

**EDWARDS CAPITAL, LLC
d/b/a Flexpoint Ford, LLC**

676 N. Michigan Avenue
Suite 3300
Chicago, IL 60611

(312) 327-4520

www.flexpointford.com

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

This brochure provides information about the qualifications and business practices of Flexpoint Ford, LLC. If you have any questions about the contents of this brochure, please contact us at (312) 327-4520. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Flexpoint Ford, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

There are no material changes from Flexpoint Ford, LLC's last brochure, dated February 13, 2012. However, this year's brochure provides more disclosure and detail in most Items. In particular, this ADV has been amended in its entirety from the Adviser's (as defined later) previous annual filing to more accurately reflect the Adviser's business practices. This current brochure was amended from the last annual filing to include more specific and accurate information about the various types of funds Flexpoint Ford advises and their ownership structures, the services provided and fees charged to clients, as well as other transaction and related fees Flexpoint Ford may receive from its clients, the strategies and analysis Flexpoint Ford employs, risk factors arising from such strategies and analysis, participation or interests in client transactions and personal trading restrictions, the conflict of interests which may arise in the ordinary course of business, how investment discretion is granted to Flexpoint Ford, among other things.

Pursuant to SEC rules, Flexpoint Ford is providing this summary of material changes to its brochure within 90 days of the close of the Firm's fiscal year. The Firm may further provide clients with other ongoing disclosure information about material changes as deemed necessary. Additionally, Flexpoint Ford will provide clients with a new Brochure as necessary based on material changes, without charge.

Flexpoint Ford's brochure may be requested by contacting Philip A. Steger at (312) 327-4520. The Firm's Brochure is also available on the SEC's Investment Adviser Public Disclosure web site (www.adviserinfo.sec.gov), also free of charge.

Item 3. Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Cover Page	1
2	Material Changes	2
3	Table of Contents	3
4	Advisory Business	4
5	Fees and Compensation	5
6	Performance-Based Fees and Side-By-Side Management	6
7	Types of Clients	7
8	Methods of Analysis, Investment Strategies and Risk of Loss	7
9	Disciplinary Information	12
10	Other Financial Industry Activities and Affiliations	12
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
12	Brokerage Practices	22
13	Review of Accounts	24
14	Client Referrals and Other Compensation	24
15	Custody	24
16	Investment Discretion	25
17	Voting Client Securities	25
18	Financial Information	26
19	Requirements for State-Registered Advisers	26

Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means Edwards Capital, LLC d/b/a Flexpoint Ford, LLC, an Illinois limited liability company, together (where the context permits) with its affiliates that provide advisory services to and/or receive Management Fees from the Funds (as defined below). Such affiliates are under common control with Flexpoint Ford, LLC. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds, or may serve as general partners of the Funds.

The Adviser provides investment advisory services to investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). As of December 31, 2012, the Adviser serves as the investment manager for Flexpoint Fund, L.P. (“Fund I”) and Flexpoint Fund II, L.P. (“Fund II”) (together, the “Main Funds”) as well as to Flexpoint Fund II (Cayman), L.P., an Alternative Investment Vehicle (“Alternative Investment Vehicle”) (The Main Funds and Alternative Investment Vehicles are collectively referred to as the “Funds.”). The Alternative Investment Vehicle was organized to address specific tax, legal, business, accounting and regulatory-related matters. The Adviser may in the future advise Funds in addition to those listed herein.

The Funds make primarily long-term private equity and equity-related investments. Some of the investments in the Funds may be in public companies or in private companies that go public while owned by a particular Fund. In accordance with the Funds’ respective investment objectives, investments are generally made in companies doing business in financial services and healthcare industries. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. The Adviser may serve as the investment adviser or general partner to the Funds in order to provide such services.

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

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. The applicable general partner of each Fund retains investment discretion, and investors in the Funds do not participate in the control or management of the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund. The Funds or the Firm have entered into, and may enter into again in the future, side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing a Fund’s Advisory Agreement.

The sole member of Flexpoint Ford, LLC is Donald J. Edwards. Fund I is owned 4.4% by its general partner; Fund II and its respective Alternative Investment Vehicle is owned 2.6% by its respective general partner; the remaining interests are divided pro rata amongst Fund's limited partners according to each investor's capital commitment.

The Adviser has been in business since 2005. As of December 31, 2012, the Adviser manages a total of \$937,100,000 of client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from each Fund a management fee (each, a "Management Fee"). Generally, the Adviser charges each Fund an annual Management Fee of 2% based on each limited partner's committed capital. During the investment period, the annual Management Fee is based on the total capital commitments of such Fund's limited partners. Thereafter, the Management Fee is computed based on the lesser of each limited partner's commitment to each Fund and the respective Fund's net asset value.

In addition, the Adviser and its affiliates may perform management, advisory, transaction-related, financial advisory and other services ("Related Services") for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions. Although these fees are in addition to the Management Fees, the Adviser reduces the amount of Management Fees paid by the applicable Fund in connection with the receipt of such fees. If the Adviser receives any of these fees, management fees of the respective Fund are reduced by 100% of any such fees. The amount and manner of such reduction is set forth in the Advisory Agreement and/or organizational documents of the applicable Fund. Additionally, a portfolio company may reimburse the Adviser for expenses (including without limitation travel expenses, which may include expenses for chartered or first class travel) incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the sharing arrangements described above and below. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below.

The precise amount of, and the manner and calculation of, the Management Fees for each Fund are established by the Adviser, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund's Advisory Agreement, organizational documents and/or other documentation received by each investor prior to investment in such Fund. The fee structures described above may be modified from time to time; however, once the relevant Fund has been established and commenced operations, such compensation and expenses are generally not negotiable. Fees may differ from one Fund to another, as well as among investors in the same Fund. To date, fees have been the same for all investors.

Management Fees billed to and received from the Funds vary Fund by Fund and are payable on a semi-annual basis for the semi-annual period commencing on January 1 and July 1 of each year,

payable on January 15 and July 15 of each such year, in arrears with respect to the first fifteen days of such period and in advance for the remainder of such period.

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

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

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

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

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

A portion of the profits of each Fund is distributed to its general partner as "carried interest" (the "Carried Interest"). Each general partner of a Fund is a related person of the Adviser. The Carried Interest allocations are subject to specified minimum valuation tests, as well as claw-backs in the event that a Fund's general partner is paid in excess of its entitled carried interest distribution.

Each Fund's Carried Interest fee structure is described in detail in each Fund's Advisory Agreement, organizational documents and/or other documentation received by each investor prior to investment in such Fund. These performance fee arrangements have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

The payment by some Funds, but not all Funds, of Carried Interest may create an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Carried Interest, or allocate investment opportunities to such Funds. Generally, and except as may be

otherwise set forth in the organizational documents of the Funds, this conflict is mitigated by provisions restricting the Adviser and its principals, unless consented to by investors representing at least a majority of the aggregate commitments to the applicable Main Funds, from establishing a new investment fund with objectives substantially similar to those of the applicable Main Fund until the earlier of (i) the end of the Main Fund's investment period, (ii) such time as the applicable Main Fund is at least 75% invested or committed (including amounts reserved for follow-on investments and reasonably anticipated expenses of the applicable Main Fund, (iii) such time when a termination notice is delivered by investors holding at least a two-third interest of the aggregate commitments to the applicable Main Funds following a key person event and (iv) upon an early dissolution election by investors holding a majority of the aggregate commitments to the applicable Main Funds, upon certain triggering events.

The Alternative Investment Vehicle contains terms and conditions substantially similar to those of the applicable Main Fund (Fund II) and profits and losses of the Alternative Investment Vehicle are aggregated with those of the Main Fund (Fund II) for purposes of determining distributions by the Main Fund and the Alternative Investment Vehicle (except as may be advisable because of legal, regulatory or tax constraints). Additionally, the Adviser periodically reviews the time and services being devoted to the Funds to ensure that the necessary resources are being allocated to each Fund. Please also see Item 12 below regarding trade aggregation, as well as Item 11 below for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser provides investment advisory services directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Fund. Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally "qualified purchasers" as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

The Adviser does not have a minimum size for a Fund, but minimum investment commitments may be established for investors in the Funds. Historically, the Main Funds have had a \$1.0 million minimum commitment requirement. The general partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the offering documents of such Fund.

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

Methods of Analysis and Investment Strategies

Investment Strategy

The Adviser will apply the industry expertise of the principals of the firm (the "Principals") to identify and evaluate investment opportunities and to add value to its portfolio companies

following investment. The Funds make investments in a range of structures where the Principals will generally have influence over the target company's strategy and operations.

The Funds' investment activity remains focused on financial services and healthcare. The Funds will make both middle market investments and may take advantage of larger market investment opportunities. While the Principals expect a majority of the Funds' capital to be deployed in private equity control transactions, the Adviser seeks to invest in the best opportunities available, regardless of asset class.

Active Portfolio Company Management

The Adviser expects the majority of the Funds' investments to represent either majority ownership or to provide meaningful contractual rights. The Adviser generally seeks at least one board seat in each investment, with the Principals providing the appropriate degree of oversight.

While carefully protecting the contractual interests of the Funds, the Funds' professionals will also work to develop a relationship with portfolio company management based on trust and mutual respect.

Financial Services Strategy

The Adviser believes that opportunities in the financial services sector are broad, significant and ever-changing due to macroeconomic factors, regulation, consumer trends, and technological innovation. The Principals determine the relative attractiveness of sub-sectors within financial services. For example, at times in the economic cycle, bank assets can be attractively valued for investment, while at other times the Principals believe that banks, in general, offer only limited return opportunities. However, commercial lenders and specialized consumer lenders may not follow these same patterns. Similarly, insurance companies in different sectors experience "hard" and "soft" markets for their products that can dictate investment success.

Targeted areas for investment in financial services include commercial banks, commercial finance companies, specialized consumer lenders, insurance companies (including property/casualty, life, auto and reinsurance), asset managers, transaction processors, and other service providers to the financial services industry.

The Adviser intends to add value to the operations and subsequent investment returns of each portfolio company. Consistent with that core strategy, the majority of the investments will generally be in private companies or public companies where the Funds have a significant ownership interest.

The Principals believe there will be opportunities during various stages of development within financial services companies, including during: the growth and rollout of an existing strategy; a mature phase when maximizing cash flow; a period of industry consolidation; and a required turn-around. Across all stages, it will be an integral part of the Adviser's strategy to maintain pricing discipline relative to earnings and book value.

Healthcare Strategy

The Adviser views the healthcare investing opportunities in four categories: providers (e.g., hospitals, long term care facilities, clinical laboratories, home health); payors (i.e., managed care organizations focused either on a particular population or on a particular type of healthcare benefit); product companies (i.e., manufacturers and marketers of pharmaceuticals and medical devices); and services to the product companies (e.g., distribution, pharmacy, outsourced clinical research).

Many generalist investors shy away from companies that have significant government reimbursement. The Principals seek to find investment opportunities that take advantage of potential reimbursement increases while avoiding the pitfalls of investing in companies with declining reimbursement. The Adviser plans to continue its focus in these arenas on investments that it believes provide real value to the ultimate source of reimbursement, whether that source is the government, private enterprise or the consumer.

Investment Analysis

The Adviser takes a proactive and industry-focused approach to sourcing investment opportunities. By immersing themselves in an industry in advance of finding an investment opportunity, the Principals intend (a) to find or create proprietary investment opportunities; (b) to formulate, test and rework their investment theses for that industry; and (c) to build a knowledge base that will accelerate the same process in related industries.

After initial qualification of an investment idea or opportunity, the Adviser's professionals build a valuation and returns model and develop a preliminary investment thesis encompassing assessment of both the industry and the target company.

Following thesis development, due diligence on specific target companies will entail rigorous accounting and financial diligence, legal diligence, operational diligence, management assessment, and customer and supplier diligence. The Principals will use outside firms under their close supervision to assist in elements of accounting and legal diligence.

The Principals have a successful record of adding value to their investments by providing strategic guidance on a wide range of topics including business strategy, management structure, operational improvements, financial capitalization, strategic alliances, acquisitions and divestitures. The Adviser will also have the capability to operate certain portfolio company investments when appropriate. Consistent with its emphasis on capital preservation, the Adviser intends to devote substantial resources to monitoring and support activities across its entire portfolio. The Adviser will work closely with management on major strategic decisions, assist in company financings, and recruit senior management as appropriate.

The Principals have experience optimizing exit timing and value through a variety of vehicles including sales, recapitalizations, public offerings, and liquidation over time of public positions. The Principals believe that the Adviser's industry-focused approach gives it enhanced insight into optimal exit timing and, as applicable, into the dynamics affecting specific potential strategic acquirers that allow it to oversee a more successful sale process.

Risks

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

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

Business Risks

The Funds' investment portfolio will consist, in whole or in part, of securities issued by privately held companies, and operating results in a specified period may be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. The business of the Funds is to invest in securities and to use investment techniques that involve substantial risks. The prices of the Funds' investments are volatile and market movements are difficult to predict. In addition, the Funds are permitted to utilize leverage, sell short and use a variety of derivative instruments, including options, which may increase the risk of loss by the Funds. Also, the Funds may realize gains and losses at any time and in any amounts without regard to whether they are short-term or long-term. The actual results of the Funds may affect individual investors differently, depending upon their individual financial and tax situations.

Investment in Junior Securities

The securities in which the Funds will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

Concentration of Investments

The Funds will participate in a limited number of investments and generally will seek to make several investments in a limited number of industries or industry segments. As a result, each Fund's investment portfolio could become highly concentrated, and its aggregate return may be affected substantially by the performance of a few holdings. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

Leveraged Investments

The Funds may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast. During times when credit markets are tight, it may be

difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of their investments. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. In addition, this leverage could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Funds. Furthermore, should the credit markets be tight at the time the Funds determine that it is desirable to sell all or a part of a portfolio company, the Funds may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Funds will invest generally will not be rated by a credit rating agency.

Restricted Nature of Investment Positions

Generally, there may be no readily available market for a substantial number of the Funds' investments, and hence, most of the Funds' investments may be difficult to value. Certain investments may be distributed in kind to the Investors.

Reliance on Portfolio Company Management

Although the General Partner will monitor the performance of a Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis.

Projections

Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Need for Follow-On Investments

Following their initial investment in a given portfolio company, the Funds may decide to provide additional funds to such portfolio company or may have the opportunity to increase their investment in a successful portfolio company. There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by the Funds not to make follow-on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment or may result in a lost opportunity for the Funds to increase their participation in a successful operation.

Non-U.S. Investments

The Funds may invest in portfolio companies that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Funds) and the application of complex U.S. and foreign tax rules to cross border investments, possible imposition of foreign taxes on the Funds and/or the investors with respect to the Funds' income, and possible foreign tax return filing requirements for the Funds and/or the investors. Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Non-controlling Investments

The Funds anticipate that they will hold certain non-controlling interests in portfolio companies and, therefore, will have a limited ability to protect the Funds' position in such portfolio companies.

Director Liability

The Funds will often obtain the right to appoint a representative to the board of directors of the companies in which they invest. Serving on the board of directors of a portfolio company exposes the Funds' representatives, and ultimately the Funds, to potential liability. Although portfolio companies often have insurance to protect directors and officers from such liability, such insurance may not be obtained by all portfolio companies and may be insufficient if obtained.

Item 9. Disciplinary Information

Like other registered investment advisers, the Adviser is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of the Adviser or the integrity of the Adviser's management. No events have occurred at the Adviser that are applicable to this Item.

Item 10. Other Financial Industry Activities and Affiliations

The Adviser is not actively engaged in a business other than giving investment advice to its clients, the Funds, and managing the portfolio companies owned by the Funds. Neither the Adviser nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser, or associated person of the foregoing, and the Adviser does not anticipate such

affiliations in the future.

Except as discussed below, the Adviser has no arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships that are material to its advisory services, the Funds, or their investors.

Various limited partnerships serve as general partners of the Funds (the “General Partners”), and are affiliated entities of the Adviser. The sole member of the Adviser (and Managing Principal) is also the sole member of the general partner of the General Partners. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

The Adviser has and will continue to maintain and develop relationships with professionals that provide services it does not provide, including: legal, accounting, banking, tax preparation, insurance brokerage, and other services. None of these relationships create a material conflict of interest with any of the Advisers clients or its investors.

From time to time, the Adviser receives training, information, promotional material, meals, gifts or prize drawings from vendors and others with whom it may do business or to whom it may make referrals. At no time will the Adviser accept any benefits, gifts or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider.

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

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its members, officers and employees, as well as officers and employees of its affiliates and certain independent contractors that the Adviser has deemed to be Access Persons (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations.

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

A copy of the Code of Ethics is available to any client or prospective client upon written request to: Flexpoint Ford, LLC, Attention: Compliance Officer, 676 N. Michigan Avenue, Suite 3300, Chicago, IL 60611.

Participation or Interest in Client Transactions

Certain employees and affiliates of the Adviser may invest in and alongside the Funds through the General Partners. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

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

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction.

In connection with the Adviser’s management of the Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. In addition, the offering documents, limited partnership agreements or other organizational documents and related documents relating to the Funds generally contain additional restrictions on the ability of the Funds or the Adviser to engage in principal transactions.

Cross-Transactions

In certain cases, the Adviser may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its

affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment).

The Adviser and its affiliates may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Funds. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the Investment Allocation Requirements of the relevant Funds (e.g., the organizational documents of certain Funds and their associated parallel fund(s) may provide for the rebalancing of investments at certain times and at a cost set forth in those documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund and such parallel fund(s)), as discussed below. To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's Chief Compliance Officer, in consultation with the Adviser's management committee (initially comprised of Donald J. Edwards and Stephen H. Haworth, the "Management Committee"), will be responsible for confirming that the Adviser (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party, and (iii) obtains any required approvals of the transaction's terms and conditions. The Adviser will not directly or indirectly receive any commission or other transaction-based compensation for effecting any such transaction, and the Adviser will not effect any such transaction for any Fund where the Adviser may be deemed to own more than 25% of the Fund, unless such transaction complies with the requirements of the Adviser's principal transactions policy, as described above.

Conflicts of Interest

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

Resolution of Conflicts

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

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;

- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering and/or organizational documents for the Funds;
- (3) Generally, each Main Fund has established an advisory board consisting of representatives of investors not affiliated with the Adviser. The advisory boards meet as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and

Conflicts

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

Allocation of Investment Opportunities Among Clients

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

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

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

The Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”). Investment Allocation Requirements may be set forth in the instrument under which the Fund was established (such as a Fund’s limited partnership agreement or private placement memorandum), or in side letters. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

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

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

The Adviser will seek to make all allocations of investment opportunities among the Funds in a fair and equitable manner, and will not favor or disfavor, consistently or consciously, any Fund or class of Funds in relation to any other Funds. Further, the Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund.

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

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

Because Fund I is past its investment period, the Adviser currently does not face a conflict with regard to the allocation of investment opportunities among Funds.

Conflicts Related to Purchases and Sales

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Investment opportunities may be appropriate for Funds at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts may arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly in Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. In addition, a conflict may arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one client of the Adviser in a portfolio company may also raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser. Employees and related persons of the Adviser and its affiliates have made or may make capital investments in or alongside certain Funds, and therefore may have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

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

Management of the Funds

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

Conflicts Relating to the General Partner and the Adviser

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

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

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

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

Fee Structure

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

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

Related Services

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

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund and the investors as a whole, not the investment, tax or other objectives of any investor individually.

Business with Portfolio Companies and Investors

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

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

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

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

Positions with Portfolio Companies

Employees of the Adviser may serve as directors of portfolio companies. Such employees are generally not compensated for their director activities. As the Funds are generally significant shareholders of such companies in which the Funds invests, it is expected that the companies' interests will generally align with the directors', and thus, the Funds'; however, appropriate measures will be taken whereby such directors may recuse themselves in such circumstances from the decision-making process.

In addition, employees of the Adviser may leave the employment of the Adviser or its affiliates and become an officer or employee of a portfolio company. Employees are prohibited from receiving consulting, management or other fees personally from portfolio companies.

Side Letter Agreements

The Adviser, without any further act, approval or vote of any Fund or investor, may enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, and liquidity or transfer rights. The right of the Adviser to enter into such arrangements is disclosed to investors in a respective Fund's offering memorandum and other organizational documents of a Fund.

Other Potential Conflicts

The partnership agreements (or analogous organizational documents) of certain Funds permit the General Partner of each such Fund to cause such Fund to distribute such General Partner's share of securities resulting from an investment disposition by such Fund to such General Partner or its affiliates in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the General Partners and the limited partners of the applicable Fund because the General Partner may have an incentive to cause the Fund to exit an investment at a time that may result in limited partners receiving a lesser return on such investment than would be the case if the General Partner were prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as limited partners).

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

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

Personal Trading

The Code of Ethics also establishes guidelines for personal trading requirements, insider trading, reporting of personal securities transactions, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports (i.e. annual and quarterly reports of security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest) with the Adviser's Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Adviser has contracted with Compliance11, a compliance software system owned by Charles Schwab, to monitor personal trading by Adviser Personnel.

Item 12. Brokerage Practices

Selection of Brokers and Dealers

The Funds may periodically engage broker-dealers to perform various services for its clients and/or its portfolio companies, such as assisting in the purchase or sale of a portfolio company or assisting in the purchase or sale of shares of securities of a public portfolio company. For each of the Funds, the Adviser has, subject to the direction of such Fund's general partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution" of the

transaction except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services (as discussed below). “Best execution” means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

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

In order to monitor best execution, the Adviser’s Investment Team, in consultation with the Adviser’s Management Committee, will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

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

Aggregation of Trades

In pursuing the Funds’ investment objectives, the Adviser may cause on or more of the Funds to purchase and sell publicly traded securities through brokers. If the Adviser has determined to sell or purchase a publicly traded security at the same time for more than one Fund, the Adviser will generally place combined orders for all such Funds while assigning pre-order allocations. If an order for more than one Fund for a publicly traded security cannot be fully executed, the Adviser will allocate the investments in accordance with the Adviser’s policies.

Portfolio managers and traders often employ this practice because larger transactions can enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally aggregates trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction on a pro-rata basis. The share price distributed to each Fund is based on an average price of the past ten days of trading.

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

Item 13. Review of Accounts

Oversight and Monitoring

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

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the end of each fiscal year, as well as a semi-annual performance reports within 60 days after the first semi-annual period of each fiscal year. The Adviser and the applicable General Partner also semiannually distribute to underlying fund investors an investment memorandum of each portfolio investment and a capital account statement. All reports are sent to investors in writing and are delivered electronically.

Item 14. Client Referrals and Other Compensation

In connection with investments made by the Funds, the Adviser may receive commitment, structuring, monitoring and/or other transaction fees from portfolio companies in which one or more of the Funds may invest or propose to invest. The Adviser or such other persons may also receive management, monitoring or other fees from a portfolio company while a Fund continues to have an investment in such portfolio company. Any such fees received by the Adviser are rebated 100% against the relevant Fund. These types of arrangements present potential conflicts of interest discussed in Item 11 above and provide the Adviser with an incentive to recommend investments based on compensation received rather than the best interests of a Fund. To help mitigate this potential conflict, such benefits received by the Adviser or its employees in connection with services rendered to portfolio companies or transactions of a Fund offset in whole against (and therefore reduce) advisory fees payable by the relevant Fund, to the extent provided in and subject to certain exceptions described in each Fund's governing documents.

Item 15. Custody

By its ability to deduct performance fees from investor accounts, the Adviser is deemed to have custody over its clients' funds. The Funds are audited annually by Ernst & Young, and the Adviser delivers to the Funds and their limited partner investors a copy of the annual audited financial statements within 120 days of the fiscal year end.

The Adviser, however, does not take physical possession of client money or securities; called capital is directly sent or wired into the Adviser's custodial accounts. Each Fund uses a bank as custodian for limited partner cash accounts and a qualified custodian for all certificated securities. The Adviser receives monthly statements from its banks for capital account balances

and activity and quarterly statements from its qualified custodian for its security balance and activity.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Funds. The terms upon which the Adviser serves as an investment manager of a Fund are established at the time each vehicle is established and services are provided in accordance with the Advisory Agreements and/or organizational documents of the applicable vehicle. Investment restrictions for the Funds, if any, are generally established in the Advisory Agreements of the applicable vehicle.

Alternative Investment Vehicles are generally established in order to invest alongside or in the place of one or more Main Funds in a particular investment opportunity or opportunities, and the Adviser has limited discretion to invest the assets of the Alternative Investment Vehicles independent of the limitations as set forth in the organizational documents of the Alternative Investment Vehicle and applicable Main Fund.

To become a limited partner in a Fund, an investor must execute a subscription agreement which includes a power of attorney applicable to the execution of a limited partnership agreement with such Fund. The Adviser is not permitted to transact any business with a limited partner until the limited partner executes the subscription agreement. An investor in a Fund may impose limitations on the Adviser's authority through a side letter agreement (as discussed in Item 11 above) and the Adviser may choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon a limited partner's account must be presented to the Adviser in writing and agreed to by all parties. No limited partners to date have limited the Adviser's discretion to provide investment advice, nor have any limited partners limited the Adviser's ability to invest in specific company sectors or otherwise.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures pursuant to SEC Rule 206(4)-6 setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds ("Votes"). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund's holdings, taking into account the relevant Fund's investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser's general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser's Chief Financial Officer (the "CFO") or the relevant Adviser investment professional, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the

circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Funds generally cannot direct the Adviser's Vote.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: Flexpoint Ford, LLC, Attention: Compliance Officer, 676 N. Michigan Avenue, Suite 3300, Chicago, IL 60611.

Item 18. Financial Information

Registered investment advisers are required in this Item to provide certain financial information or disclosures about the Adviser's financial condition. The Adviser 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.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.