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This brochure provides information about the qualifications and business practices of Cross Creek Advisors, LLC (the “Advisor”). If you have any questions about the contents of this brochure, please contact us at **801.983.4272** or email **[compliance@crosscreekadvisors.com](mailto:compliance@crosscreekadvisors.com)**. 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 the Advisor also is available on the SEC’s website at **[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**. The SEC’s website also provides information about people affiliated with the Advisor who are registered, or are required to be registered, as investment adviser representatives of the Advisor.

The Advisor is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information to help you determine whether to hire or retain an adviser.

The Advisor will offer or deliver information about its qualifications and business practices to clients at least annually. Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of December 31st, the close of our business fiscal year. We will also provide other ongoing disclosure information about material changes as necessary.

Currently, our brochure may be requested by contacting us at **801.983.4272** or by email at **[compliance@crosscreekadvisors.com](mailto:compliance@crosscreekadvisors.com)**. Our brochure is also available on our website [www.crosscreekadvisors.com](http://www.crosscreekadvisors.com). The brochure is free of charge.

**Item 2 – Material Changes**

There are no material changes to this Disclosure Brochure since the last distribution to Clients.

In the future, this Item will contain a summary of specific material changes that are made to the brochure from the previous year. We will also reference the date of the brochure's last annual update.

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## **Item 4 – Advisory Business**

### **Our Firm**

Cross Creek Advisors, LLC (the “Advisor”) is a Delaware limited liability company formed in 2012. The Advisor is owned 100% by Karey Barker and is headquartered in Salt Lake City, Utah.

Ms. Barker, as well as the rest of the team that founded the Advisor, previously worked at Wasatch Advisors, Inc. (“Wasatch”), a registered investment adviser also located in Salt Lake City. In 2006 Wasatch formed two late-stage venture capital funds, Cross Creek Capital, L.P. (“CCC”) and Cross Creek Capital Employees’ Fund, L.P. (“CCE”). CCC and CCE generally make direct investments in private companies. CCC and CCE are also referred to as the “Direct Funds.”

Two years later, in 2008, Wasatch formed a third private fund, Cross Creek Capital Partners, LLC (“CCP”), which is a fund-of-funds investing in venture capital funds. In 2010 Wasatch formed two more private funds, Cross Creek Capital Partners II, L.P. (“CCPII”) and Cross Creek Capital Partners II-B, L.P. (“CCPII-B”), which are both fund-of-funds investing in venture capital funds. CCP, CCPII and CCPII-B are also referred to as the “Fund of Funds.” Each of CCC, CCE, CCP, CCPII and CCPII-B are referred to as the “Funds” and collectively they are referred to as the “Cross Creek Funds.” In addition to the Cross Creek Funds, the Advisor provides non-discretionary investment services to a single institutional account.

As of December 31, 2012, the Advisor has \$235,430,000 in discretionary assets under management and \$10,000,000 in non-discretionary assets under management.

Ms. Barker has been a managing director on each of the Funds since its formation. In the fourth quarter of 2012, Wasatch and Ms. Barker agreed on a plan for Ms. Barker to form a new investment adviser (the Advisor) and to jointly recommend to the investors in the Cross Creek Funds that management of the Funds be transferred from Wasatch to the Advisor. This ADV has been filed in anticipation that the investors of the Cross Creek Funds will approve such transfer, and the remainder of this Part 2 assumes such transfer will occur promptly following the effectiveness of this ADV.

Wasatch does not have any ownership interest in, or any control of, the Advisor.

### **Our Services**

#### **A. Management Services to Cross Creek Funds**

The Advisor provides investment management services to more than \$230 million in capital commitments spread across the Cross Creek Funds. The Advisor tailors its advisory services to the investment objectives and investment restrictions of each Fund pursuant to the confidential private placement memorandum, limited partnership agreement or limited liability company agreement, as applicable, and other governing documents of the Fund (the “Governing Documents”). The Governing Documents generally set forth the detailed terms and conditions for each Fund, including the term of the Fund, the fees, expenses, capital contributions, profits and loss allocation, distributions, investment restrictions, withdrawals and transfers, among other terms. Investors should refer to the Governing Documents for more complete information on the

investment objectives and investment restrictions with respect to each Cross Creek Fund. There is no assurance that any of the Cross Creek Funds' investment objectives will be achieved.

CCC and CCE are venture capital funds which generally directly invest in private companies, with a desire to invest in later-stage private companies which may reasonably be expected to either go public or be acquired. The Advisor works to identify private companies in this category and then to conduct due diligence on the companies, determining which are suitable investments for the Direct Funds. These direct investments are generally made alongside independent venture capital firms that act as lead investors in the financing rounds.

CCP, CCPII and CCPII-B are funds-of-funds which invest in underlying venture capital funds (the "Underlying Funds"). The Advisor works to identify suitable Underlying Funds, and then works to secure an invitation for the Fund of Funds to invest in the Underlying Funds. The Advisor conducts due diligence on the Underlying Funds to determine which are suitable investments for the Fund of Funds. After committing to invest in an Underlying Fund, the Advisor monitors the investment activities and results of the Underlying Fund.

The General Partner or Managing Member of each Fund (the "General Partner") is responsible for all investment decisions. The General Partner is responsible for managing the capital committed to the Fund and for seeking long-term capital appreciation through its recommended investments. In the case of each Fund, the General Partner is an affiliate of the Advisor. The Advisor provides investment management services to the General Partners, but the General Partners have ultimate investment discretion and are responsible for all investment decisions for the Funds.

The Advisor, in its role as an adviser to the Funds, considers the Funds themselves to be its clients. The investors in the Funds are not deemed to be its clients, except to the extent the federal securities laws require that it treats the investors in the Funds as its clients. The Advisor does not tailor its advisory services to the individual needs of investors in the Funds. Generally, investors in a Fund may not impose restrictions on investing in certain securities or types of securities. Instead, a Fund will operate according to the terms of its Governing Document.

In accordance with common industry practice, the General Partner may enter into "side letters" or similar agreements with certain investors pursuant to which the General Partner grants such investors specific rights, benefits, or privileges that are not made available to all investors.

Each Fund is a private investment vehicle and is closed to new investment.

#### B. Advisory Services to Institutional Account

In addition to the Cross Creek Funds, the Advisor provides non-discretionary investment services to a single institutional account. The Advisor assists this client in conducting due diligence on potential private equity fund investments and recommends potential fund investments to the client. The client, however, retains investment discretion and ultimately selects the funds in which it will invest.

## **Item 5 – Fees and Compensation**

### **A. Cross Creek Funds**

This section describes certain of the principal fees that have been agreed to in the Governing Documents of the Cross Creek Funds. Investors may pay a management fee and a performance-based fee based on the net profit of the Fund's investments. Management fees are paid to the Advisor, whereas performance-based fees are paid to the General Partners. The amount of the management fee and performance-based fee is set forth in the Governing Documents for each Fund and is not cancelable except in accordance with the terms of the Governing Documents. Similarly, the investors in the Funds may not withdraw from the Fund or transfer their interest in the Funds except in accordance with the terms of the Governing Documents, which require the approval of the General Partner.

#### **1. Direct Investment**

Investors in CCC and CCE do not pay a management fee. The General Partner for CCC and CCE receives a performance-based fee of 30% of the net profits of CCC but does not charge a performance-based fee on CCE.

#### **2. Fund-of-Funds Investments**

##### **a. CCP Fees**

CCP pays the Advisor a management fee of 1% for called capital for the first seven years of the Fund. Thereafter, the Advisor will receive a management fee equal to 1% of CCP's assets under management. The General Partner will receive a performance-based fee of 5% of the net profits of CCP.

##### **b. CCPII and CCPII-B Fees**

For each of the first nine years, CCP II and CCPII-B pay the Advisor a management fee of 1% of the aggregate commitments of the Funds to Underlying Funds. After the nine-year period, CCPII and CCPII-B will pay the Advisor a management fee equal to 1% of each Fund's assets under management. The management fee is accrued quarterly on the final business day of the quarter. The General Partner for the Funds receives a performance-based fee of 5% of the net profits of CCP II and CCPII-B.

It is important to note that when a fund-of-funds has made an investment in an underlying fund, the underlying fund will generally pay management fees and performance-based fees to its investment manager. Therefore, an investor in a fund-of-funds may effectively pay two levels of advisory fees in connection with its investment. The investor will be charged a management fee (and bear a performance-based fee, if applicable) and will bear its pro rata portion of any fees and expenses associated with the fund-of-funds' investment in an underlying fund.

### **B. Institutional Account**

The Advisor receives fees for providing non-discretionary investment advice to a single institutional client. The Advisor receives an asset-based fee based on the client's target portfolio size during the first four years while funds are being committed to underlying funds, and then a

reduced fee for the remaining years in which the Advisor will be monitoring existing commitments. The Advisor has only one of these arrangements and so has not established a standard fee schedule for these relationships.

### C. Other Fees

An investor in a Fund may also be subject to a pro-rata allocation of other expenses of the Fund, as set forth in the Governing Documents, including organization and other operating expenses of the Fund. Investors in the Cross Creek Funds should refer to the Governing Documents for a complete description of expenses and fees.

The Advisor does not have an affiliated broker-dealer and does not receive compensation attributable to the sale of securities or other investment products, such as a commission. Item 12 further describes factors that the Advisor considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

The Advisor or Funds may accept a reimbursement from a portfolio company for a portion of the due diligence and legal expenses they incur in researching potential investments for the Funds.

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

### **Performance-Based Fees**

The General Partners to the Cross Creek Funds, each of which is a related person of the Advisor, will receive performance-based fees calculated and charged based on a percentage of the net profits of the Funds. The amounts of these performance-based fees are set forth in the Governing Documents of each Fund and described in detail in Item 5 above. All such performance-based fees are intended to be in compliance with Rule 205-3 of the rules and regulations promulgated under the Investment Advisers Act of 1940. These performance-based fees paid to the General Partners are separate and distinct from the management fees charged by Advisor.

The performance-based fees may give a General Partner an incentive to manage a fund in a riskier manner in order to earn or increase the amount of its compensation or to favor accounts that pay performance-based fees over other accounts. CCC's fee structure in particular (no management fee and 30% performance-based fee) may encourage it to make more speculative investments.

It should be noted that neither the Advisor nor the General Partner receives any performance-based fee or management fee from CCE, a Fund which consists entirely of current or former employees of Wasatch. CCE invests alongside CCC in investments (other than IPOs) made by CCC in proportion to the aggregate commitments of each of these Funds and is commonly referred to as a parallel fund. CCE does not participate in IPOs.

### **Side-by-Side Management**

The Advisor endeavors to allocate investment opportunities in a manner that is fair and equitable to all clients. Nevertheless, investment decisions made for one Fund may differ from, and may conflict with, investment decisions made for other funds or accounts. The Advisor seeks to

allocate investment opportunities to Funds and clients based on appropriateness for the investment style.

The Advisor takes into account multiple criteria when allocating commitments and investment opportunities with respect to the Cross Creek Funds, including: the specific investment objectives of each Fund, the size and capital available for investment by the Fund, diversification needs, the size of the investment opportunity, current and anticipated market conditions, specific investment restrictions applicable to each Fund, and any relevant regulatory considerations. In the event that an investment opportunity is suitable for more than one Cross Creek Fund, the Advisor will attempt to allocate such investment opportunity in a manner that is fair and equitable to each Cross Creek Fund relative to the other Funds over time, taking into account all relevant facts and circumstances.

Under the terms of its agreement with its sole institutional client, the Advisor will give priority to the Fund of Funds over the client with respect to the allocation of investment opportunities in Underlying Funds.

One of the Fund of Funds, CCPII-B, was formed for investors that may be subject to federal or state public disclosure laws, under which the investors may be required to disclose information regarding their investments to the public. Generally, CCPII and CCPII-B invest in parallel in Underlying Funds, based on the relative capital commitments to CCPII and CCPII-B. However, the Advisor may consider an investment in an Underlying Fund that restricts the disclosure of information to the public, which may preclude CCPII-B from participating in the investment. With respect to those Underlying Funds, the General Partner of CCPII and CCPII-B may decide to only invest in the Underlying Fund through CCPII and not CCPII-B.

## **Item 7 – Types of Clients**

The Advisor provides investment advisory services to the Cross Creek Funds and the one institutional account described in Item 4 above. All of the Cross Creek Funds have been offered through private placements and thus investors have been limited to those who are at a minimum “accredited investors” as defined in Regulation D under the Securities Act of 1933. The Cross Creek Partners Funds have been further limited to investors who are “qualified purchasers” as defined in Section 2 of the Investment Company Act of 1940. The minimum investment size for the Cross Creek Funds is generally \$1,000,000, although Cross Creek is able to grant exceptions to this minimum. Investors in these funds include high net worth individuals, family offices and institutions including charitable organizations, state and local government entities and various pension and profit-sharing plans.

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

### **A. Direct Investment Funds (CCC and CCE)**

The Advisor primarily aims to identify and invest the Direct Funds’ assets in private companies with significant return potential. The Direct Funds may also invest in public companies, including through private placements, IPOs and open market trades. The Advisor attempts to invest the Direct Funds’ assets in private companies that it expects to go public or be acquired. The Advisor believes later-stage venture investments mean shorter times to liquidity and less risk, compared with early-stage venture investments, but still present significant risk and liquidity issues.



The Advisor assesses a private company's potential to successfully enter the public markets and estimates the valuation it may achieve as a public company. The Advisor's analytical efforts are focused on understanding long-term growth potential and investing at appropriate valuations. The Advisor then seeks optimal exit points for liquidating the Direct Funds' holdings after a company goes public.

The Direct Funds may continue to hold the company's securities following the IPO, and in fact may acquire additional shares in the IPO or in open-market purchases after the IPO. The Advisor believes that its experience researching public companies will allow the Direct Funds to capture additional return after the IPO. The Advisor monitors the Direct Funds' portfolio companies to ensure that they remain on track for achieving the desired outcome.

#### Research Agreement with Wasatch

The Advisor has entered into a research agreement with Wasatch Advisors whereby Wasatch's research team conducts fundamental research on private companies being considered for investment by the Funds. As the Advisor's team conducts due diligence on a potential investment, it may seek the advice of the Wasatch team. The Advisor's team typically meets with the management of a company under consideration for investment before investing, and the Wasatch team may join in these meetings. The two teams may then share their findings and debate the merits of an investment. The Advisor believes this "multiple eyes" process is a valuable part of its investment process. Wasatch does not have any investment discretion over the Direct Funds and merely provides research advice to the Advisor under the research agreement.

#### B. Fund-of-Funds (Cross Creek Partner Funds)

The Advisor seeks to provide attractive long-term investment returns for investors in the Fund of Funds primarily by investing in Underlying Funds managed by established U.S. venture capital managers. The Fund of Funds may also invest in funds focused in other categories of private equity and private equity funds focused on other geographies, which will likely represent a smaller percentage of the overall portfolio. The Fund of Funds typically make primary commitments to Underlying Funds raised by existing managers but may also invest in Underlying Funds through secondary offerings. In such circumstances, the Fund of Funds acquires the interest of an existing investor in an Underlying Fund who has decided to achieve liquidity before the end of the investment's life.

The Advisor expects to make commitments to between 10 and 20 Underlying Funds in each Fund of Fund. Private equity managers tend to raise funds on a three- to four-year cycle. The portfolio composition relative to stage, geography and sector will depend upon the investment focus of the Underlying Funds available to the Fund of Fund during the period the Fund of Fund's makes investments.

#### Distribution Agreement with Wasatch

Over the life of Fund of Funds, the Advisor expects to receive in-kind distributions of marketable securities from the Underlying Funds. Rather than distributing these securities to the limited partners of the Fund of Funds, the Advisor intends to sell the shares received and distribute the cash proceeds to the investors. The Advisor has entered into a distribution agreement with Wasatch which allows the Advisor to engage Wasatch to manage the liquidation of securities which have been recently distributed to the Fund of Funds by Underlying Funds. The Advisor

believes Wasatch's experience investing in micro-cap and small-cap stocks allows Wasatch to sell the shares at prices favorable to the Fund of Funds.

### C. Risks of Investing in the Cross Creek Funds

These investments in the Cross Creek Funds involve a high degree of business and financial risk and may result in substantial losses. Investors in the Cross Creek Funds should carefully review the Governing Documents, particularly the private placement memorandums, of the relevant Funds for additional risk factors associated with an investment in the Cross Creek Funds. These investments are also long-term commitments (usually in excess of 10 years), and so the investment is highly illiquid. Prior to investing in Cross Creek Funds, investors must consult the placement memorandum of the fund in which they desire to invest.

**Investing in securities involves risk of loss that clients should be prepared to bear.** All securities and related investments risk the loss of capital. There is no guarantee the investment objectives of the Funds or any of the Underlying Funds will be achieved, that the Funds or any Underlying Fund will be successful in executing their investment strategy, that any appreciation in the value of investments of the Funds or the Underlying Funds will occur, or that any of the portfolio companies will be profitable.

**Lack of Operating History.** The Advisor is a newly formed entity and, accordingly, has no operating history upon which prospective investors may evaluate its likely performance. Although the Advisor's personnel have managed the Cross Creek Funds in the past, this was done as employees of Wasatch Advisors, Inc. The Advisor personnel will have more and different responsibilities than they previously had at Wasatch. Although the Advisor has contractual arrangements with Wasatch for research and distribution services providing similar resources as was historically the case, the Advisor will not have access to all of the same resources that it previously had at Wasatch.

**Dependence on Key Personnel.** The Advisor will be dependent upon the activities of only a few certain investment professionals, particularly Karey Barker. The loss of any one of these individuals could have a significant adverse impact on the business of the Advisor.

**Risk of Venture Capital Investments.** While venture capital investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at relatively early stages of development or with little or no operating history, companies operating at a loss or with substantial variations in operating results from period to period, and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. In addition, portfolio companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel. Due to the limited number of investments a Fund may make, poor performance by some of the Fund's investments could significantly affect the total returns to the investors.

**Illiquidity of Portfolio Investments.** The Direct Funds' investment portfolio will consist primarily of investments in private companies. There may be no readily available market for the investments. Even though the Direct Funds intend to invest in companies with relatively near-term prospects for liquidity, it remains highly speculative as to whether and when liquidity will be

achieved. The illiquidity of these investments may make it difficult for the Direct Funds to sell such investments at advantageous times and prices or in a timely manner. In addition, if the General Partner is required to liquidate all or a portion of the Direct Funds' portfolios quickly, the Direct Funds may realize significantly less than the value at which the Direct Funds previously had recorded their investments. The Direct Funds also may face other restrictions on their ability to liquidate an investment in a portfolio company to the extent that the General Partner or one of their affiliates have material non-public information regarding such portfolio company.

**Competitive Market for Investments in Underlying Funds.** There is no certainty that the Fund of Funds will be permitted to invest in the Underlying Funds they target, or that the Fund of Funds will be permitted to invest the amounts which they desire to commit to such Underlying Funds. Such uncertainty may have an adverse effect on the Fund of Funds' ability to effectively employ their investment strategy. There are no assurances that the Fund of Funds will be able to fully invest its committed capital, and the performance of the Fund of Fund may be adversely affected as a result. The demand to invest in funds raised by managers who have successfully invested several previous venture capital funds is typically very high and such funds are often difficult to access.

**No Role for Advisor or Investors in Management of Underlying Funds.** The Advisor will not have a role in the management of any Underlying Fund. In addition, the Advisor may not have the opportunity to evaluate the specific investments made by any Underlying Fund. As a result, the rates of return of the Fund of Funds will primarily depend upon the performance of unrelated investment managers and could be adversely affected by the unfavorable performance of one or more Underlying Funds.

The Fund of Funds' investments in Underlying Funds will not be significant enough to afford them or the Advisor blocking rights with respect to certain actions of the Underlying Funds and amendments to such Underlying Fund's operating documents. The Fund of Funds therefore will be dependent upon the general partner or managing member of the Underlying Funds, and, to a limited degree, the other investors in the Underlying Funds, with respect to such actions and amendments.

**Limited Number of Investments.** Although the diversification of the Fund of Funds' investments (through the Underlying Funds) in a variety of industries is intended to reduce the Fund of Funds' exposure to adverse events associated with specific issuers or industries, the number of investments in Underlying Funds will be limited. As a consequence, the Fund of Funds returns as a whole may be adversely affected by the unfavorable performance of a single Underlying Fund.

**Multiple Levels of Expense.** The cost of investing in the Fund of Funds will generally be higher than investing directly in the Underlying Funds. The Fund of Funds and the Underlying Funds charge management fees and performance-based fees; provided, that, the General Partner will not charge a management fee or performance-based fee with respect to investments made in Underlying Funds that are fund of funds. By investing in the Fund of Funds, investors will indirectly bear fees and expenses charged by the Underlying Funds in which the Fund invests in addition to the Fund of Funds' direct fees and expenses. Thus, investors may realize a lower return on their respective investments than if they had directly invested in the Underlying Funds. Furthermore, the use of a fund-of-funds structure could affect the timing, amount and character of distributions to investors and therefore may increase the amount of taxes payable by investors.

**Dependence on Information Provided by Third Parties and Investment Managers.** In researching investment opportunities for the Fund of Funds and Direct Funds, the Advisor will use information provided by third party resources, including Wasatch. In reporting on performance of Underlying Funds, the Advisor will depend and rely on information provided by the investment managers of the Underlying Funds. The accuracy, completeness and timeliness of performance reports, quarterly statements, financial reports and tax returns and other information that the General Partner will use and provide to investors will be dependent in large part on the information provided by such sources.

In particular, the Advisor is dependent on the Underlying Funds and their respective investment managers to provide them with accurate and timely information necessary to compile tax returns. The Advisor and the Underlying Funds may be unable to complete and distribute tax returns by the federal income tax filing deadline of any given year. Thus, investors may be required to file for an income tax filing extension.

**Lack of Uniform Reporting Standards for Direct Investments and Underlying Funds.** Private investment funds utilize divergent reporting standards that may make it difficult for the General Partner to accurately assess the prior performance of a potential Underlying Fund. In addition, such reporting variances may impact the ability of the General Partner to accurately value and monitor an Underlying Fund's investments. Such variances involve the calculation of the internal rate of return on an investment. Underlying Funds will likely have different policies regarding the inclusion of fees due to the general partner and expenses of the Underlying Funds when calculating the return on investment.

**Competition for Investment Opportunities.** The business of identifying, structuring and implementing investments in venture capital transactions is highly competitive. The Direct Funds and the Underlying Funds will be competing for investments against other groups, including institutional investors, investment managers and industry groups owned by large and well-capitalized investors. Other venture capital funds that have supported a company since its early stage may have pre-emptive rights with regard to later stage investments. Many of the Direct Funds and Underlying Funds' competitors are larger and have greater resources than the Direct Funds and Underlying Funds. Some of the Direct Funds and Underlying Funds' competitors may have higher risk tolerances or different risk assessments, allowing them to consider a wider variety of investments and establish more relationships than the Direct Funds and Underlying Funds. It is possible that competition for appropriate investment opportunities may limit significantly the number of opportunities available to the Direct Funds and Underlying Funds and/or adversely affect the terms upon which investments can be made. There can be no assurance that the Direct Funds and Underlying Funds will be successful in their efforts to identify attractive investment opportunities, and it is possible that the Direct Funds and Underlying Funds' capital commitments will not be fully utilized if sufficient attractive investments are not identified and consummated by the Direct Funds and Underlying Funds during the commitment period.

**Long-Term Investment.** An investment in a Fund is a long-term commitment, and there is no assurance of any distribution to the investors prior to or upon liquidation of the Fund. Unlike shares in a mutual fund, the interests in a Fund are highly illiquid. There is no public market for the interests and none is expected to develop. The Governing Documents will contain restrictions on the transferability of the interests. Withdrawals are not permitted except in very limited instances.

**Contingent Liabilities on Disposition of Investments.** In connection with the disposition of an investment in a portfolio company, a Direct Fund or Underlying Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Direct Fund or Underlying Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are, at a later time, proved to be inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner of the Direct Funds or investment manager of the Underlying Fund may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires, or the Direct Fund or Underlying Fund may be required to return distributions previously made to them.

**Management of the Fund.** The General Partner will make decisions with respect to the management of the Funds. Investors have no right or power to take part in the management of the Funds. Investors will not receive the detailed financial information issued by a portfolio company or by Underlying Funds that will be available to the Fund. Investors will not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by the General Partner in its selection of investments.

#### **Item 9 – Disciplinary Information**

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

This statement applies to our firm, and every employee.

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

The Advisor is not registered as a broker-dealer and is not affiliated with a broker-dealer.

#### **Item 11 – Code of Ethics**

The Advisor expects its employees to act in the best interests of its clients and to place client interests ahead of its own. The Advisor has adopted a Code of Ethics ("Code") pursuant to SEC Rule 204A-1 which sets forth this standard of business conduct and states that the Advisor requires all of its supervised persons to act in accordance with it. The Code is designed to detect conflicts of interest and help the Advisor manage those conflicts. The Advisor annually requires each supervised person to acknowledge, in writing, the terms of the Code of Ethics and any amendments. The Advisor will provide a copy of the Code of Ethics to clients and prospective clients upon request. The Advisor's Code requires prompt internal reporting of any violations of the Code and requires employees to comply with the Code subject to sanctions in the event of non-compliance.

##### **A. Participation in Client Transactions**

1. The Advisor does not generally buy or sell securities to or from its clients.
2. The Advisor does solicit investors in the Cross Creek Funds to invest in new funds it is considering launching.

## B. Recommendations to Clients

The Advisor does not generally invest for its own account. However, employees of the Advisor have invested in one or more of the Cross Creek Funds, and the employees of the Advisor own more than 50% of the interests of CCE, which is generally invested parallel to CCC. The General Partner does maintain a small position in each Cross Creek Fund equal to approximately 1% of each fund.

The Advisor's employees ("access persons") are permitted to have personal securities transactions, but are required to follow the Code when effecting such transactions. Personal securities transactions by Cross Creek's access persons may raise potential conflicts of interest when such persons trade in a security that is owned by, or considered for purchase or sale by, a client. The Code is designed to assure that the personal securities transactions, activities and interests of access persons will not interfere with (i) making decisions in the best interest of clients, and (ii) implementing such decisions while, at the same time, allowing access persons to invest for their own accounts.

The Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Access persons are required to obtain written pre-clearance for certain personal securities transactions. The Code requires that access persons obtain the Advisor's approval before investing in a private placement. The Code prohibits access persons from investing in IPOs. The Code requires access persons to periodically report their personal securities transactions and holdings to the Advisor's Compliance department.

## C. Other

In addition to the sections discussed above, the Code prohibits any trading by the Advisor or its access persons while in possession of material, non-public information. It also limits the dollar amount of gifts to be given or received by access persons to or from clients or other contacts obtained through their employment. The Code also limits the dollar amounts of donations made by access persons to political candidates. Finally, through the Code the Advisor monitors the business activities of Cross Creek access persons to ensure they do not conflict with Cross Creek's responsibilities and duties to its clients.

## **Item 12 – Brokerage Practices**

The Funds generally invest in private companies or private funds in transactions that do not typically involve brokers. In these transactions the Advisor does not select or recommend broker-dealers for client transactions.

On occasion the Direct Funds purchase public securities, or look to sell securities which were purchased as private investments but now can be sold as public securities. In these transactions the Advisor has full power and discretion to select brokers and to negotiate and determine the commissions to be paid for such transactions. The Advisor may consider a number of factors when selecting a broker or dealer to effect a transaction, including the expected market impact of the trade, the broker's execution capability, the broker's financial strength and stability, the broker's responsiveness to the Advisor, its reputation and access to the markets for the security being traded, the efficiency with which the transaction will be effected, commission rates and the value of research products and services that a broker lawfully may provide to assist the Advisor in the exercise of its investment decision-making responsibilities. The determinative factor is not the

lowest possible commission cost but whether the transaction represents the best qualitative execution for the Funds. The Advisor has no affiliated broker-dealer.

From time to time, when the Direct Funds invest in private transactions the Advisor or the Funds may receive cash reimbursement of certain of their due diligence and legal expenses from the portfolio companies.

#### Brokerage for Client Referrals

The Advisor does not compensate any broker-dealers for client referrals.

#### Directed Brokerage

The Advisor and the General Partners have full power and discretion to select brokers for the Cross Creek Funds. Investors in the Funds are not able to direct the Advisor to execute transactions through a specified broker-dealer.

#### Trade Aggregation and Allocation

If the Advisor believes that the purchase or sale of a security is in the best interest of more than one of its clients, it may aggregate the securities to be purchased or sold into a single order (“a block trade”) to obtain favorable execution and/or lower brokerage commissions. The Advisor will allocate securities so purchased or sold, as well as the expense incurred in the transaction, on a pro-rata basis or in another manner that it considers equitable and consistent with its fiduciary obligations to clients. Clients may not receive a pro-rata allocation of a block trade in instances where the trade is only partially filled. In such instances, for example, some clients may receive their entire allocation and some clients may not receive any allocation if their pro-rata share is less than a minimal amount or if the Advisor has used another equitable method to allocate the block trade. Clients should recognize that the advice given and the actions taken with respect to their accounts might differ from the advice given or the timing and nature of action taken with respect to other advisory accounts. Clients should further recognize that transactions in a specific security might not be accomplished for all advisory accounts at the same time or at the same price.

From time to time, the Advisor is given the opportunity to purchase an allocation of shares in an IPO. These allocations may be offered to the Advisor in part as a result of its past usage of various brokerage firms or previous private investments. The Advisor will generally allocate securities purchased in these offerings to client accounts within the investment style(s) determined by the portfolio managers using a pro-rata or other equitable method based on assets under management, unless the total allocation to the Advisor is minimal.

CCE, which generally invests in parallel to CCC, may trade in the same securities with CCC on an aggregated basis when consistent with the Advisor’s obligation of best execution. In such circumstances, CCE and CCC will share commission costs equally and receive securities at a total average price. The Advisor will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis.

### **Item 13 – Review of Accounts**

The Advisor continually reviews and monitors activity within the Cross Creek Funds and the institutional account. On the Direct Funds, the Advisor monitors the progress and concerns of the portfolio companies. On the Fund of Funds, the Advisor reviews and monitors the activity of the Underlying Funds. All investments are reviewed not less than on a quarterly basis. Activities within a portfolio company or Underlying Fund trigger more frequent reviews.

The Advisor provides quarterly written reports to the investors in the Funds and the institutional client that reviews performance and activities during the quarter, and include quarterly financial updates.

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

The Advisor receives no economic benefit for providing investment advice to clients other than from its clients.

The Advisor does not currently compensate any person not under our supervision for client referrals.

### **Item 15 – Custody**

Each General Partner has custody of its Cross Creek Fund as a result of its role as general partner, or equivalent, and its ability to access client funds or securities. The General Partners comply with Rule 206(4)-2(b) by distributing audited financial statements, prepared in accordance with generally accepted accounting principles, to limited partners within 120 days of the end of the fiscal year of the Direct Funds and within 180 days of the end of the fiscal year of the Fund of Funds. These audits are prepared by an independent public accountant registered with, and subject to regular inspection by the Public Company Accounting Oversight Board. Lastly, the General Partner will have a final audit of each Cross Creek Fund upon liquidation and distribute the audit to all investors in the Fund.

### **Item 16 – Investment Discretion**

As described above in Item 4, the Advisor provides non-discretionary investment advisory services to its clients. In the case of the Cross Creek Funds, the General Partners have full discretionary authority to make determinations regarding the securities that are to be bought and sold, as well as the quantities of such securities. In the case of the institutional separate account, the client has retained investment discretion to determine which investment funds to invest in.

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

The Advisor has authority to vote securities held by the Cross Creek Funds, as provided in the Governing Documents. Frequently this will occur through consenting or withholding consent to transactions for private portfolio companies. Individual investors in the Funds are not able to direct the voting of securities in the Funds.

The Advisor has adopted a Proxy Policy in accordance with Rule 206(4)-6 of the Investment Advisors Act of 1940. The Advisor's policy is to vote client securities in the manner we believe will best maximize shareholder value. A client may obtain a copy of the Advisor's Proxy Voting



Policy and information about how the Advisor voted proxies by sending an email to **compliance@crosscreekadvisors.com**.

In the event that the Advisor has identified a material conflict of interest in any proposal that is the subject of a proxy to be voted for a client account, the Advisor's Chief Compliance Officer will determine the course of action that is in the best interests of the affected Fund (which may include utilizing a third party to vote such proxies).

#### **Item 18 – Financial Information**

The Advisor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.