

Item 1. Cover Page

BV Investment Partners, LLC

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Part 2A of Form ADV: Firm Brochure
March 15, 2013

This brochure provides information about the qualifications and business practices of BV Investment Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 617-350-1595. 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 BV Investment Partners, 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

We have updated the ADV to remove references to Feeder Vehicles, as they have been liquidated. Otherwise, there are no material changes.

Item 3. Table of Contents

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means BV Investment Partners, LLC, a Delaware limited liability company, together (where the context permits) with its affiliates that provide advisory services to and/or receive advisory fees from the Funds (as defined below). Such affiliates may or may not be under common control with BV Investment Partners, LLC, but possess a substantial identity of personnel and/or equity owners with BV Investment Partners, LLC. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds (as defined below), or may serve as general partners of the Funds.

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

The Funds make primarily long-term private equity and equity-related investments, as well as investments in debt instruments. In accordance with the Funds’ respective investment objectives, investments are generally made in companies doing business in the business and information services, communications and media sectors. 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, separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”) and side letters with an investor in a Fund (together, “Governing Documents”).

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. Services are provided to the Funds in accordance with the Governing Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Governing Documents or offering documents of the applicable Fund.

The Adviser has been in business since 1983. As of December 31, 2012, the Adviser manages a total of \$867,638,074 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 such Fund an advisory fee (each, an “Advisory Fee”). Advisory Fees paid by a Fund are indirectly borne by any investors in such Fund, including any Funds that invest in such Fund.

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 finders fees, fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions. These fees may be substantial. Although these fees are in addition to the Advisory Fees, the Adviser will in some circumstances reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such fees. The amount and manner of such reduction is set forth in the Advisory Agreement and/or other Governing 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 first class travel) incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements may not be subject to the sharing arrangements described above, depending upon the specific Fund documents. 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 Advisory 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 Governing Documents. The Advisory Fees and other fees and distributions described above are generally subject to waiver or reduction by the Adviser in its sole discretion. The fee structures described above may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

From time to time, the Adviser may (in its sole discretion), agree to pay a portion of a transaction or other fee received from an actual or prospective portfolio company to a third party ("Third Party Fee"), such as a consultant, advisor, finder, broker and/or investment bank. In such event, the Third Party Fee is not a fee that the Adviser is entitled to retain and therefore, the Adviser is not required under the terms of the applicable organizational documents to share such Third Party Fee with the Funds.

Advisory Fees are payable quarterly in advance.

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

The Advisory Fees paid by a Fund will generally be reduced by the amount of fees paid by such Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Fund to certain potential investors, as well as by fees incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund's Governing Documents. In addition, the Adviser may waive or reduce all or a portion of the Advisory Fee paid by a Fund in full or partial satisfaction of any obligation of the Adviser and certain employees and affiliates of the Adviser to invest in such Fund.

To the extent provided in the Governing Documents of the Funds, the Adviser will pay out of Advisory Fees certain operating expenses, including expenses on account of rent, utilities, insurance (other than premiums for insurance covering indemnified parties), office supplies,

office equipment, travel, compensation of its officers, directors 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. Consistent with the Governing Documents of the Funds, each Fund will bear expenses relating to it to the extent not borne by its portfolio companies, including legal, accounting, audit, investment banking, consulting, reporting, research, due diligence, brokerage, finders', custody, transfer, registration, advisory board, indemnified parties' insurance, interest, taxes and extraordinary expenses, such Fund's allocable share of expenses and fees generated in the course of evaluating potential investments, including investments which are not consummated, such Fund's allocable share of expenses and fees incurred in the course of making investments and other similar fees and expenses.

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, if any, as "carried interest" (the "Carried Interest"). Each general partner of a Fund is a related person of the Adviser. The payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Fund) may create an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the Governing Documents of the Funds, this conflict is mitigated by (i) certain limitations on the ability of the Adviser to establish new investment funds, (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously and/or (iii) contractual provisions and procedures setting forth investment allocation requirements.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally "qualified purchasers" as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, 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. 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

BV will seek to:

- Undertake a systematic assessment of market, demographic, technological and regulatory trends to determine industry transformations and dislocations that lead to compelling investment opportunities;
- Partner with capable management teams to drive strategic, operational and financial initiatives that enhance the enterprise value of the Adviser's portfolio companies;
- Dedicate a team of complementary investment professionals to provide guidance and resources to portfolio companies;
- Utilize the Adviser's deep network of relationships to assist portfolio companies by attracting management talent, making commercial and strategic introductions and obtaining advantageous financing;
- Apply appropriate levels of leverage to portfolio companies to enhance enterprise value creation while generating attractive financial returns with reasonable risk;
- Create and evaluate multiple liquidity alternatives in an effort to achieve advantageous exit valuations; and
- Actively manage the portfolio of investments to ensure a balanced weighting among the Adviser's targeted industries.

Investment Analysis and Selection

Once an investment opportunity has been identified, an investment team of at least one senior investment professional and up to three other investment professionals is assembled based on the nature of the opportunity and the capabilities and expertise that are required. Initially, the deal team develops an in-depth understanding of the target company and its market position. Key areas of focus include sustainable industry growth, the target company's market position, and management capabilities. The Adviser's extensive network enables these tasks to be completed quickly and effectively. The team then recommends whether to proceed with or decline the opportunity.

If the Adviser decides to proceed, the investment team conducts further analysis, focusing on a number of considerations, which generally include the following: (i) investment size and structure, (ii) detailed target market analysis, (iii) business model, (iv) management team, (v) competitive position, (vi) exit opportunities and (vii) probable range of returns. The investment

team then presents its findings in writing to the entire investment staff at the weekly investment meeting for a final decision.

Throughout the process, the investment team conducts diligence to assess relevant factors, including personnel base, and to gain a more thorough understanding of the company's products, systems and operations. The Adviser typically conducts comprehensive reference checks on management and completes interviews with certain of the target company's customers. The Adviser may involve outside resources to supplement its internal analysis of highly specialized areas.

Management of Portfolio Investments

The Adviser maintains a constant focus on its investments by actively engaging with its portfolio companies. Generally, the Adviser has board representation with each portfolio company and seeks to offer active support by:

- Defining strategic direction and establishing financial guidelines that measure execution and results;
- Identifying and recruiting key additions to management and the board of directors;
- Providing key operational and functional insights;
- Leveraging its network of contacts and relationships to provide portfolio companies with commercial opportunities and heightened visibility with prospective industry partners;
- Sourcing and structuring potential follow-on acquisitions; and
- Accessing additional capital on favorable terms.

The Adviser seeks to improve portfolio company results through various strategic, operational and financial contributions. The Adviser believes operating improvements will continue to offer the greatest impact on terminal valuations of investments. While initial post-closing efforts may be focused on ensuring stability and predictability at new portfolio companies, the Adviser ultimately becomes very engaged in growth initiatives, be it through organic means or acquisitions. Through these combined activities, the Adviser maintains the in-depth knowledge of portfolio companies required to regularly assess progress and cultivate favorable exit outcomes.

Exit Strategy

The Adviser's goal is to optimize the exit value of portfolio companies through an outright sale to a strategic buyer or financial sponsor, merger or public offering. From the time of investment until exit, the Adviser regularly monitors each portfolio company for operational and financial progress. The Adviser continuously assesses market conditions to determine the optimal timing and valuation for each portfolio company. Concurrently, the Adviser proactively cultivates ongoing relationships with leading intermediaries and financial sponsors to identify the best potential exit strategy. For example, the Adviser has exited several of its portfolio companies by selling to larger private equity funds.

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:

Recent Developments. General fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced since 2008, may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present and it may well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Leveraged Nature of Investments. While investments in highly leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. A Fund's portfolio companies may involve high degrees of leverage, as a result of which recessions, operating problems, and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Also, increased interest rates generally increase portfolio company interest expenses. In the event any such portfolio company cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company. A Fund may also guaranty the obligations of its portfolio companies. If a portfolio company defaults on its obligations, such Fund may be required to satisfy such obligation.

Highly Competitive Market for Investments. The business of identifying and structuring transactions of the nature contemplated by the Fund is highly competitive. The Fund will be competing for investments with other private equity investment vehicles as well as other institutional investors. The size and number of private equity investment vehicles has grown

dramatically in recent years, and it is likely that these trends will continue in the future. There can be no assurance that the Fund will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve a superior rate of return, or fully invest its committed capital.

Concentration of Investments. A Fund's investments will be concentrated primarily in the business and information services, communications, and media sectors. Such concentration may involve risks greater than those generally associated with more diversified funds, including significant fluctuations in returns. The business and information, communications and media sectors are challenged by factors including, but not limited to, substantial competition in maintaining and growing customer and subscriber bases, the reliance on affiliation agreements with other entities, the need to develop compelling products and services, the reliance on advertising revenues, consolidation, and the threat of technological innovations or developments that reduce the usefulness of or render obsolete other technologies. A Fund's portfolio companies will compete in this volatile environment. Instability, fluctuation or an overall decline within the business and information, communications and media sectors will likely not be balanced by investments in other industries not so affected. In the event that the overall business and information, communications and/or media sectors decline, returns to Limited Partners may decrease. In addition, regulation, including but not limited to regulation by the Federal Communication Commission, can dramatically affect the business environment faced by new, emerging, and established businesses in the media and communications sector. Regulatory actions could have a material adverse effect on a market or a company in which a Fund may have invested and could cause a Fund to incur a substantial or total loss of its investment.

Financial Market Fluctuations. General fluctuations in the market prices of securities may affect the value of the investments held by the Fund. Instability in the securities markets may also increase the risks inherent in the Fund's investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Time Required to Maturity of Investment. It is anticipated there will be a significant period of time (up to five years or more) before the Fund has completed its investments in portfolio companies. Such investments may typically take from three (3) to ten (10) years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Transaction structures typically will not provide for liquidity of the Fund's investment prior to that time. In light of the foregoing, it is likely that no significant return from the disposition of the Fund's investments will occur for a significant period of time from the Initial Closing Date.

Illiquidity of Fund's Portfolio Investments. It is anticipated that all or a substantial portion of the Fund's investments will consist of securities that are subject to restrictions on sale by the Fund because they were acquired from the issuer in "private placement" transactions or because the Fund is deemed to be an affiliate of the issuer. Generally, the Fund will not be able to sell these securities publicly without the expense and time required to register the securities under the Securities Act of 1933, as amended (the "Securities Act"), or will be able to sell the securities only under Rule 144 or other rules under the Securities Act which permit only limited sales under specified conditions. When restricted securities are sold to the public, the Fund may be

deemed an “underwriter,” or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under that Act.

In addition, practical limitations may inhibit the Fund’s ability to liquidate certain of its investments in the portfolio companies since the issuer will be privately held and the Fund will own a relatively large percentage of the issuer’s equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The above limitations on liquidity of the Fund’s investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Adverse Consequences of Ownership of Controlling Interests in Portfolio Companies. It is expected that a Fund will often own a controlling percentage of the common equity of portfolio companies which, depending upon the amount of equity owned by a Fund, contractual arrangements between the company and a Fund, and other relevant factual circumstances could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to a Fund. In addition, because of its equity ownership, representation on the Board of Directors and/or contractual rights, a Fund may often be thought to control, participate in the management of or influence the conduct of portfolio companies. This could expose the assets of a Fund to claims by a portfolio company, its other security holders, its creditors or governmental agencies.

Special Risks Associated with Offshore Investments. A Fund may invest a portion of its capital commitments in portfolio companies that are headquartered and that have their principal operations outside North America. These investments involve special risks not typically associated with investments in the securities of U.S. issuers, including: (a) economic and political factors, such as the risk of expropriation, restrictions on repatriation of profits, and political and social instability; (b) differences between U.S. and foreign securities markets, including the absence of uniform accounting, auditing, and financial reporting standards in foreign markets, the relatively greater price volatility and illiquidity of foreign securities markets; (c) currency exchange risks, including the cost of converting investment cash flows from one currency into another and the possibility of fluctuations in exchange rates; (d) tax-related issues, including the possibility of withholding or other taxes including on dividends, interest payments or capital gains, confiscatory foreign taxes, and the possibility of double taxation of income earned overseas; and (e) increased exposure to liabilities arising from a portfolio company’s breach of applicable anti-corruption or other foreign laws or regulations.

Investments in Pass-Through Entities. As more and more businesses are organized as limited liability companies, it is likely that the Fund’s investment portfolio may include one or more such entities, which are treated as “pass-through entities” for U.S. federal income tax purposes. The Fund will use commercially reasonable efforts to the extent not inconsistent with its investment objectives to avoid making investments in pass-through entities. The Fund’s investment in an entity which is treated as a pass-through entity could result in: (a) the generation of taxable income for the Fund and its Partners, even though they will not necessarily receive the cash flow related to such taxable income, (b) the generation of additional unrelated business taxable income for tax-exempt investors that invest directly in the Fund, and (c) the treatment of the Fund (and therefore its Partners, including Partners that are domiciled outside the United

States that invest directly in the Fund) as being engaged in the conduct of a United States trade or business.

Item 9. Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

Various limited liabilities companies (the “General Partners”) serve as general partners of the Funds. The Adviser is owned by the Managing Directors who control one or more of the General Partner entities. The owners of the Adviser may change over time as new Funds are raised. When a Managing Director retires or otherwise leaves employment with the Adviser they may or may not resign their role as Managing Director of the General Partner of one or more Funds. 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.

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 (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 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 with the Adviser’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

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

A copy of the Code of Ethics is available to any client or prospective client upon written request to: BV Investment Partners, LLC, Attention Chief Compliance Officer, 125 High Street, 17th Flr HST, Boston MA 02110.

Participation or Interest in Client Transactions

Certain employees and affiliates of the Adviser may invest in the Funds, either through the General Partners, as direct investors in the Funds or otherwise. These persons invest on the same terms as all other investors. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Conflicts of Interest

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of 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 with the conflict. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering documents and/or Governing Documents for the Funds;
- Generally, each Fund has established an advisory committee, consisting of representatives of investors not affiliated with the Adviser. The advisory committees 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;
- 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
- Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

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 and Allocation of Co-Investment Opportunities

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 Funds, which may include 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);
- Individuals and entities that are also investors in one or more Funds (“Adviser Investors”) and/or individuals and entities that are not investors in any Funds (“Third Parties”) 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 its clients 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 Governing 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.

Once the Funds that will participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Adviser may consider some or all of a wide range of factors, which may include, but are not necessarily limited to, the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing;
- Each Fund's liquidity and reserves;
- Each Fund's diversification;
- Lender covenants and other limitations;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment;
- Each Fund's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment;
- Composition of each Fund's portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual or regulatory constraints; and

- Any other relevant limitations imposed by or conditions set forth in the applicable offering documents and Governing Documents of each Fund.

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, (ii) the profitability of any Fund or (iii) any person's interest in offering or participating in co-investment opportunities outside of any Fund.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Adviser or its related persons, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons, and (iv) certain persons other than investors in the Funds (e.g., Third Parties) may be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons.

In exercising its discretion to allocate co-investment opportunities among the Funds and other persons, the Adviser may consider some or all of a wide range of factors, which may include, but are not limited to, the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns the Adviser may have that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-

investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and

- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds.

The Adviser's exercise of its discretion in allocating investment opportunities among the persons, including the Funds, Adviser Investors and Third Parties, and in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Governing Documents, the Adviser may consider the factors listed above in exercising such discretion. Subject to any restrictions in the Governing Documents of the applicable Fund, the Adviser or its related persons may be asked to identify a limited number of Adviser Investors or Third Parties to potentially acquire the interest being transferred.

The appropriate allocation between Funds, Adviser Investors and Third Parties of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion, consistent with the Governing Documents of the Funds as applicable. There may be occasions when one Fund (the "Payor Fund") pays an expense common to multiple funds (the "Allocated Funds") (e.g., legal expenses for a transaction in which all such funds participate). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. While highly unlikely, it is possible that one of the Allocated Funds could default on its obligation to reimburse the Payor 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.

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. Certain clients of the Adviser and its affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of such Fund may be in conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. 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.

Cross-Transactions

Although not currently anticipated by the Adviser, 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 Governing 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)). To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's Managing Directors 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, which may include approval of the relevant Fund's Advisory Board. 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 below.

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. Although not currently anticipated by the Adviser, 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.

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 and Allocation of Co-Investment Opportunities*” 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.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the General Partner and 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 Advisory Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure may create an incentive to deploy capital when the Adviser may not otherwise have done so.

Additionally, as discussed above in Item 6, the General Partners of the 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 Advisory Fees or Carried Interest paid by the Funds to the Adviser. Consistent with the Funds' Governing Documents, the Adviser may incur expenses, and a portfolio company may reimburse the Adviser for expenses (including without limitation travel expenses, which may include expenses for first class travel) incurred by the Adviser in connection with its performance of services for such portfolio company. Such reimbursements are not subject to the sharing arrangements described above. This creates a conflict of interest between the Adviser and its affiliates and the Funds and their investors because the amounts of these fees and reimbursements may be substantial and the Funds and their investors generally do not have an interest in these fees and reimbursements. 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 in some circumstances reduce the amount of Advisory 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 other Governing 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, 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, certain Third Parties, 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.

Portfolio companies controlled by a Fund may provide services to certain Fund investors. The Adviser may have an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

The Advisers and/or its affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company).

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

Positions with Portfolio Companies

Employees of the Adviser may serve as directors of portfolio companies. Advisory Fees received by the Adviser are generally reduced by the amount of any remuneration they may receive. 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.

Side Letter Agreements

The Adviser 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 information rights, distributions, and transfer rights.

Other Potential Conflicts

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds may engage other common service providers. In such circumstances, there may be a conflict of interest between the Adviser and the Funds in determining whether to engage such service providers, including the possibility that the Adviser may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds.

The Adviser may, in its discretion, have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the

engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The partnership agreements (or analogous organizational documents) of certain Funds permit each such Fund's General Partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The General Partner may elect to withhold certain information to such limited partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

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

Other Risk Factors. A Managing Director of the Adviser controls a company (the "Company") that makes investments in various businesses (primarily venture capital investments). This relationship could create a conflict of interest between this Managing Director and the Funds. However, this conflict is mitigated by the following factors: (i) the Company generally invests in transactions that are outside of the investment parameters of the Funds; (ii) the Managing Director is only involved in the provision of investment advice to one Fund, and that Fund has terminated its active investment period and is not making new investments (while portfolio companies of that Fund might make add-on acquisitions, it is highly unlikely that businesses in which the Company invests would be appropriate for such an add-on acquisition); (iii) the Managing Director receives investment advisory materials only with respect to the portfolio companies and operations of the Fund that he advises; and (iv) all investments made by the Company are pre-cleared by the Adviser to monitor for any conflicts of interest.

Other Risk Factors. A Managing Director of the Adviser works in a consultative role at a company (the "Company") that makes investments in various businesses (larger private equity investments). This relationship could create a conflict of interest between this Managing Director and the Funds. However, this conflict is mitigated by the following factors: (i) the Company generally invests in transactions that are outside of the investment parameters of the Funds; (ii) the Managing Director has no investment discretion at the Company; (iii) the Managing Director is actively involved in the provision of investment advice to two Funds, both of which have terminated their active investment period and are not making new investments (while portfolio companies of that Fund might make add-on acquisitions, it is highly unlikely that businesses in which the Company invests would be appropriate for such an add-on acquisition); (iv) the Managing Director's involvement and access to information in other Funds is limited; and (v) all investments made by the Company are pre-cleared by the Adviser to monitor for any conflicts of interest.

Item 12. Brokerage Practices

As Funds invest primarily in private equity ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments

pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, as proceeds from the sale of a portfolio company, etc.). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

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 Chief Financial Officer and applicable Managing Directors take 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 Chief Financial Officer, in consultation with the Adviser's applicable Managing Director, will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

To the extent consistent with achieving best execution, the Adviser may also consider other business a particular broker or dealer may have done with the Adviser, such as identifying investment opportunities, performing investment banking services and providing services to the Adviser's principals. The Adviser may "pay up" (e.g., pay a higher commission to execute a trade than the lowest available negotiated commission) using a portion of a broker-dealer's brokerage commission (i.e., soft dollars) for brokerage and research services in accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended. A broker-dealer providing such brokerage and research services may receive a commission that is in excess of the amount of commission another broker-dealer would have received for effecting that transaction provided the Adviser determines in good faith that such commission was reasonable in relation to the value of the research and brokerage services provided by the broker-dealer. Any such research service may be broadly useful and of value to the Adviser in rendering investment advice to all

or a significant portion of the Funds, or may be relevant and useful for the management of one or only a few Funds' accounts, regardless of whether such account or accounts paid commissions to the broker-dealer through which the research service was provided. The Adviser will only make securities transactions that it in good faith believes are in the best interest of the Fund. A conflict of interest exists when a broker-dealer provides such research services, however, as the Adviser will have an incentive to favor such broker-dealer over others that may charge lower commissions.

Aggregation of Trades

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions can enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. 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.

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 generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed quarterly during a designated Partners meeting. The investment team presents to the Partner Meeting Participants and answers questions. In addition, quarterly the Valuation Committee reviews the valuations of each investment.

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund following the fiscal year end of such Fund, as well as quarterly performance reports following each fiscal quarter end. The Adviser and the applicable General Partner, if any, may from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds.

While not a client solicitation arrangement, the Adviser may from time to time engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Such Fund may, subject to any limitations set forth in its partnership agreement or other Governing Documents, reimburse such fees. Advisory Fees received by the Adviser are generally reduced by the amount of such fees.

Item 15. Custody

Item 15 is not applicable to the Adviser.

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. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or other Governing Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Governing Documents or offering documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures 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 Compliance Officer (the “CCO”), Managing Partner 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.

All Voting decisions initially are referred to the Adviser's Managing Directors or appropriate investment professional for a voting decision. In most cases, the Adviser's Managing Directors will make the decision as to the appropriate vote for any particular Vote. In making such decision, he or she may rely on any of the information and/or research available to him or her. If the investment professional is making the Voting decision, the investment professional will inform the CCO of any such Voting decision, and if the CCO does not object to such decision as a result of his or her conflict of interest review, the Vote will be voted in such manner. If the investment professional and the CCO are unable to arrive at an agreement as to how to vote, then the CCO may consult with the Adviser's Managing Partner as to the appropriate vote, who will then review the issues and arrive at a decision based on the overriding principle of seeking the maximization of the economic value of the relevant Funds' holdings.

The Adviser's CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All Voting decisions will require a mandatory conflicts of interest review by the Adviser's CCO in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote and/or the Adviser's affiliates and their clients has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser's CCO will use his or her best judgment, in consultation with the Managing Directors, to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the Adviser's CCO deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the Adviser's CCO shall have the power to retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: BV Investment Partners, LLC, Chief Compliance Officer, 125 High Street, 17th Floor HST, Boston MA 02110

Item 18. Financial Information

Item 18 is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.