

Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of SIRIS CAPITAL GROUP, LLC [“the Firm” or “Siris”]. If you have any questions about the contents of this Brochure, please contact us at 212-231-2681 and/or [golio@siriscapital.com](mailto:golio@siriscapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Siris is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## **Item 2 – Material Changes**

This Brochure contains material changes to the initial Form ADV Part 2 filed by Siris on February 15, 2012 (the “Initial Brochure”). Immediately below is a discussion of such material changes. Such discussion sets forth only material changes to the Initial Brochure.

This Brochure reflects the following material changes to the Initial Brochure: (1) conforming changes to the amounts of assets under management; (2) certain clarifications relating to offsets against Fund management fees; and (3) certain clarifications relating to the payment of Broken Deal Expenses.

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#### **Item 4 – Advisory Business**

Siris was founded in November 2010 by Frank Baker, Peter Berger and Jeffrey Hendren (“the Principals”), who have worked together for more than fourteen years. The Principals jointly own and control Siris Advisor Holdco, LLC, which owns 100% of, and controls, Siris Capital Group, LLC.

Siris provides investment management services to private investment funds that are offered to investors on a private placement basis. Currently, Siris provides investment management services to Siris Partners II, L.P. and Siris Partners II Parallel, L.P. (together, the “Funds”). Siris Partners GP II, LLC (the “General Partner”) serves as the general partner to each Fund. The Principals jointly own and control Siris GP Holdco, LLC, which owns, and controls, the General Partner.

Siris has full discretionary authority with respect to investment decisions for the Funds, and its advice is made in accordance with the investment objectives and guidelines as set forth in Fund’s offering memorandum.

Siris also provides non-discretionary investment advice to a portfolio of two assets that the Principals managed while at a former employer. The investment period for this portfolio has ended.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. Persons reviewing this Brochure should not construe this as an offer to sell or solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.

Siris’ investment objective is to make investments principally in equity, equity-oriented or debt securities which it believes offer equity-like returns in companies in a variety of industries. Siris may utilize a broad range of transaction structures, including management and leveraged buyouts, recapitalizations, corporate divestitures, privately negotiated control and minority investments, consolidations and roll-ups, spin-offs and carve-outs, and growth equity investments. Siris is not limited in the industries in which it can invest, but intends to initially focus on investment opportunities in technology, telecommunications and technology-enabled business services including healthcare and legal services.

Siris’ Principals follow a disciplined and focused investment process, which consists of: (i) identifying attractive industries through a rigorous analytical process; (ii) engaging senior executives who possess deep operating experience in their industries and work exclusively with Siris to help source and execute investments (“Executive Partners”); (iii) focusing on investment opportunities in complex and

challenging, control-oriented, special situations; and (iv) increasing value by improving portfolio company operations post-acquisition.

Please see Item 8 for a more detailed description of Siris' investment strategies.

The descriptions set forth in this Brochure of specific advisory services that Siris offers should not be understood to limit in any way Siris' investment activities. Siris may, in the future, offer any advisory services, engage in any investment strategy and make any investment that Siris considers appropriate, subject to each Fund's investment objectives and guidelines. The investment strategies Siris pursues are speculative and entail substantial risks. Investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Fund will be achieved.

Siris' advisory services for the Funds are detailed in the applicable private placement memoranda, investment management agreements and limited partnership agreements and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the applicable fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints. The Funds or the General Partner 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 Funds' limited partnership agreements.

Siris manages approximately \$721 million in assets as of December 31, 2012 on a discretionary basis, which is determined based on the net asset value of the Funds.

Siris manages approximately \$160 million in assets on a non-discretionary basis as of December 31, 2012. This represents a portfolio of two assets that the Principals managed while at a former employer, and that is no longer making investments.

## **Item 5 – Fees and Compensation**

### *Fund Investments:*

During the Commitment Period investors in the Funds bear a management fee (the "Management Fee") paid quarterly in advance on committed capital at a rate of 2.0% and 1.75% per annum, depending upon the limited partner type. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the relevant Limited Partnership Agreement. After the Commitment Period management fees are paid on the Capital Contributions by limited partners in respect of Portfolio Investments that have not been subject to Disposition as of the first day of such period minus the Aggregate Net Losses from Writedowns, if any, at a rate of 1.75% and 1.50% per annum, depending upon the limited partner type.

Under the Limited Partnership Agreements for the Funds, any other fees (the “Other Fees”) such as transaction, directors, consulting, investment banking, monitoring, topping, break-up and other similar fees shall be paid directly to Siris or its affiliates. The aggregate Management Fee paid by the Partnership or the Limited Partners is reduced by an amount (the “Reduction Amount”) equal to the Applicable Percentage of the Partnership’s share of all Other Fees. To the extent that the application of the Reduction Amount would reduce the Management Fee for a given quarterly period below zero, such Reduction Amounts will be carried forward and reduce future installments of the Management Fee.

Siris may exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Siris and any other person designated by Siris. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by Siris and/or its affiliates, or through other vehicles which co-invest with the Funds.

Additionally, as further described herein and in the Funds’ private placement memorandum, certain Executive Partners provide services to (or with respect to) certain portfolio companies in which the Funds invest and, in connection therewith, may receive compensation from such portfolio companies. Such compensation will not result in additional offsets to the management fee.

The Funds invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Funds’ partnership agreements, over the term of the funds, and investors generally are not permitted to withdraw or redeem interests in the Funds.

*Non-Discretionary Investments:*

The Siris Principals receive compensation for their non-discretionary management of legacy investments upon liquidation of those investments and do not receive any ongoing management fees.

Expenses

The Funds bear their own operating and other expenses including, but not limited to, fees, costs and expenses directly related to the purchase and sale of securities, expenses of counsel, accountants and other consultants and professionals, any insurance, indemnity or litigation expense or the costs and expenses of any lenders, investment banks and other financing sources and any taxes, fees or other governmental charges levied against the Fund, and any such costs incurred in connection with transactions which are not consummated (“Broken Deal Expenses”). The General Partner bears its pro rata share of Broken Deal Expenses.

Co-investment vehicles are generally formed, and other co-investors’ participation (including by Siris Principals, employees and affiliates) is generally confirmed, in

connection with the consummation of a transaction. Accordingly, where a proposed transaction is not consummated, no co-investment vehicle generally will have been formed, and no other co-investors' participation will generally have been confirmed. In such cases, the full amount of any Broken Deal Expenses relating to any such proposed transaction would therefore be borne by the Funds.

Portfolio entities are billed periodically for certain Siris expenses incurred that are either direct or indirect in nature. Direct expenses will generally include items such as travel, lodging and related costs incurred by Siris personnel attending meetings related to or for the benefit of the portfolio entity. Additionally, Siris costs incurred for investment data research, subscriptions and related services, third party professional or consulting fees, industry conferences, conferencing costs and similar items that provide a shared benefit to the portfolio entities are allocated equally between Siris and the domestic portfolio entities.

Siris seeks to make securities investments for clients in such a manner that the total costs or proceeds in each transaction are the most favorable under the circumstances ("best execution"). Siris' investment strategy generally involves making direct private equity investments in leveraged acquisitions of companies. The terms of such transactions are typically subject to negotiation and brokerage firms are not usually involved. Therefore Siris does not currently anticipate using broker dealers to effect securities transactions.

Siris does not receive any soft dollar benefits from broker dealers.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Siris charges the Funds Management Fees, and the General Partner of the Funds receives an allocation of carried interest. Since Siris currently only manages the Funds, which have essentially the same fee structure, it does not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from others.

The Siris Principals receive compensation for their non-discretionary management of legacy investments upon liquidation of those investments.

The General Partner is entitled to carried interest with respect to investors in the Funds, based on realized proceeds ultimately distributed to investors. The carried interest is either 20% or 17.5% depending upon the limited partner type, and is subject to a provision such that no carried interest allocation is made until there has been a full return of capital and costs to each limited partner, as well as a specific compounded annual rate of return of 8%, as more fully described in each Fund's partnership agreement.

In measuring clients' assets for the calculation of performance-based fees, Siris includes realized capital gains and losses. Performance-based fee arrangements may create an incentive for Siris to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Siris has adopted procedures designed and implemented to ensure that all Funds are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among Funds.

## **Item 7 – Types of Clients**

Siris primarily provides investment advice to the Funds offered to investors on a private placement basis. The investors participating in the Funds may 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 Siris and its affiliates.

The offering documents of the Fund set minimum amounts for investment by prospective investors in the Fund. These minimum amounts may be waived by Siris.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Siris' investment objective is to invest principally in equity, equity-oriented or debt securities which it believes offer the opportunity for equity-like returns in companies in a variety of industries. Siris may utilize a broad range of transaction structures, including management and leveraged buyouts, recapitalizations, corporate divestitures, privately negotiated control and minority investments, consolidations and roll-ups, spin-offs and carve-outs, and growth equity investments.

### **DISCIPLINED AND FOCUSED INVESTING STRATEGY**

The Principals follow a disciplined and focused investment strategy. This involves initially identifying and evaluating specific industry sectors based on research and analysis of several industry characteristics, including the size and growth drivers of the industry, whether any regulatory or governmental influences exist, whether the industry is experiencing any disruptions and the extent of consolidation or fragmentation of the industry. Executive Partners are then engaged to work with the Principals to source, diligence and execute appropriate investments. A crucial element of this evaluation is identifying readily achievable operational or other value enhancing strategic changes that are expected to result in increased earnings and exit value multiples. Post-closing, the Executive Partners, the Principals and company management are responsible for implementation and execution of these



value enhancing strategies. Siris believes that following this investment strategy in a disciplined manner is an effective way to generate superior returns for investors in the Fund.

## EXECUTIVE PARTNER MODEL

Siris believes that its Executive Partner investing model is critical to its ability to continue to generate attractive returns. Executive Partners are senior executives, who work exclusively with Siris and possess extensive operating experience in their respective industries. Once target industry sectors are selected, Siris proceeds to identify Executive Partners to work with the Principals to (i) refine the investment thesis, (ii) source unique, proprietary investment opportunities through deep industry relationships, (iii) actively participate in the due diligence process when evaluating potential opportunities, (iv) provide additional insight to appropriate valuations and (v) facilitate deal execution.

Executive Partners work with the Principals to develop the business plan in advance of the acquisition, thus helping to ensure it is credible and realistic. Post-acquisition, the Executive Partner is then responsible for implementing the business plan, and is actively involved in driving change, with Siris taking control of its companies, with voting control of the board and the Executive Partner often assuming the chairman role at the acquired company. Executive Partners are generally compensated directly by portfolio companies, and their economic success is typically directly tied to the success of the investment.

### ***Certain Risk Factors***

*The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Funds advised by Siris. These risk factors include only those risks Siris believes to be material, significant or unusual and relate to particular significant investment strategies, methods of analysis or types of securities used by Siris. For a more detailed list of risk factors applicable to a particular Fund, please refer to the relevant Fund's offering memorandum.*

**Financial Market Fluctuations.** General fluctuations in the market prices of securities may affect the value of Siris' portfolio investments. Instability in the securities markets may also increase the risks inherent in the Siris' portfolio investments. The ability of the Siris' portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise. Additionally, the recent deterioration of the global credit markets has made it more difficult than it had been in the recent past for financial sponsors like Siris to obtain favorable financing for investments. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, has reduced investor demand for high yield debt

and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling or less willing to finance new private equity investments or to only offer committed financing for these investments on less favorable terms than had been prevailing in the recent past. Siris' ability to generate attractive investment returns for its investors may be adversely affected to the extent Siris is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events continue or re-occur, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such an economic downturn could adversely affect the financial resources of corporate borrowers in which Siris has invested and result in the inability of such borrowers to make principal and interest payments on outstanding debt when due. In the event of such defaults, the Funds managed by Siris may suffer a partial or total loss of capital invested in such companies, which could, in turn, have an adverse effect on investor returns. Such marketplace events also may restrict the ability of Siris to sell or liquidate investments at favorable times or for favorable prices. Additionally, the Funds managed by Siris may be required to pay break-up, termination or other fees or expenses even if the Funds are willing to close on an investment if it is ultimately unable to close on such investment due to a lender's unwillingness to provide previously committed financing.

**General Economic and Market Conditions.** The private equity industry generally and the success of Siris' investment activities will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. A sustained downturn in the U.S. or global economy (or any particular segment thereof) could adversely affect the Siris' investment performance, impede the ability of Siris' investments to perform under or refinance their existing obligations, and impair Siris' ability to effectively exit its portfolio investment on favorable terms. Any of the foregoing events could result in substantial or total losses to investors in the Funds in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure.

**Competition for Investment Opportunities.** Siris will encounter competition from other entities having similar investment objectives. Potential competitors include investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than Siris. Competition for appropriate investment opportunities may increase, which may also require Siris to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of

investment opportunities available to Siris and/or adversely affecting the terms upon which investments can be made. Participating in auctions will also increase the pressure on the Fund with respect to pricing of a transaction and, accordingly, could reduce returns to Limited Partners. There can be no assurance that the Partnership will be able to locate, complete and exit investments which satisfy the Fund's rate of return objectives, or realize upon their values, or that it will be able to invest fully its committed capital. To the extent that the Fund encounters competition for investments, returns to Limited Partners may decrease.

**Risk of Investment Concentration.** Siris may participate in a limited number of investments and, as a consequence, the aggregate return to investors may be substantially adversely affected by the unfavorable performance of any single investment. Moreover, since some of Siris' investments may not perform well or even return capital, for Siris to achieve above-average returns, one or a few of its investments must perform very well. There can be no assurance that this will be the case.

**Investments in the Telecommunications Industry.** Siris intends to invest in telecommunications companies. Telecommunications companies are undergoing changes, mainly due to evolving levels of governmental regulation or deregulation as well as the development of telecommunication technologies. Competitive pressures within the telecommunications industry are intense and the securities of telecommunications companies may be subject to significant price volatility. In addition, because the telecommunications industry is subject to significant changes in technology, the companies that Siris will invest in will face competition from technologies being developed or to be developed in the future by other entities, which may make such companies' products and services obsolete.

**Investments in Technology Industries.** Siris intends to make investments in companies that operate in technology industries. The technology sector is challenged by various factors, including rapidly changing market conditions and participants, new competing products and services and improvements in existing products and services. Some of the companies that Siris invests in may compete in this volatile environment. There is no assurance that products or services sold by such companies will not be rendered obsolete or adversely affected by competing products and services or other challenges. Instability, fluctuation or an overall decline within technology industries may not be balanced by investments in other industries not so affected. In the event that the technology sector declines, returns to investors may decrease.

**Investments in Other Regulated Industries.** In addition to the communications and technology industries, other industries, such as healthcare services, are heavily regulated. Siris may make investments in companies operating in industries that are subject to greater amounts of regulation than other industries generally. Investments in companies that are subject to greater amounts of governmental

regulation pose additional risks relative to investments in other companies generally. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. A portfolio company also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations that could impact a portfolio company's business and governments may be influenced by political considerations and may make decisions that adversely affect a portfolio company's business.

**Illiquid and Long-Term Investments.** Although Siris' portfolio investments may generate some current income, the return of capital and the realization of gains, if any, from a portfolio investment generally will occur only upon its partial or complete disposition. While a portfolio investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made. No assurance can be given that, if Siris decides to dispose of a particular investment, it could dispose of such investment at a prevailing market price, and there is a risk that disposition of such investments may require a lengthy time period or may result in distributions in kind to investors. In some cases, Siris may not be able to sell its portfolio investments through the public markets unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. Additionally, there can be no assurances that Siris' portfolio investments can be sold on a private basis. In addition, in some cases Siris may be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time.

**Risks in Effecting Operating Improvements.** A key element of Siris' investment strategy depends, in part, on the ability to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that Siris will be able to successfully identify and implement such restructuring programs and improvements.

**Investment in Restructurings.** Siris may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio company to become subject to bankruptcy proceedings. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

**Non-U.S. Investments.** Siris may make investments outside of the United States. Non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which Siris' foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation or other changes in law; (iv) differences between U.S. and foreign market contract terms (e.g., foreign contracts do not typically include many of the closing conditions that are commonly found in U.S. contracts); (v) the possible imposition of foreign taxes on income and gains recognized with respect to such securities; and (vi) less developed corporate laws regarding fiduciary duties and the protection of investors.

**Leverage.** While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. Siris' portfolio investments may involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks (as well as particular risks associated with investing in technology companies described above) may have a more pronounced effect on the profitability or survival of such companies. Moreover, any rise in interest rates may significantly increase a portfolio company's interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, investors may suffer a partial or total loss of capital invested in the portfolio company.

**Reliance on Portfolio Company Management.** The day-to-day operations of each portfolio company will be the responsibility of that company's management team, which may include appointed Executive Partners. Although Siris intends to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, or any appointed Executive Partner will be able to operate the company in accordance with Siris' expectations.

**Labor Relations.** Siris may invest in portfolio companies that have a unionized work force or employees who are covered by a collective bargaining agreement, which could subject any such company's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a company's operations and profitability could suffer if it experiences labor relations problems. Upon the

expiration of any such portfolio company's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on terms favorable to it. Additionally its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such portfolio company's facilities could have a material adverse effect on its business, results of operations and financial condition.

**Hedging Policies/Risks.** Siris may employ hedging techniques designed to protect its investments against adverse movements in interest rates, securities prices, currency exchange or other risks. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while investors may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for Siris than if it had not entered into such hedging transactions.

### ***Potential Conflicts of Interest***

During the Funds' commitment period, all appropriate investment opportunities will be pursued by Siris through the Funds, subject to certain limited exceptions. Without limitation, the Principals currently provide advice with respect to one or more other clients holding investments similar to those in which the Funds will be investing. The Principals will continue to manage and monitor such investments until their realization. Following the Funds' commitment periods, Siris and the Principals may and likely will focus their investment activities on other opportunities and areas unrelated to the Funds' investments.

From time to time, Siris may be presented with conflicts of interest relating to the Funds. Where necessary, Siris consults and receives consent to such conflicts from an advisory committee consisting of certain limited partners of the Funds.

**Service Providers.** Service providers to the Funds advised by Siris (including lenders, brokers, attorneys, and investment banking firms) may be sources of investment opportunities and counterparties therein. This may influence the General Partner in deciding whether to select such a service provider or have other relationships with Siris. Notwithstanding the foregoing, investment transactions for the Funds that require the use of a service provider, will generally be allocated to service providers on the basis of best execution (and possibly to a lesser extent in consideration of such service provider's provision of certain investment-related services and/or payments of the costs of investment-related research that the General Partner believes to be of benefit to the Fund).

In the normal course of business, certain limited partners or affiliates of limited partners may be engaged as a service provider in connection with investment

banking services or other similar professional services. In such cases, Siris will seek to ensure that the terms of any such service arrangement are negotiated on an arm's-length basis and are no less favorable to the Funds than it believes would be obtained in a transaction with an unaffiliated party.

**Additional Potential Conflicts.** The officers, directors, members, managers, and employees of the General Partner and Siris may trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law, Siris Code of Ethics, or otherwise determined from time to time by the General Partner or Siris, as applicable.

### ***Other Activities of Management***

The General Partner and its affiliates (including the Principals) have Capital Commitments of at least \$9.5 million in the Funds. The General Partner, its affiliates and/or the Principals may also co-invest additional amounts in all the Funds' portfolio investments subject to the following conditions: (1) any such co-investments must be made on the same terms as offered to the Funds, (2) prior to the beginning of each year, the General Partner, its affiliates and/or the Principals must have committed (in the aggregate) to co-invest additional amounts in all investments made by the Funds that year

The General Partner may, at its option, provide co-investment opportunities (ability to invest at the same time in the same portfolio companies as the Funds) to employees, strategic investors, consultants, advisors, lenders, certain investors in the Funds or others, subject to certain limitations. Additionally, with respect to any co-investment vehicle controlled by the General Partner, the General Partner shall cause each such vehicle not to sell or otherwise dispose of any portion of such investment prior to the sale or disposition by the Funds of a like proportion of its investment in such portfolio company and then only on the same terms and conditions as each Fund's sale or disposition of such investment.

## **Item 9 – Disciplinary Information**

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

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

Siris and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

Siris and its management persons are not registered as, and do not have any application to register as, a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

The General Partner is an affiliate of Siris. As described in Items 5 and 6, carried interest allocations are made to the General Partner, while management fees are paid to Siris.

Siris does not recommend or select other investment advisers for its Clients.

## **Item 11 – Code of Ethics**

Siris strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, Siris has adopted a code of ethics that sets forth standards of conduct that are expected of Siris personnel and addresses conflicts that arise from personal trading. In general, Siris' code acknowledges that the Firm and its employees owe a fiduciary duty to advisory clients, which includes ensuring that their personal affairs, including personal securities transactions, are conducted in a manner which avoids: (i) serving their own personal interests ahead of advisory clients, (ii) taking inappropriate advantage of one's position with Siris; and (iii) any actual or potential conflicts of interest or any abuse of one's position of trust and responsibility.

The code of ethics also places restrictions on personal trades by employees, including that they disclose certain personal securities holdings and transactions to Siris on a periodic basis, and that employees are prohibited from trading in certain securities for their personal accounts, including the accounts of family members. Siris publishes a weekly listing of covered securities that employees/access persons are precluded by insider trading rules from investing in. Currently, investment activities at Siris are focused on three primary industries including; Technology, Telecommunications and Technology Enabled Business Services, including healthcare and legal services. Given the broad nature of the targeted industries and the investment limits established for the Funds, we have specifically prohibited employees/access persons from investing in any of the targeted industries entities with a market capitalization of less than \$1 Billion (one billion) plus any entity appearing on the weekly covered securities list without CCO prior approval.



Clients and prospective clients may request a copy of the code of ethics by contacting Siris at the address or telephone number listed on the first page of this document.

The Firm will not affect any agency cross securities transactions for client accounts. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

As a general matter, Siris does not affect internal cross transactions among client accounts, nor does it anticipate entering into any principal transactions with its clients. In the event the Firm was to engage in such transactions, it would do so only in compliance with the requirements of Section 206(3) of the Advisers Act.

## **Item 12 – Brokerage Practices**

Siris seeks to make securities investments for clients in such a manner that the total costs or proceeds in each transaction are the most favorable under the circumstances ("best execution"). Siris' investment strategy generally involves making direct private equity investments in leveraged acquisitions of companies. The terms of such transactions are typically subject to negotiation and brokerage firms are not usually involved, other than in situations where a public company is being taken private or doing an IPO. Therefore, Siris does not currently anticipate using broker dealers to effect securities transactions.

Siris does not receive any soft dollar benefits from broker dealers.

## **Item 13 – Review of Accounts**

Siris performs various weekly, monthly, quarterly and periodic reviews of the Funds' portfolios. Such reviews are conducted by the Principals. The Firm anticipates providing annual audited financial statements to investors in the Funds within 120 days of the applicable Fund's fiscal year end.

Investors in Siris' Funds receive a quarterly report and account statement from Siris.

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

Siris and/or its affiliates may provide certain business or consulting services to companies in the Funds' portfolios and may receive compensation from these companies in connection with such services. As described in the Funds' partnership agreements, this compensation may, in many cases, offset the Management Fees paid by the Funds. 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."

Siris may enter into written agreements with third party solicitors or placement agents to refer potential clients or investors to Siris as permitted by applicable laws. Siris may enter into solicitation or placement agent agreements, by which third parties receive fees based on providing client or investor referrals. Under these arrangements, the third party receives fees in part based on the size of the investment made by the referred client or investor. Typically, these arrangements last for a period of time, but fees may be paid to the solicitor or placement agent for a trailing period following termination of the arrangement.

## **Item 15 – Custody**

Siris may be deemed to have custody of the Funds' assets and securities because it has the authority to manage the Funds accounts and securities. Account statements related to the Funds are sent by qualified custodians to Siris.

Siris is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is deemed to have complied with certain requirements of the Custody Rule with respect to each Fund because it requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

## **Item 16 – Investment Discretion**

Siris has discretionary authority from the Funds it advises to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives as described in the private offering memorandum for the Fund.

As a general policy, Siris does not allow its discretionary advisory clients to place limitations on its authority. Consistent with the terms of the Funds' partnership

agreements, however, Siris may enter into “side letter” arrangements with certain limited partners whereby the terms applicable to such limited partners’ investments in the Funds 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

## **Item 17 – Voting Client Securities**

The Securities and Exchange Commission adopted Rule 206(4)-6 under the Investment Advisers Act of 1940, which requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. Siris generally has authority to vote client securities. Therefore, in compliance with such rules, Siris has adopted proxy voting policies and procedures. As a general matter, Siris’ goal is to vote such proxies in the best long term interests of its clients.

In connection with each exercise of voting authority, Siris will assess whether any material conflicts of interest exist between the interests of Siris and the interests of the Funds with respect to the matters to be voted upon. A conflict of interest typically arises where there is a business or personal relationship between the employees executing voting authority, on the one hand, and the proponents of a voting proposal or director candidates standing for election at the portfolio company, on the other. A conflict might arise for Siris, for example, where the Firm or an employee has a separate business relationship with the portfolio company or the challenger in a proxy contest, or where an employee has a personal relationship with an officer or director (such as a close family member serving in such position) of the portfolio company or the challenger in a proxy contest. In such cases, a Managing Director or the employee will raise any potential conflict of interest with the CCO who will work to determine whether alternative voting procedures need to be implemented. In the event of a material conflict of interest, Siris will look to a proxy voting service, or other independent third party, to determine the manner in which our votes will be cast. In the event of any such material conflict of interest, the CCO will document the nature of the conflict and the alternative voting procedure employed to address such conflict.

Clients may obtain a copy of Siris’ complete proxy voting policies and procedures upon request. Clients may also obtain information from Siris about how Siris voted any proxies on behalf of their account(s).

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about Siris’ financial condition. Siris has no financial

commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.