

**INVESTMENT ADVISER BROCHURE**

**RESILIENCE MANAGEMENT, INC.**

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**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Resilience Management, Inc., an Ohio corporation (“Resilience Management”). If you have any questions about the contents of this Brochure, please contact us at (216) 292-0200. 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 authority.**

Resilience Management is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Resilience Management is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## MATERIAL CHANGES

Resilience Management filed its initial Form ADV Part 2 in February 2012 in connection with its registration as an investment adviser. This annual amendment includes no material changes.

## ADVISORY BUSINESS

Resilience Management is a private investment management firm, including several registered investment advisory entities and other organizations affiliated with Resilience Management, Inc. (collectively, “**Resilience**”), that manages approximately \$329 million in private fund assets. Resilience commenced operations in July 2001.

Resilience Management, an Ohio corporation (formerly known as “Resurgence Capital Management, Inc. and “FRM Management, Inc.”) and a registered investment adviser, provides advisory personnel and services to the following private investment funds: The Resilience Fund II, L.P. (the “**Resilience II Fund**”), of which Resilience Capital Partners II, L.L.C. (“**RCP II**”) is the general partner; The Resilience Fund II Annex, L.P. (the “**Resilience IIA Fund**”), of which Resilience Capital Partners II Annex, L.L.C. (“**RCP IIA**”) is the general partner; The Resilience Fund III, L.P. (the “**Resilience III Fund**”), of which Resilience Capital Partners III, L.L.C. (“**RCP III**”) and, together with RCP I (defined below), RCP II and RCP IIA, the “**General Partners**”) is the general partner; and the Resilience Fund III (PF), L.P. (the “**Resilience III (PF) Fund**”) and, together with Resilience III Fund, the “**Resilience III Fund**” and, together with the Resilience II Fund, the Resilience IIA Fund and the Resilience III Fund, collectively, the “**Resilience Funds**”), of which RCP III is the general partner. Additionally, Resilience Management provides advisory personnel and services to an investment holdings fund named Beech Resilience Holdings L.L.C. (“**Beech Resilience**”), of which Resilience Capital Partners, L.L.C. (“**RCP I**”) is the managing member, and the following co-investment vehicles, each of which were formed to invest side-by-side with one or more Resilience Funds: Resilience Flight Options, L.L.C. (“**Flight Options**”); North Coast Resilience Holdings, L.L.C. (“**North Coast Holdings**”); North Coast Minerals L.L.C. (“**North Coast Minerals**”); Resilience Nextant Aircraft, L.L.C. (“**Nextant Aircraft**”) and, together with Beech Resilience, Flight Options, North Coast Holdings and North Coast Minerals, the “**Resilience Co-Investment Funds**”). Resilience Management commenced operations in July 2001. Each General Partner is registered with the SEC as an investment adviser under the Advisers Act pursuant to Resilience Management’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business with Resilience Management.

The Resilience Funds are private equity funds that invest through negotiated transactions in operating entities. Resilience’s investment advisory services to the Resilience Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Resilience Management or its affiliates may serve on such

portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Resilience Funds.

Resilience's advisory services for the Resilience Funds are detailed in the applicable private placement memorandum (including the supplements thereto) and the applicable limited partnership or operating agreement of the Resilience Fund (collectively, the "**Partnership Agreements**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." The limited partners or members, as applicable, of the Resilience Funds (the "**Limited Partners**") participate in the overall investment program for such Resilience Fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints. The Resilience Fund, Resilience Management or the General Partners have entered into side letters or other similar agreements with certain investors that have the effect of establishing rights under or altering or supplementing the applicable Resilience Fund's Partnership Agreement.

As of December 31, 2012, Resilience Management managed \$329 million in client assets on a discretionary basis. Resilience Management is ultimately controlled by Steven H. Rosen and Bassem A. Mansour (the "**Managing Partners**").

## **FEES AND COMPENSATION**

In general, the General Partners receive carried interest (*i.e.*, a performance-based partnership allocation) and Resilience Management receives a Management Fee (as defined below) in connection with advisory services. The General Partners or other Resilience entities or affiliates may receive additional compensation in connection with management and other services performed for portfolio companies of the Resilience Funds and such additional compensation will offset in whole or in part the Management Fees otherwise payable to Resilience Management. Limited Partners also bear certain fund expenses.

### **Management Fees**

#### *The Resilience II Fund*

The Resilience II Fund pays Resilience Management, biannually in advance, a management fee (the "**Management Fee**") equal to 2% per annum of the cost basis of the invested assets of the Limited Partners, as of the 15th day before the payment is due. RCP II will not bear or pay any Management Fee. Although the Limited Partnership Agreement calls for the Management Fee to be paid in advance on a biannual basis, historically RCP II has not required or made, and RCP II has represented to the Resilience II Fund's investors that it will not in the future require or make, a capital call request for Management Fees six months or more in advance. A Management Fee capital call has not been made since July 2008 and is not expected to be another Management Fee call for the remainder of the Resilience II Fund's existence.

The Management Fee will be payable until all of the Resilience II Fund's portfolio companies are otherwise divested or until RCP II's relationship with the Resilience II Fund is terminated for other reasons (as described in the Partnership Agreement). Installments of the Management Fee payable for any period other than a full biannual period are adjusted on a *pro rata* basis according to the actual number of days in such period.

In addition, the Management Fee is offset by 50% of the Resilience II Fund's share of any transaction, monitoring, advisory, investment banking, directors', break-up and other similar fees ("**Supplemental Fees**") that are payable to Resilience Management by a portfolio company, prospective portfolio company or other third party in connection with acquisitions, holdings and exits by the Resilience II Fund. Additionally, as further described below, certain operating partners who provide services to (or with respect to) certain portfolio companies in which the Resilience II Fund invests may receive compensation, and such compensation generally will not result in additional offsets to the Management Fee. The Management Fee will be further reduced in the circumstances and by the amounts described in the Partnership Agreement.

Any Resilience Co-Investment Funds formed in connection with to The Resilience Fund II Fund do not pay a Management Fee.

#### *The Resilience IIA Fund*

The Resilience IIA Fund pays Resilience Management, in advance and no more frequently than biannually, a Management Fee equal to 2.0% on an annual basis of the Resilience IIA Fund's aggregate investor capital commitments ("**Commitments**"). Limited Partners participating in a closing after March 10, 2009 bear the applicable Management Fee retroactive to March 10, 2009, plus interest thereon calculated at a rate of 8% per annum. Although the Partnership Agreement calls for the Management Fee to be paid in advance on a biannual basis, historically RCP IIA has not required or made, and RCP IIA has represented to the Resilience IIA Fund's investors that it will not in the future require or make, a capital call request for Management Fees six months or more in advance. Since January 1, 2010 there have not been, and there are not expected to be, any additional Management Fees called for the Resilience IIA Fund.

Upon the earlier to occur of (i) a date determined by RCP IIA, in its sole discretion, following the date on which 75% of Commitments have been invested or otherwise used to pay expenses of the Resilience IIA Fund or (ii) March 10, 2014, the Management Fee will be reduced and will equal to 2% per annum of the cost basis of the invested assets of the Limited Partners, as of the 15th day before the payment is due. RCP IIA will not bear or pay any Management Fee.

The Management Fee will be payable until all of the Resilience IIA Fund's portfolio companies are otherwise divested or until RCP IIA's relationship with the Resilience IIA Fund is terminated for other reasons (as described in the Partnership Agreement. Installments of the Management Fee payable for any period other than a full biannual period are adjusted on a *pro rata* basis according to the actual number of days in such period.

In addition, the Management Fee is offset by 50% of the Resilience IIA Fund's share of any transaction, monitoring, advisory, investment banking, directors', break-up and other similar fees that are payable to Resilience Management by a portfolio company, prospective portfolio company or other third party in connection with acquisitions, holdings and exits by the Resilience IIA Fund. Additionally, as further described below, certain operating partners who provide services to (or with respect to) certain portfolio companies in which the Resilience IIA Fund invests may receive compensation, and such compensation generally will not result in

additional offsets to the Management Fee. The Management Fee will be further reduced in the circumstances and by the amounts described in the Partnership Agreement.

Any Resilience Co-Investment Funds formed with respect to The Resilience IIA Fund do not pay a Management Fee.

### *The Resilience Fund III*

The Resilience III Fund pays Resilience Management, biannually in advance, a Management Fee equal to 2.0% on an annual basis of the Resilience III Fund's aggregate investor capital commitments ("**Commitments**"). Limited Partners participating in a closing after the initial closing date of May 25, 2011 bear the applicable Management Fee retroactive to May 25, 2011, plus interest thereon calculated at a rate of prime plus 2% per annum. . Although the Partnership Agreement calls for the Management Fee to be paid in advance on a biannual basis, historically RCP III has not required or made, and RCP III has represented to the Resilience III Fund's investors that it will not in the future require or make, a capital call request for Management Fees six months or more in advance.

Upon the earlier to occur of (i) the operation by RCP III or Resilience Management of a new fund that invests primarily in equity securities of distressed private companies based in the United States, (ii) a date determined by RCP III, in its sole discretion following the date on which 75% of Commitments have been invested or otherwise used to pay expenses of the Resilience III Fund or (iii) May 25, 2016, the Management Fee will be reduced and will equal to 2% per annum of the cost basis of the invested assets of the Limited Partners, as of the 15th day before the payment is due. RCP III's B-1 investors will not bear or pay any Management Fee.

The Management Fee will be payable until all of the Resilience III Fund's portfolio companies are otherwise divested or until RCP III's relationship with the Resilience III Fund is terminated for other reasons (as described in the Partnership Agreement). Installments of the Management Fee payable for any period other than a full biannual period are adjusted on a *pro rata* basis according to the actual number of days in such period.

In addition, the Management Fee is offset by 80% of the Resilience III Fund's share of any transaction, monitoring, advisory, investment banking, directors', break-up and other similar fees that are payable to Resilience Management by a portfolio company, prospective portfolio company or other third party in connection with acquisitions, holdings and exits by the Resilience III Fund. Additionally, as further described below, certain operating partners who provide services to (or with respect to) certain portfolio companies in which the Resilience III Fund invests may receive compensation, and such compensation generally will not result in additional offsets to the Management Fee. The Management Fee will be further reduced in the circumstances and by the amounts described in the Partnership Agreement.

Any Resilience Co-Investment Funds formed with respect to The Resilience III Fund do not pay a Management Fee.

## **Carried Interest**

The General Partners receive a carried interest with respect to the applicable Resilience Fund equal to 20% of all realized profits, as more fully described in the applicable Partnership Agreement. The carried interest distributed to the General Partners is subject to a potential clawback at the end of the life of the applicable Resilience Fund if the relevant General Partner has received excess cumulative distributions.

## **Other Information**

The Resilience Funds invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the Resilience Fund and Limited Partners generally are not permitted to withdraw or redeem interests in the Resilience Funds.

Principals or other employees of Resilience may receive a portion of the Management Fee, carried interest or other compensation received by the General Partners or their affiliates.

In addition to the Management Fee and carried interest payable to the General Partners, the Resilience Funds bear certain expenses. As set forth in the Partnership Agreements, the Resilience Funds bear all expenses to the extent not paid by portfolio companies, including: (i) up to a stated amount of the applicable Resilience Fund's reasonable organizational costs and expenses; and (ii) costs and expenses associated with such Resilience Fund's operation, including without limitation (A) the Management Fee, (B) expenses related to evaluating and negotiating prospective and actual investments, (C) expenses related to acquiring, holding, managing and disposing of actual investments, (D) expenses related to the applicable Resilience Fund's respective executive committee or the investment committee (the "**Investment Committee**") of such Resilience Fund, (E) indemnification obligations of such Resilience Fund, (F) expenses associated with the engagement of professionals, (G) expenses associated with tax and accounting reports and (H) other expenses associated with such Resilience Fund's administration and operation that are not born by the applicable General Partner or Resilience Management. Brokerage fees may be incurred in accordance with the practices set forth in "Brokerage Practices."

Additionally, certain Resilience operating partners may provide services to (or with respect to) certain portfolio companies in which a Resilience Fund may invest. In connection with such services, such Resilience operating partners may receive fees and other compensation from such portfolio companies.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under "Fees and Compensation," the General Partners receive a carried interest allocation on certain realized profits in the applicable Resilience Fund. Resilience Management does not advise any private investment fund not subject to a carried interest.

## **TYPES OF CLIENTS**

Resilience Management provides investment advice to the Resilience Funds, a private investment fund formed under domestic laws and operated as an exempt investment pool under the Investment Company Act of 1940, as amended. The Limited Partners participating in the Resilience Funds include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Resilience Management and its affiliates.

The Resilience Funds generally have minimum investment amounts for third-party investors, and the respective partnership interests are offered and sold solely to accredited investors who are also qualified clients (or qualified knowledgeable Resilience III Fund personnel). Any such minimum investment amount may be waived by relevant General Partner.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

The Resilience Funds will seek to realize long-term capital appreciation primarily through the purchase of a broad and varied portfolio of controlling and, on occasion, minority private equity investments in companies which are anticipated to have annual revenues between \$25 million and \$250 million. The Resilience Funds' focus is investing in lower-middle-market underperforming and turnaround situations but may invest opportunistically in other types of situations. The Resilience Funds intend to be flexible in terms of the ultimate form of transaction and context in which it is consummated. The Resilience Funds will acquire companies in a variety of special situations, including Chapter 11, secured party sales and corporate divestitures. Additionally, the Resilience Funds may purchase a variety of securities to achieve its objective of making control equity investments, including purchasing debt or other debt-oriented securities. The Resilience Funds may invest up to 10% of aggregate Commitments in public debt securities. The Resilience Funds will finance their acquisitions using leverage and, on occasion, may use the Resilience Funds to bridge the leverage.

### **Investment and Operating Strategy**

*Investment Criteria.* Resilience Management, on behalf of the Resilience Funds, intends to make control equity investments in lower middle market companies with revenues between \$25 and \$250 million. On occasion, minority investments are made. Resilience Management intends to target companies that have a solid core business, but are underperforming or distressed due to: (i) structural or cyclical industry downturn; (ii) excessive liabilities and lack of access to capital; (iii) status as a non-core subsidiary or division of a larger corporation; (iv) status as an "orphan" micro-cap public company; (v) insufficient management focus and resources; and (vi) fatigued lender relationships.

Resilience may acquire companies according to federal and state statutes, including a bankruptcy auction (Section 363 of the Bankruptcy Code) and Secured Party Sale (Article 9 of the Uniform Commercial Code or UCC). The Resilience Funds seek to identify and invest in companies with: (i) sustainable competitive advantage in a defensible market niche; (ii) a strong



management team either in place or identified; (iii) a clear path to an economic turnaround; and (iv) strong benefits derived from being decoupled from the parent company.

*Industry and Geographic Focus.* As a special situation investor, Resilience Management does not focus on a particular set of industries, but rather on the situational criteria detailed in the previous section. Resilience Management has invested in industry sectors where it has unique resources, bringing specific industry experience and relationships to every transaction. Resilience Management believes that there are compelling reasons and relationships associated with every investment decision. This results in not only a unique perspective brought to each portfolio company but also a diverse set of industries represented across the portfolio and the company's end markets.

The industry composition of a Resilience Fund's portfolio will depend on, among other considerations, the evolution of the market conditions in the respective sectors. Resilience Management, on behalf of the Resilience Funds, will continue to invest in industries that present the most attractive risk/reward opportunities and where Resilience Management can add substantial value to portfolio companies through its experience and professional relationship network.

The Resilience Funds will continue to invest in companies located in North America, although many of these companies will have global reach, operations and presence. The Resilience Funds may invest opportunistically in other geographic locations at some time in the future, in accordance with its overall investment strategy.

*Deal Sourcing Capabilities.* Resilience believes that, in the restructuring and turnaround market, information about upcoming deals is more difficult to obtain than in the buyout market, as many sellers prefer not to advertise their upcoming sales to the community of potential buyers. In addition, there is usually little time to approach investors like Resilience Management in a systematic manner, because many owners of a distressed company are forced by their constituents (*e.g.* lenders, customers, creditors) to complete a transaction quickly. Resilience Management retains its sources due to Resilience Management's ability to diligence target companies in a timely manner. Resilience Management has the resources to complete a transaction, adding certainty to close.

Resilience Management believes that the foregoing emphasizes the importance of sourcing investment opportunities through networks of professional relationships. Resilience Management has cultivated an extensive network of senior executives and experts in the relevant industries, the financial arena and the professional services landscape.

Over the past several years, a significant portion of Resilience Management's deal flow has come from traditional intermediaries, including investment banks, while the balance has come from other sources including a more proprietary professional network. However, a disproportionately high percentage of the closed transactions are those brought to Resilience through individuals from within that network.

The changes in U.S. Bankruptcy Code from October 2005 provide higher barriers and shorter timelines for companies filing for Chapter 11 protection. This may push more companies

and creditors towards a decision to sell their assets to a turnaround fund instead of trying to rehabilitate through a Chapter 11 process. Overall, Resilience Management expects the increase in the number of deal propositions to continue throughout the coming years.

*Due Diligence Process.* Resilience Management pursues a rigorous and disciplined due diligence process to research, analyze and quantify the relative risks and rewards of every high-probability investment opportunity. The due diligence process focuses on material aspects of a company under consideration, including (i) products and services, (ii) business operations (supply chain, sales and marketing, administration), (iii) information systems, (iv) partners (vendors, customers), (v) human resources (employees, union contracts), (vi) finance (assets, liabilities, debt structure, profits/losses, cash-flow, forecasts and budgets), (vii) legal (intellectual property, pending and potential litigation, bankruptcy), (viii) insurance matters, (ix) environmental matters, (x) organizational structure, (xi) management and board of directors, (xii) General market environment and (xiii) competitive landscape.

Due diligence is conducted by members of Resilience Management's transaction and operations groups, under the guidance of one of Resilience Management's Managing Partners. Depending on the situation, the due diligence process may also involve outside management resources or industry experts and consultants for operations, finance, accounting, legal, insurance and IT evaluation. In the past, Resilience Management has worked with a range of service providers, including large national and international firms and lenders.

The transaction team conducts interviews with senior and middle management of the potential acquisition and may also consult with suppliers, former employees and customers. The due diligence process always involves a review of a company's potential legal issues, which may include analysis of pension and benefit arrangements, tax and regulatory matters as well as the review of all relevant legal documents, such as material contracts, credit agreements and employment contracts. Due to the structure of lower-middle-market companies and the nature of distressed company deals, information is not always presented in an organized fashion. In order to make informed investment decisions, Resilience Management allocates significant time and resources to guarantee that the due diligence material received is sufficient to evaluate a potential deal.

The goal of Resilience Management's due diligence process is not only to determine the intrinsic value of a potential investment but also to identify all significant risks of the business and to formulate a plan to mitigate such risks, either through the transaction documents or a post-acquisition strategic plan. Turnaround strategies are crafted and evaluated at this stage. For this reason, Resilience Management's transaction teams contain senior experts with extensive turnaround experience and capabilities, which we consider to be a significant competitive advantage.

*Transaction Process.* During the preparation phase of a transaction, when purchase agreements with the then-existing owners and debtors are drafted, Resilience Management lays the groundwork for the later restructuring of the company under acquisition. This process often includes the negotiation and closing of: (i) employment agreements; (ii) union/labor agreements; (iii) long-term contracts with suppliers; (iv) long-term contracts with key customers; (v)

acquisition financing with existing and new lenders; (vi) real and personal property leases; and (vii) transition service agreements.

In many cases, Resilience Management identifies key executives and builds a new management team to run the portfolio company from the day of purchase. During this phase, Resilience Management usually identifies advisors with industry and subject matter expertise and establish a new board of directors. Together with management and advisors, the transaction and operation teams formulate a restructuring plan.

By buying pursuant to Section 363 of the Bankruptcy Code through a “Bankruptcy Sale,” or Article 9 of the UCC through a “Secured Party Sale,” Resilience Management is able to acquire assets free and clear of all liabilities of the selling entity except for select obligations specifically assumed.

*Turnaround.* The core of Resilience Management’s business model lies in the creation of sustainable economic value inside our portfolio companies by turning distressed companies into profitable ones with significant growth prospects.

Resilience collaborates closely with management teams to restructure the operations and finance portfolio companies. This approach includes changes in business strategy, manufacturing product and facility rationalization, process, improvement, sales and marketing, workforce, and finance. Resilience applies the full set of management tools, including: (i) lean manufacturing (process flow optimization, waste elimination, inventory reduction, just-in-time delivery); best-practice benchmarking and adaptation; (ii) downsized or outsourced manufacturing; (iii) plant consolidation and rationalization, sale of unused equipment; (iv) new technologies and IT systems; (v) reduction of hourly headcount, labor cost, over-time; (vi) quality training and hiring of specifically skilled workforce; (vii) overhead reduction; (viii) sales force restructuring, strategic sales controlling; (ix) new product strategy (innovation, broadening of spectrum, termination of unprofitable products); (x) new customer strategy (segmentation, profitability re-evaluation, new client segments, termination of unprofitable segments); (xi) add-on acquisitions; (xii) consolidation and re-financing of debt; (xiii) working capital management; and (xiv) benchmarking versus industry participants.

Since the strengths, weaknesses, opportunities and threats of each investment are unique, turnaround strategies and goals may vary among the investments in a Resilience Fund’s portfolio. While some companies may have to expand their production to reach a profitable scale, others may have to shrink their operations upon declining demand. In some cases, new products need to be added to become competitive, while in other cases a focus on one or a few products is vital to a portfolio company’s future.

During the first year under a Resilience Fund’s ownership, a portfolio company’s revenues often decrease as management refocuses the business, which typically includes downsizing until the company operates in its healthy core. At the same time, profitability is usually restored or increases significantly, because all unprofitable parts of the business are eliminated in the restructuring process.

*Exit Strategy.* Resilience Management engages in a comprehensive strategy to buy, restructure and sell portfolio companies. The Resilience Funds seek to sell their portfolio companies on advantageous terms, while balancing the goals of maximizing returns and providing liquidity to its Limited Partners. This requires extensive planning beginning before a company is originally acquired by a Resilience Fund. The evaluation of potential exit scenarios, including the analysis of comparable transactions in the respective industry, is therefore part of Resilience Management's due diligence.

Resilience Management prefers to invest in companies that Resilience Management believes have the potential to offer multiple exit scenarios, including (i) sale of holdings to strategic or financial buyer, (ii) sale of assets to strategic or financial buyer, (iii) break-up into separate entities to be sold separately, (iv) add-on acquisition and sale of merged entity, (v) recapitalization, (vi) company buyback and (vii) management buyout.

*Club Deals.* The private equity industry has seen a notable increase in the popularity of club deals, or consortium deals. In certain situations, significant advantages exist to forming a consortium. Club deals offer investors the opportunity to consider sizable transactions that may otherwise be prohibitive due to cost and risk factors. By joining forces with other private equity funds or investors, participants often benefit from the industry expertise and professional relationship networks of fellow club members. Investing alongside a consortium may also limit a firm's overall exposure to a particular industry sector.

Resilience Management has partnered with participants from its wide network of professional contacts.

The Resilience Funds will continue to consider club deal opportunities with other funds or investor groups. Resilience Management views club transactions favorably as an opportunity to participate in larger acquisitions and to build strong management teams by drawing on a shared pool of expertise and contacts.

## **Risks of Investment**

The Resilience Funds and their Limited Partners bear the risk of loss that its investment strategy entails. The risks involved with this investment strategy and an investment in a Resilience Fund include, but are not limited to:

*Long-Term Nature of Investment; No Assurance of Investment Return.* Resilience Management's task of identifying and negotiating investment opportunities, managing such investments and realizing a return for Limited Partners is typically a long, time-consuming process with no certainty of return of investment. There will likely be little if any near-term cash flow available to Limited Partners, and there is no assurance that the Resilience Funds will be able to invest its capital on attractive terms, generate returns for its Limited Partners or return the capital contributed by them.

*Dependence on Key Personnel.* The success of the Resilience Funds will be highly dependent on the financial and managerial expertise of the Managing Partners and other individuals employed by Resilience Management and its affiliates. Limited Partners will be relying entirely on such persons to manage the business of the Resilience Funds. There can be

no assurance that the Managing Partners or Resilience Management's other key investment professionals will continue to be associated with or employed by Resilience Management or its affiliates throughout the life of the Resilience Funds. The loss of one or more of these individuals could have a material adverse effect on the performance of the Resilience Funds.

*Relation of Previous Investment Programs.* The prior investment results of the previous funds or other persons named herein are not indicative of a Resilience Fund's future investment results. The nature of and risk associated with a Resilience Fund's future investments may differ substantially from those investments and strategies undertaken historically by any prior Resilience Funds or any other person described herein. Past performance is no guarantee of future performance. There can be no assurance that a Resilience Fund's investments will perform as well as the past investments of the prior Resilience Funds or any other person described herein or that a Resilience Fund will be able to avoid losses.

*Difficulty of Locating Suitable Investments; Competitive Marketplace.* The success of the Resilience Funds will depend on Resilience Management's and the relevant General Partner's ability to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of portfolio companies on terms favorable to the Resilience Funds. Resilience employs personnel to identify attractive investment opportunities suitable for the Resilience Funds. Although in the past, these professionals have found investment opportunities to meet the investment objectives of the Resilience funds, there can be no assurances that there will be or that these professionals will find a sufficient number of suitable investment opportunities to enable the Resilience Funds to invest all of its committed capital in opportunities that satisfy a Resilience Fund's investment objective, or that such investment opportunities will lead to completed investments by the Resilience Funds. There can be no assurances that, once Resilience identifies an investment opportunity, the seller will select Resilience to acquire their company. Further, even if Resilience is selected, there can be no assurances that the company will still be deemed an appropriate investment opportunity for the Resilience Fund after due diligence is completed.

*Nature and Illiquidity of Resilience Fund Investments.* Almost all of the Resilience Funds' investments will be highly illiquid, and there can be no assurances that the Resilience Funds will be able to realize a positive return on such investments. The illiquidity of the Resilience Funds' investments is the result of several factors, including but not limited to the following. First, the Resilience Funds generally invest in illiquid securities of privately held companies. The Resilience Funds often seek to generate returns by selling these securities in a private sale to a strategic buyer or to another private equity firm. There can be no assurances that the Resilience Funds will be able to complete sales of portfolio company securities at attractive prices and otherwise on acceptable terms and conditions. Second, the Resilience Funds may also attempt to sell portfolio company securities in a public offering. Resilience Management anticipates that any such public offering of securities would require a substantial investment of time and attention by the Managing Partners and other key investment professionals and a substantial cash expense by the portfolio company whose securities are being registered, in part because the laws of the U.S. and the regulations of applicable securities exchanges, can be quite burdensome and complex. There can be no assurances a market for the securities of any company held by the Resilience Funds would exist even following a public offering. Third, the cultivation of an investment for disposition, together with the disposition

itself, may involve a substantial amount of time. Even when an investment is successfully disposed, some of the consideration may be deferred through the use of lock ups, earn-outs, promissory notes, escrows, holdbacks and other similar arrangements.

A substantial portion of the Resilience Funds' investments are and will continue to be in equity or equity-related investments which, by their nature, involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in substantial loss of principal. There can be no assurance that the Managing Partners and other key investment professionals will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. A variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Resilience Funds' activities. As a result, the Resilience Funds' performance over a particular period may not necessarily be indicative of the results that may be expected in future periods or over the life of the Resilience Funds.

*Investing in Distressed Companies.* A majority of the Resilience Funds' investments may involve turnaround or under-performing companies or companies identified by Resilience Management as being in need of additional capital. The financial condition of such companies may be weak or their balance sheets highly leveraged and any investments in them may involve additional risk.

*Nature of Bankruptcy Proceedings.* There are a number of significant risks when investing in companies involved in bankruptcy proceedings. Many events in a bankruptcy are the product of contested matters and adversary proceedings that are beyond the control of the parties. A bankruptcy filing may have adverse and permanent effects on a company. For instance, the company may lose its market position and key employees and otherwise become incapable of restoring itself as a viable entity. In addition, the duration of a bankruptcy proceeding is difficult to predict; there may be delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court.

*Current Market Conditions.* General economic and other market conditions in the United States or elsewhere in the world, including interest rates, the availability of financing, the price of securities and participation by other investors in the financial markets, may affect the Resilience Funds' activities, including the value and number of investments made by the Resilience Funds. Moreover, the securities of the Resilience Funds' portfolio companies could be adversely affected by changes in the general economic climate or the economic factors affecting a particular industry, changes in tax law or specific developments within such companies or interest rate movements. The Resilience Funds generally invest in equity securities, which will be among the more junior securities in a portfolio company's capital structure, and, thus, may be subject to greater risk of loss.

*Leverage.* The Resilience Funds generally use leverage when making investments in portfolio companies. In addition, the Resilience Funds may increase the leverage of a portfolio company by using promissory notes or other indebtedness issued by the portfolio company as part of the purchase consideration. Although Resilience Management seeks to use leverage on behalf of the Resilience Funds in a manner that the Managing Partners believe is prudent, the

leveraged capital structure of the Resilience Funds' portfolio companies will increase the exposure of those companies to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the portfolio company or its industry. Because the securities in which the Resilience Funds invest will likely be among the most junior in a portfolio company's capital structure, the inability of a portfolio company to service its debt obligations could result in a loss of principal in the Resilience Funds' investment.

*Need for Additional Capital, Support Equity and Add-on Acquisitions.* A Resilience Fund may be called upon by the Managing Partners to provide follow-on funding for its portfolio companies for support equity or to finance add-on acquisitions. There can be no assurance that such Resilience Fund will have sufficient funds to do so. Any decision by the Managing Partners not to invest additional capital, or a Resilience Fund's inability to invest additional capital, may have a substantial negative impact on a portfolio company in need of such an investment or may diminish a Resilience Fund's ability to influence the portfolio company's future development.

*Portfolio Concentration.* Although, in general, no more than 20% of the Commitments will be invested in any one portfolio company (including add-on acquisitions), a Resilience Fund's portfolio may include a small number of large positions. While this portfolio concentration may enhance total returns to the Limited Partners, if any large position has a material loss, then returns to the Partners may be lower than if they had invested in a more diversified portfolio.

*General Business Risks.* The investment results of a Resilience Fund will depend on the performance of its portfolio companies. These portfolio companies could pursue incorrect business strategies or encounter operating difficulties that could lead to losses in a Resilience Fund's investments.

*Unspecified Use of Proceeds.* The Resilience Funds have not identified all of the investments it will make. Purchasers of a Resilience Fund's limited partnership interests will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by a Resilience Fund and, accordingly, will be dependent upon the judgment and ability of Resilience Management and the Managing Partners in investing and managing the capital of a Resilience Fund. No assurance can be given that any Resilience Fund will be successful in obtaining suitable investments, or that if such investments are made, the objectives of any Resilience Fund will be achieved.

*Diverse Limited Partner Group.* The Limited Partners of the Resilience Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such Limited Partners may have conflicting investment, tax and other interests with respect to their investments in a Resilience Fund. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by such Resilience Fund, the structuring of the acquisition of investments and the timing of the disposition of investments and the various tax laws applicable to various Limited Partners. As a consequence, conflicts of interest may arise in connection with decisions made by Resilience Management, a General Partner, including with respect to the nature or structuring of investments, that may be more beneficial for one Limited Partner than for another

Limited Partner, especially with respect to Limited Partners' individual tax situations. Subject to the applicable Limited Partnership Agreement, Resilience Management will generally consider the investment and tax objectives of the Resilience Funds and the Limited Partners as a whole in making investments, and will use reasonable best efforts to structure portfolio investments in non-U.S. companies in as tax-efficient a manner as possible.

*Contingent Liabilities on Disposition.* In connection with the disposition of an investment, the Resilience Funds will be required to make representations about the business and financial affairs of the portfolio companies being sold. The Resilience Funds also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements will expose the Resilience Funds to contingent liabilities that ultimately might yield funding obligations that must be satisfied by the Limited Partners to the extent required by the Partnership Agreement.

*Difficulty Making Dispositions.* Because certain of the Resilience Funds' investments may be highly illiquid, the Resilience Funds may experience difficulty in disposing of certain of its investments at opportune times or valuations, or at all.

*Distributions in Kind.* Although, under normal circumstances, the Resilience Funds intend to make distributions in cash, it is possible that under certain limited circumstances (including the liquidation of a Resilience 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.

*Indemnification.* Resilience Management, the General Partners, the members of the Resilience Funds' respective executive and investor committees, and their respective members, partners, officers, directors, shareholders, employees, advisors, agents, affiliates, and personnel, will be entitled to indemnification out of the applicable Resilience Fund's assets, except in certain limited circumstances. The assets of such Resilience Fund will be available to satisfy these indemnification obligations and Limited Partners may be required to make capital contributions and return distributions to satisfy such obligations. Such obligations will survive the dissolution of the applicable Resilience Fund.

## **Conflicts of Interest**

During the respective commitment period of each Resilience Fund, all appropriate investment opportunities will be pursued by Resilience Management principals through such Resilience Fund, subject to certain limited exceptions. Without limitation, Resilience Management principals currently manage several other investments similar to those in which such Resilience Fund will be investing, and may direct certain relevant investment opportunities to those investments. Resilience Management's principals and Resilience Management's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Resilience Management principals may control may potentially compete with companies acquired by such Resilience Fund. Following the commitment period of such Resilience Fund, Resilience Management principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Resilience Fund's investments.



From time to time, Resilience Management or a General Partner will be presented with investment opportunities that would be suitable not only for the applicable Resilience Fund, but also for other private investment funds and other investment vehicles operated by advisory affiliates of Resilience Management. In determining which investment vehicles should participate in such investment opportunities, Resilience Management and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Resilience Management attempts to resolve such conflicts of interest in light of its obligations to investors in such Resilience Fund and the obligations owed by Resilience Management's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among such Resilience Fund, other Resilience Funds and such investment vehicles in a fair and equitable manner. Where necessary, the General Partners consult and receive consent to conflicts from an advisory committee consisting of limited partners of the applicable Resilience Fund and such other investment vehicles.

The Managing Partners intend to devote substantially all of their time and attention to the management of the Resilience Funds. However, the Managing Partners and their affiliates are also responsible for managing certain other investment funds and may in the future organize, sponsor, manage and operate additional investment funds (subject to the limitations described in the Partnership Agreement). The Managing Partners will also be permitted to pursue certain other business activities outside the Resilience Funds. Nothing contained in the Partnership Agreement will restrict or prohibit the Managing Partners, Resilience Management, the General Partners or their respective affiliates in this regard.

The generation of performance-based "carried interest" by a Resilience Fund on behalf of a General Partner may create an incentive for such General Partner or Resilience Management to cause such Resilience Fund to make riskier or more speculative investments than would be the case in the absence of this arrangement. In addition, the existence of "carried interest" may create conflicts of interest with respect to the management and disposition of investments, including the timing of dispositions. Since Resilience Management is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Resilience Fund investments, it could have a conflict of interest in connection with approving certain transactions.

Resilience Management, the General Partners or their affiliates may receive certain fees from portfolio companies and/or in connection with consummated and unconsummated transactions (*i.e.*, topping, break-up, commitment, monitoring, financial advisory, director's and other fees). If received, only a portion of these fees will be for the benefit of the Limited Partners.

#### **DISCIPLINARY INFORMATION**

Resilience Management and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Resilience Management is affiliated with other Resilience investment advisers registered with the SEC under the Advisers Act pursuant to Resilience Management's registration in accordance with SEC guidance. These advisers are RCP I, RCP II, RCP IIA, and RCP III. Resilience Management provides advisory services to the General Partners and other Resilience entities under a master advisory agreement. These affiliated investment advisers operate as a single advisory business together with Resilience Management and serve as managers or general partners of private investment funds and other pooled vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Resilience Management has adopted the Resilience Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Resilience principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Resilience personnel to report their personal securities transactions, prohibits or requires pre-clearance for Resilience personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Resilience personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Resilience Chief Compliance Officer. A copy of the Code will be provided to any investor or prospective investor upon request to Theodore Laufik, the Resilience Chief Compliance Officer, at (216) 292-0200. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Resilience Management and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Resilience Management and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Resilience Management.

Accordingly, should Resilience Management or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, Resilience Management would be prohibited from communicating such information to clients, and Resilience Management will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Resilience personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Resilience Funds.

Principals and employees of Resilience Management and its affiliates may directly or indirectly own an interest in the Resilience Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the Resilience Funds.

The Resilience Funds and other private investment funds may invest together with other private investment funds advised by an affiliated adviser of Resilience Management in the manner set forth in the Partnership Agreement. Resilience Management will determine the allocation of investment opportunity in a manner that it believes is fair and equitable to its clients consistent with Resilience Management's obligations and may take into consideration factors such as the following: the client's investment restrictions and objectives (including those set forth in the relevant client's governing documents, where applicable); strategy; risk profile; time horizon; tax sensitivity; tolerance for turnover; asset composition and cash level; and applicable regulatory restrictions.

Resilience Management and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Resilience Funds, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Resilience Funds, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain vehicles sponsored by Resilience (the "**Reference Funds**") may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Reference Funds or may give priority with respect to investments to such Reference Funds. Some of these restrictions could be waived by investors (or their representatives) in such Reference Funds.

#### **BROKERAGE PRACTICES**

Resilience Management focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Resilience Management may also distribute securities to Limited Partners in the Resilience Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Although Resilience Management does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If Resilience Management sells publicly traded securities for the Resilience Funds, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Resilience Management. In such event, Resilience Management will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Resilience Management may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Resilience Management has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Resilience Management generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve

specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Resilience Management seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Resilience Management generally does not make use of such services at the current time and has not made use of such services since its inception.

To the extent that Resilience Management allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its private investment funds' interest in receiving most favorable execution.

In Resilience Management's private company securities transactions on behalf of the Resilience Funds, Resilience Management may retain one or more broker-dealers or investment banks, the costs of which will be borne by the Resilience Funds. In doing so, Resilience Management may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Resilience Management generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Resilience Funds may not necessarily pay the lowest commission or fee for such services.

## **REVIEW OF ACCOUNTS**

The investments made by the Resilience Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Resilience Management closely monitors companies in which a Resilience Fund invests, and the Resilience Chief Compliance Officer periodically checks to confirm that each Resilience Fund is maintained in accordance with its stated objectives.

Each Resilience Fund will provide to its limited partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner's tax return and (iii) annual and quarterly reports providing a narrative summary of the status of each portfolio company.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Resilience Management and/or its affiliates may provide certain business or consulting services to companies in a Resilience Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the applicable Partnership Agreement, this compensation may, in many cases, offset a portion of the Management Fees paid by the Resilience Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. See "Fees and Compensation."

From time to time, Resilience Management may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Resilience Fund. Any fees and expenses payable to any such placement agents will be borne by Resilience Management indirectly through an offset against the Management Fee.

### **CUSTODY**

Resilience Management maintains custody of each Resilience Fund's assets held in such Resilience Fund's name with the following qualified custodians; Merrill, Lynch, Pierce, Fenner & Smith Inc., located at 600 California Street, 8th Floor, San Francisco, California 9410, and Key Bank National Association, 800 Superior Avenue, MC: OH-01-02-1861, Cleveland, Ohio 44114.

### **INVESTMENT DISCRETION**

Resilience Management has discretionary authority to manage investments on behalf of each Resilience Fund. Resilience Management assumes this discretionary authority pursuant to the terms of the applicable Partnership Agreement. As a general policy, Resilience Management does not allow clients to place limitations on this authority. Pursuant to the terms of the applicable Partnership Agreement, however, Resilience Management may enter into "side letter" arrangements with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in a Resilience Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

### **VOTING CLIENT SECURITIES**

Resilience Management has adopted the Resilience Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for the Resilience Funds' portfolio companies. The Proxy Policy seeks to ensure that Resilience Management votes proxies (or similar instruments) in the best interest of the Resilience Funds, including where there may be material conflicts of interest in voting proxies. Resilience Management generally believes its interests are aligned with those of the Resilience Funds' investors through the principals' beneficial ownership interests in such Resilience Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Resilience Management may address the conflict using several alternatives, including by seeking the approval or concurrence of such Resilience Fund's investor committee on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, such Resilience Fund's advisory board may approve Resilience Management's vote in a particular solicitation. Resilience Management does not consider service on portfolio company boards by Resilience Management personnel or Resilience Management's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Resilience Management when voting proxies on behalf of such Resilience Fund. If you would like a copy of Resilience Management's complete Proxy Policy or information regarding how Resilience Management voted proxies for particular portfolio companies, please contact

Theodore Laufik, the Resilience Chief Compliance Officer, at (216) 292-0200, and it will be provided to you at no charge.

#### **FINANCIAL INFORMATION**

Resilience Management does not require the prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.

## SUPPLEMENTAL INFORMATION ABOUT CERTAIN PRINCIPALS OF RESILIENCE MANAGEMENT

### **Bassem Mansour**

#### *Educational Background and Business Experience*

Bassem Mansour, born July 9, 1970, currently serves as Co-CEO and a Managing Partner of Resilience, and is the Co-Chair of the Investment Committee. Mr. Mansour received his undergraduate degree from the University of Dayton and his M.B.A. from the Weatherhead School of Management at Case Western Reserve University.

#### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Mansour.

#### *Other Business Activities*

Mr. Mansour is not engaged in any investment-related business outside of his roles with Resilience and its affiliated investment advisers.

#### *Additional Compensation*

Mr. Mansour does not receive any economic benefit for providing advisory services from any person that is not a client of an investment adviser affiliated with Resilience.

#### *Supervision*

As one of Resilience's Managing Partners, Mr. Mansour is part of a team that is responsible for implementing and overseeing the investment strategy of the Resilience Funds. Mr. Mansour is not subject to the direct supervision of any other individual.

## **Steven Rosen**

### *Educational Background and Business Experience*

Steven Rosen, born May 17, 1970, currently serves as Co-CEO and a Managing Partner of Resilience, and is the Co-Chair of the Investment Committee. Mr. Rosen received his undergraduate degree from the University of Maryland and his M.B.A. from the Weatherhead School of Management at Case Western Reserve University.

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Rosen.

### *Other Business Activities*

Mr. Rosen is not engaged in any investment-related business outside of his roles with Resilience and its affiliated investment advisers.

### *Additional Compensation*

Mr. Rosen does not receive any economic benefit for providing advisory services from any person that is not a client of an investment adviser affiliated with Resilience.

### *Supervision*

As one of Resilience's Managing Partners, Mr. Rosen is part of a team that is responsible for implementing and overseeing the investment strategy of the Resilience Funds. Mr. Rosen is not subject to the direct supervision of any other individual.