

Form ADV Part 2A: *Brochure*

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This document (the “*Brochure*”) provides information about the qualifications and business practices of Three Cities Research, Inc. (“*Three Cities*” or the “*Firm*”). If you have any questions about the contents of this Brochure, please contact us at (212) 838-9660 or info@tcr-ny.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Though Three Cities is a “registered investment adviser,” this statement does not imply a certain level of skill or training.

March 22, 2013

Item 2: Material Changes

This Brochure, dated March 2013, is a new document prepared by Three Cities in accordance with the SEC's new requirements and rules pertaining to Form ADV as established on July 28, 2010.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide investors with a summary of such changes. It will also reference the date of the last annual update of the Brochure.

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Item 4: Advisory Business

Three Cities is an investment adviser whose clients are private pooled investment vehicles (each, a “*Client*” or “*Fund*” and collectively the “*Clients*” or “*Funds*”) offered exclusively to “accredited investors” and “qualified purchasers” as those terms are defined in the relevant securities laws. Generally, the Funds’ investors are high net worth individuals or institutions.

Three Cities was formed in 1972. Its principal owners are Willem de Vogel and J. William Uhrig.

Three Cities provides discretionary advisory services that generally seek to generate capital appreciation by making privately negotiated investments in privately owned companies. All of Three Cities’ current Clients are in “wind-down,” which means that Three Cities is not making new investments on behalf of clients and is only disposing of existing investments. Three Cities does not intend to advise any additional Clients.

Three Cities will attempt to dispose of each of its investments in such a way as to maximize value for each Client. Three Cities does not tailor its services to the specific needs of the individual investors in each of its Funds. The scope of the Funds’ investments was limited by the investment strategies of the applicable Funds, as set forth in their respective limited partnership agreements, offering memoranda and investment advisory agreements (collectively, their “governing documents”).

Three Cities does not participate in wrap fee programs.

As of December 31, 2012, Three Cities manages approximately \$105 million of Client assets on a discretionary basis.

Item 5: Fees and Compensation

Employees of Three Cities are compensated for advisory services by a fee based on its aggregate assets under management (the “*Management Fee*”) and by a share of capital appreciation (“*Carried Interest*”). This compensation is negotiated separately for each Fund during the organization and subsequently of that Fund.

Each of Three Cities’ investors is a “qualified purchaser” as defined in the Investment Company Act, which generally means that each investor satisfies certain standards of net worth and/or knowledge about Three Cities’ business and investments (e.g., executives of Three Cities).

Three Cities’ Clients will pay all expenses related to their own operations. These may include, but are not necessarily limited to, expenses related to the sale of investments; broken deal expenses; expenses of custodians, outside counsel and accountants; Fund administrators; any insurance or litigation expenses; and any taxes, fees or other governmental charges levied against the Fund.

To the extent that Three Cities’ Clients may incur brokerage fees or other transaction costs, such costs will be borne by the respective Client. Please see Item 12 for further information regarding Three Cities’s brokerage procedures.

The Management Fee is deducted when applicable from the accounts of Three Cities' Clients quarterly in advance. In the extremely unlikely event that an advisory contract is terminated before the end of a billing period, Three Cities will refund the overpayment of the Management Fee *pro rata*.

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

Three Cities employee's typically receives carried interest as compensation for advisory services. Carried interest is a performance-based fee allocated as a share of capital appreciation of its Clients' assets. Three Cities only receives carried interest after investors have realized a return of 8% per year on their investment. The carried interest may create an incentive for Three Cities to make riskier or more speculative investments on behalf of the Funds than Three Cities may make otherwise. Three Cities accepts Carried Interest at comparable rates from each of its Clients.

Item 7: Types of Clients

Three Cities provides investment advice to pooled investment vehicles that are exempt from registration under the Investment Company Act. Investors in the Funds may include high net worth individuals and institutions, pension plans, endowments and other "qualified purchasers," as such term is defined in the Investment Company Act.

Historically, the minimum initial investment in a Fund has been \$10 million. The Funds are not accepting new investors and do not intend to accept new investors in the future.

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

Three Cities is no longer making new investments on behalf of the Funds. As such, the methods of analysis and investment strategies of Three Cities are focused on making profitable operating improvements to its portfolio companies and realizing the investments as favorably as possible for Clients.

Many of Three Cities' investment professionals have extensive expertise in effecting operating improvements and seek to leverage this experience to effect similar improvements in portfolio companies. The investment professionals will utilize their industry experience or technical knowledge to make specific suggestions to the Funds' remaining portfolio companies.

Three Cities is also focused on realizing the Funds' remaining investments as profitably as possible for clients. Three Cities may utilize a third party, such as an investment bank, to locate interested buyers for some investments. In other cases, Three Cities may use its knowledge of the private equity industry and the industries in which its portfolio companies compete to locate potential buyers for the Funds' portfolio companies.

Three Cities' investment program entails a significant degree of risk. For a more complete list of all risks pertaining to investments in the Funds, consult the Funds' respective offering memoranda.

Illiquidity of Investments

Most of Three Cities' investments are highly illiquid, and there can be no assurance that Three Cities will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization of such investments. Consequently, the disposition of Three Cities' remaining investments may require a lengthy time period.

Operating and Financial Risks of Portfolio Companies

Portfolio companies in which the Funds invest could deteriorate as a result of, among other factors, an adverse development in their business, a change in their competitive environment, or an economic downturn. As a result, portfolio companies which the Firm expected to be stable or profitable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of the Firm's investment strategy will depend, in part, on the ability of the Firm to effect improvements in the operations of a portfolio company and/or recapitalize its balance sheet. The activity of identifying and implementing operating improvements and/or recapitalization programs at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Firm will be able to successfully identify and implement such operating improvements and/or recapitalization programs.

Dependence on Key Personnel

Three Cities' investment professionals are under no contractual obligation to remain with Three Cities. The loss of one or more of these individuals could have a material adverse effect on its ability to manage and dispose of portfolio investments. The ability of Three Cities to successfully carry on these activities is dependent on the skill and experience of its investment professionals. There can be no assurance that Three Cities will successfully implement operating improvements or realize investments profitably.

Risk Arising From Provision of Managerial Assistance and Control

Three Cities will typically designate directors (and non-executive chairmen) to serve on the boards of directors of portfolio companies or as officers at those companies. The designation of directors, officers and other measures contemplated could expose Client assets to claims by a portfolio company, its security holders and its creditors. While Three Cities will attempt to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Restrictions on Transfer

Interests in the Funds will not be registered under the Securities Act or any state securities laws or the laws of any other jurisdiction and may not be transferred unless registered under applicable federal, state or other jurisdiction securities laws or unless an exemption from such laws is available. The Funds have no plans and are under no obligation to register the interests in the Funds under the Securities Act. No market exists for the interests in the Funds and none is expected to develop. Further, approval of a

transfer from the general partner of the applicable Fund is required before any transfer may occur (although such approval may not be unreasonably withheld).

The types of securities Three Cities has recommended investments in for the Funds entail a substantial amount of risk. Some material risks regarding the private equity investments made by the Funds are provided below. For a more complete rendering of all risk factors, please refer to the applicable Fund's offering memorandum and limited partnership agreement.

A substantial portion of the Funds' investments will be in equity or equity-related investments which by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant profit, they also involve a high degree of risk that can result in substantial losses. There can be no assurance that the Firm will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices and market movements of the Funds' investments may be volatile and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Funds' activities and the value of the Funds' investments. As a result, the Funds' performance over a particular period may not necessarily be indicative of the results that may be expected in future periods. There can also be no assurance that the returns on the Funds' investments will be commensurate with the risk of investment in the Fund.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a Client's or investor's evaluation of Three Cities' advisory business or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

Neither Three Cities nor any management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Three Cities nor any management person is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of any of the foregoing entities.

Three Cities does not have any relationship or arrangement with any other financial company that is material to its advisory business.

Three Cities does not recommend or select other investment advisers for Clients.

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

As an investment adviser, Three Cities stands in a position of trust and confidence with respect to its Clients. Three Cities has a fiduciary duty to place the interests of the Funds before the interest of the Firm and the Firm's employees. All of the Firm's personnel must put the interests of the Firm's Clients before their own personal interests and must act honestly and fairly in dealings with the Firm's Clients. All of the Firm's personnel must also comply with all federal and other applicable securities laws.

As part of the Firm's Code of Ethics, Three Cities has adopted a personal trading policy requiring all personnel to disclose all holdings in personal accounts and all personal securities transactions in a timely manner. The Firm also maintains a "Restricted List" of companies about which a determination has been made that it is prudent to restrict trading activity by the Firm and/or its personnel. Generally, an employee may not trade securities of an issuer included on the Restricted List; however, exceptions may be granted under certain circumstances. Three Cities may also require employees to pre-clear transactions in the securities of certain issuers that are not on the restricted list, as determined by the Firm from time to time.

Three Cities' Code of Ethics also contains policies regarding the control of non-public information, gifts and entertainment with business associates, and political contributions. Three Cities' Code of Ethics is designed to promote the ethical behavior of all of the Firm's personnel and to ensure compliance with applicable regulation and best practices. Three Cities will provide a copy of its Code of Ethics to any Clients or prospective Client upon request.

Three Cities does not buy investments on behalf of the Funds from proprietary accounts, or sell investments from the Funds to proprietary accounts.

Three Cities will have an interest in investments made by the Funds insofar as Three Cities' employees are themselves invested in the Funds. Three Cities believes that this investment properly aligns the interests of its investment professionals and Clients.

Three Cities does not recommend securities to Clients, or buy or sell securities for Client accounts, at or about the same time that Three Cities or a related person buys or sells the same securities for its own (or the related person's) account.

Item 12: Brokerage Practices

Due to the nature of Three Cities' investment strategy, the Firm expects substantially all of its investments to be privately negotiated directly with its portfolio companies or with their acquirers. As such, the Firm does not anticipate utilizing brokers or dealers regularly. In rare cases where the Firm determines to utilize a broker or a dealer to transact on behalf of Clients, Three Cities shall evaluate such broker or dealer based on a range of factors, including without limitation commission price, willingness to commit capital, ability to execute the desired transaction, and other factors.

Item 13: Review of Accounts

Three Cities' investment professionals are responsible for reviewing Client holdings on an ongoing basis to determine if there have been any significant changes to any investments. Three Cities' investment professionals discuss any significant changes to any portfolio companies, or any significant upcoming market or business events likely to lead to significant changes, on an ongoing basis. Three Cities' Funds' holdings are audited annually.

Item 14: Client Referrals and Other Compensation

No one other than Clients provides economic benefits for providing investment advice or other advisory services to Clients.

Three Cities does not compensate a third party for Client referrals.

Item 15: Custody

Three Cities has custody of Client funds by virtue of the fact that a related person serves as the general partner to Three Cities' Clients.

Though the investments recommended by Three Cities will generally be direct investments in private companies, Three Cities' Clients may from time to time receive certificated securities in connection with its investments. Three Cities shall maintain evidence of all direct investments as required by Rule 204-2 under the Investment Advisers' Act of 1940, as amended. Three Cities shall maintain all certificated securities with a qualified custodian.

Additionally, Three Cities shall deliver independently audited financial statements prepared in accordance with generally accepted accounting principles to its Clients' investors no less frequently than annually, within 120 days of fiscal year end.

Item 16: Investment Discretion

Three Cities has discretionary authority over any cash or securities accounts that Three Cities may establish from time to time for the purpose of custodial Client assets. Three Cities is granted power of attorney over such assets and the discretionary authority to make any investments as deemed by Three Cities in its sole discretion to be suitable for Clients and within the investment objectives of its Clients, as detailed more fully in its Clients' offering memoranda and limited partnership agreements.

Item 17: Voting Client Securities

Three Cities has full authority to vote Client securities. Due to the Firm's investment strategy and the nature of interests generally recommended by the Firm, Three Cities does not anticipate frequently holding public securities with voting authority on behalf of its Clients.

If the Funds do hold public securities with voting authority, Three Cities shall determine to vote in the best interests of Clients. Generally, Three Cities takes an active role in the management of its portfolio

companies; and therefore Three Cities will generally vote with management. Notwithstanding the foregoing, Three Cities may determine to vote against management if in its sole discretion it believes that such a vote would be in the best interest of its Clients.

Item 18: Financial Information

Three Cities does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

Three Cities has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19: Requirements for State-Registered Advisers

Three Cities is not currently registered or registering with a state securities authority.