partnership agreements (or analogous organizational documents) of certain Funds permit the General Partner of each such Fund to cause such Fund to distribute securities resulting from an investment disposition by such Fund to the partners, in certain cases subject to limitations set forth in the applicable Fund's limited partnership agreement.

The partnership agreements (or analogous organizational documents) of certain Funds permit each such Fund's General Partner, or its affiliates, to lend money to the applicable Fund. Such lending arrangements create conflicts of interest between the applicable General Partner or affiliate and such Fund acting as borrower.

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 requirements. As a result, 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.

In resolving these and other conflicts, Adviser may consider various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. In the case of all conflicts involving the Funds or other persons, Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made in Adviser's sole discretion.

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

## **Item 12. Brokerage Practices**

As Funds invest primarily in private equity ventures, 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.).

### **Selection of Brokers and Dealers**

For each of the Funds, Adviser has, subject to the direction of such Fund's general partner, if applicable, 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 involving a broker-dealer, Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund 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, Adviser takes into account all factors that it 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, Adviser may consider the use of Electronic Communications Networks when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

Adviser does not receive "soft dollars" in connection with its use of broker-dealers.

### **Aggregation of Trades**

Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund 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. Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, Adviser and its affiliates generally aggregates trade orders for publicly traded securities so that each participating Fund 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 Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

## **Item 13. Review of Accounts**

### **Oversight and Monitoring**

Adviser is proactive in monitoring investments. For Partnership Investments, the team continually monitors a private equity fund's activities, reviewing investor reports and attending annual meetings. The Investment Partners strive to meet with the fund managers in person at least once a year, outside of the annual meetings. In addition, Adviser has a history of obtaining advisory board seats with a majority of its Partnership Investments. The monitoring procedures for Partnership Investments will include:

- Quarterly valuations
- Periodic verification of compliance with investment terms and conditions
- Periodic on-site visits to, and interviews with, the fund managers
- Informal meetings
- Representation on partnership advisory boards and valuation committees, and attendance at investment meetings and other meetings where appropriate
- Review of fund managers procedures for reporting significant adverse operational, financial or legal developments
- Analysis of the valuation information provided by fund managers

For Direct Investments, Adviser will receive periodic reports from the lead manager of the transaction. Adviser has received board observation rights on a significant number of Direct Investments. Adviser will continue to seek board observation rights on Direct Investments. In this manner, the Investment Partners monitor any developments at the underlying companies and work closely with the GP to arrive at a successful realization. Monitoring procedures for Direct Investments will include:

- Periodic independent valuation
- Periodic review of performance against budget and bank covenants
- Attendance at annual meetings and investor meetings
- Periodic on-site visits and meetings with management
- Board representation

Upon receiving notification of a completed investment, a member of Adviser's investment administration group will monitor the transaction along with Adviser's third party administrator. Any material issues relating to the investment will be discussed at the weekly meetings. Throughout the monitoring process, the deal team will investigate all realization opportunities that may arise. Exit planning issues are discussed at the weekly management meetings.

### **Reporting**

Adviser seeks to provide full transparency to its investors. Each investor will receive reports that will include audited annual financial statements and unaudited quarterly financial statements. The reports will contain data on performance and valuations of Partnership Investments and Direct Investments. In addition, Adviser will hold advisory board meetings, at least semi-annually, to review underlying valuations and valuation methodology. Adviser has an open door policy and invites its investors to visit.

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 180 days after the fiscal year end of such Fund, as well as quarterly performance reports within 90 days after each fiscal quarter end or as soon as practical thereafter. 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.

Investors in a Co-Investment Vehicle will receive the reports and other information described in the organizational documents governing such Co-Investment Vehicle, which may include, for example, financial information regarding the specific portfolio company in which the Co-Investment Vehicle is invested.



#### **Item 14. Client Referrals and Other Compensation**

For details regarding economic benefits provided to 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, Adviser notes that it 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. To the extent such fees are paid by the Funds, they typically offset management fees paid by the Funds.

**Item 15. Custody**

Because an affiliate of Adviser serves as General Partner of the Funds, Adviser may be deemed to have custody of the Funds assets. Because the Funds send audited financial statements to their investors within 180 days of the end of the Funds' respective fiscal year, it is not expected that the Fund's custodians will send account statements to Fund investors.

**Item 16. Investment Discretion**

Except as noted below, Adviser performs the day-to-day investment operations of each Fund in accordance with the terms and conditions of the Advisory Agreement (and, to the extent applicable, the partnership agreement) of each such Fund. The terms of these documents are generally established at the time of the formation of the applicable Fund and are the result of negotiations with certain potential investors in the applicable Fund.

Co-Investment Vehicles and Alternative Investment Vehicles are generally established in order to invest alongside or in the place of one or more Main Funds in a particular investment opportunity, and Adviser typically has no discretion to manage securities accounts on behalf of Co-Investment Vehicles or Alternative Investment Vehicles independent of its authority in connection with the Main Fund.

## **Item 17. Voting Client Securities**

Adviser has established written policies and procedures setting forth the principles and procedures by which Adviser votes or gives consent with respect to securities owned by the Funds (the “Votes”). The guiding principle by which Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account the relevant Fund’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. Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, 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 Managing Partners 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 Adviser’s Vote in a particular solicitation.

All Voting decisions initially are referred to the Managing Partners or appropriate investment professional for a voting decision. In most cases, the Managing Partners or investment professional covering the particular investment will make the decision as to the appropriate vote for any particular Vote. In making such decision, he or she may rely on any of the information and/or research available to him or her. If the investment professional is making the Voting decision, the investment professional will inform the Managing Partners of any such Voting decision, and if the Managing Partners do 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 Managing Partners are unable to arrive at an agreement as to how to vote, then the Managing Partners may consult with Adviser’s investment committee 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 Managing Partners 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 Managing Partners in accordance with these policies and procedures, which will include consideration of whether Adviser or any investment professional or other person recommending how to vote and/or 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 Managing Partners 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 Managing Partners deems appropriate in their sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the Managing Partners 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: Constitution Capital Partners, LLC: Attention Chief Compliance Officer.

**Item 18. Financial Information**

Item 18 is not applicable to Adviser.

**Item 19. Requirements for State-Registered Advisers**

Item 19 is not applicable to Adviser.