

Topspin Management Company, LLC

FIRM BROCHURE

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Topspin Management Company, LLC. If you have any questions about the contents of this brochure, please contact us at (516) 625-9400.

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.

Additional information about Topspin Management Company, LLC also is available on the SEC's website at: www.adviserinfo.sec.

Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

ITEM 2. Material Changes

This Item will summarize the material changes, if any, made to this brochure as part of our annual update. This is the initial brochure for the firm and therefore, there currently are no material changes to report.

ITEM 3
TABLE OF CONTENTS

ITEM 4	ADVISORY BUSINESS	4
ITEM 5	FEES AND COMPENSATION.....	5
ITEM 6	PERFORMANCE – BASED FEES AND SIDE BY SIDE MANAGEMENT	6
ITEM 7	TYPES OF CLIENTS	6
ITEM 8	METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	7
ITEM 9	DISCIPLINARY INFORMATION	11
ITEM 10	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	11
ITEM 11	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	12
ITEM 12	BROKERAGE PRACTICES	12
ITEM 13	REVIEW OF ACCOUNTS.....	12
ITEM 14	CLIENT REFERRALS AND OTHER COMPENSATION	13
ITEM 15	CUSTODY	13
ITEM 16	INVESTMENT DISCRETION.....	13
ITEM 17	VOTING CLIENT SECURITIES.....	13
ITEM 18	FINANCIAL INFORMATION	14

ITEM 4 ADVISORY BUSINESS

A. General Description of Advisory Firm

Topspin Management Company, LLC, a Delaware limited liability company (“Topspin Management Company” or the “Firm”), was formed on July 7, 2000. Both Leo A. Guthart and Steven Winick are Managing Members of Topspin Management Company, and Steven Winick is also Chief Compliance Officer of Topspin Management Company. Topspin Management Company and its advisory affiliate, LG Management, LLC (“LG Management”), are under the common control of Leo A. Guthart and, as a result, Topspin Management Company and LG Management are “related persons” within the meaning of the Investment Advisers Act of 1940 (the “Advisers Act”), and LG Management is a “relying advisor” within the meaning of the Advisers Act. As the advisory business of Topspin Management Company and LG Management are operationally integrated, the disclosures made in this Part II of Form ADV are made collectively with respect to both Topspin Management Company and LG Management (referred to collectively herein as the “Firm”). The principal owners of Topspin Management Company are Leo A. Guthart and Steven Winick.

Topspin Management Company provides investment management and administrative services to certain private investment funds (the “Topspin Venture Funds”). A related entity, Topspin Management, LLC is the general partner of the Topspin Venture Funds (“Topspin I General Partner”). Topspin Management Company also provides such management and administrative services to pledge funds (the “Topspin Additional Funds” and, together with the Topspin Venture Funds, the “Funds”). LG Management acts as general partner of the Topspin Additional Funds. LG Management and Topspin I General Partner are collectively referred to herein as the “General Partners” and individually each as a “General Partner”). The Funds make venture investments in early and development stage private companies. The Topspin Venture Funds also have a limited number of investments in small to middle market buyouts and growth equity investments. The buyout investments are largely overseen by an affiliated entity, Topspin Management LBO, LLC, which is an investment adviser to other funds. Leo Guthart is also a principal in Topspin Management LBO, LLC.

The Topspin Venture Funds are organized into a structure comprised of parallel funds, which generally invest in assets side-by-side on a pro-rata basis with each other (based upon capital commitments made to each Fund within the applicable group). Generally, parallel funds may be established to accommodate specific tax issues impacting certain types of investors.

Unlike the Topspin Venture Funds, there is no capital or firm capital commitment to the Topspin Additional Funds, which are comprised of Topspin Fund, L.P. (the “Topspin Fund”) and Topspin Mini-Fund, L.P. (the “Topspin Mini-Fund”). Instead, when an investment opportunity arises, investors contribute to the applicable Topspin Additional Fund. The ratio of contributions to the Topspin Fund can vary, depending on the deal. Contributions to the Topspin Mini-Fund are made 10% by the principals of the Firm and 90% by an investor in the Funds.

B. Description of Advisory Services

The Firm provides investment management and administrative services only to the Funds. The Topspin Venture Funds are no longer investing, so advisory services to those funds are limited to overseeing current portfolio companies and determining the timing of their disposition of securities. The Topspin Additional Funds seek, evaluate and consummate new investments as well as look for appropriate opportunities to exit investments.

The investment strategies of the Topspin Venture Funds are identical; therefore, investments were suitable for each of the Topspin Venture Funds and these funds therefore receive the same services. Because the Topspin Additional Funds are structured to collect capital and invest on a *pro rata* (in the case of the Topspin Mini-Fund), deal-by-deal basis, investment advice to these funds has been customized as necessary. The Topspin Additional Funds received services based on the investors contributing to those funds and the specifics of a given investment opportunity. Investors purchase limited partnership interests in the Funds and investments are made at the Fund level.

We do not provide investment advice to individuals.

Assets under Management

As of December 31, 2012, Topspin Management Company had approximately \$259,658,113 million in assets under discretionary management.

ITEM 5 FEES AND COMPENSATION

A. Advisory Fees and Compensation

With respect to the Topspin Venture Funds, the Firm receives an annual management fee based on a percentage of the capital commitments made to each of the Topspin Venture Funds and the invested capital of each of those funds.

With respect to the Topspin Additional Funds, the Firm receives a management fee that is determined on a deal-by-deal basis based on a percentage of the total capital invested by the investors in a given deal. Each investor will bear its pro rata share of the management fees for the applicable Fund in proportion to its investment in the applicable Fund. Management Fees are paid to the Firm quarterly in advance of each of the Fund's fiscal quarters.

Managements fees collected from investors in the Topspin Venture Funds will be reduced by placement agent fees paid by those funds (if any), allocated over a three year period, plus 100%, of any transaction, monitoring, advisory, break-up, director or similar fees paid to the General Partners or the Firm (or any of their respective managers, members, directors, officers and employees) in connection with actual or prospective investments by the applicable Topspin Venture Fund, and 100% of any litigation proceeds from transactions not consummated by that fund in connection with that fund's proposed investment in such transactions. Credits will be carried forward until utilized. At the termination of a Topspin Venture Fund, any unused credits will be paid to the investors in that fund.

The Additional Topspin Funds do not collect any fees other than a management fee.

B. Additional Fees and Expenses

The General Partners will bear certain administrative expenses of each Fund, including costs associated with office space, telephone and utility expenses and similar administrative expenses of the Firm.

ITEM 6 PERFORMANCE – BASED FEES AND SIDE BY SIDE MANAGEMENT

Each General Partner receives a performance fee payable by each Fund in the form of a carried interest. The carried interest is deducted from a Fund's distributable proceeds. The carried interest payable to the General Partners will not exceed 20% of the amount of profits otherwise distributable to each investor in the applicable Fund. Each of the Funds has established a distribution waterfall describing how distributions will be paid to the underlying investors and to the General Partners.

With respect to the Topspin Venture Funds, the fees paid to each General Partner is subject to clawback provisions pursuant to which the General Partner is obligated to return to the applicable Topspin Venture Fund the after tax portion of any carried interest compensation that exceeds 20% of the overall profits of that fund.

The performance-based fees may have created an incentive for the Firm to recommend or approve more speculative investments on behalf of the Funds than would be the case in the absence of this arrangement. All investments, however, were made subject to the investment objectives and strategies set forth in Fund offering documents. In addition, the performance-based fees, if made, could result in allocations to the Firm that are greater than fees normally paid to other investment managers for similar services.

Based on the parallel nature of the Topspin Venture Funds, those funds participated in investment opportunities at the same time and intend to exit such investments at the same time. Each such investment opportunity has been allocated *pro rata* among the Topspin Venture Funds according to the respective amounts of capital commitments made by investors in each of those funds. In contrast, potential investors in the Topspin Additional Funds are approached on a deal-by-deal basis and, if they choose to invest, will do so in accordance with terms negotiated for the specific deal.

When presented with an investment opportunity, the Firm assesses the suitability of the investment for each Fund that is then seeking to make new investments. This assessment takes into account, among other things, such Funds' investment objectives and strategies, risk profile, tax status, diversification requirements, liquidity needs and available assets for investment. The Firm also assesses current market conditions and any other relevant information.

When presented with an exit opportunity, the Firm assesses the expected return on its investment in order to maximize return to investors.

ITEM 7 TYPES OF CLIENTS

The Firm provides investment management and administrative services solely to the Funds. The Topspin Venture Funds have minimum capital commitments for investors, as specified in the offering documents for each of those Funds. The General Partner of the Topspin Venture Funds has the authority to waive minimum capital commitment levels in its discretion. The Topspin Additional Funds do not have minimum capital commitments. Instead, investors in the Topspin Additional Funds invest on a *pro rata* (in the case of the Topspin Mini-Fund), deal-by-deal basis. Each investor in any of the Funds is required to meet certain suitability qualifications, such as being an "accredited investor" or a "qualified purchaser" within the meanings set forth under the federal securities laws.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Investment Analysis

Since the Topspin Venture Funds are no longer investing, the Firm no longer evaluates new investment opportunities for them but does evaluate opportunities for follow-on investments in existing portfolio companies. The Firm sources and evaluates investment opportunities for the Topspin Additional Funds. For all Funds, the General Partner retains sole discretion to implement any particular investment strategy.

The Firm identifies potential exit opportunities for the Topspin Venture Funds and continues to identify investment opportunities for the Topspin Additional Funds through a variety of sources. The Firm bases its investment analysis upon information obtained from working with an extensive network of executives and consultants with experience in different industries, as well as the principals of the Funds, each of whom has valuable, long-term experience in a variety of different industries.

The screening process for potential investments and exit opportunities involves extensive analysis. In order to gain a sufficient level of confidence in the prospects for a potential investment, the Firm looks to, among other factors, whether a potential investment has the following: (i) a business in which the Funds already have knowledge or may obtain knowledge through additional due diligence; (ii) a strong operating history; (iii) a business model that is inherently defensible so that the prospective portfolio company can withstand competitive attacks; (iv) a quality management team; and (v) a valuation that generates acceptable returns without excessive use of leverage. In order to gain a sufficient level of confidence in an exit opportunity, the Firm looks to, among other factors, whether a prospective buyer has the funds and business acumen necessary to facilitate the exit in an orderly and time-efficient manner. When considering an exit opportunity, the Firm's primary focus is whether the exit strategy will maximize returns to its investors.

When a potential investment or exit is deemed to be attractive in accordance with the Firm's investment strategic principles (explained more fully below), the Firm will recommend such an opportunity to the General Partner who will assign the proper parties, determined by the specifics of the particular exit, to conduct extensive due diligence.

B. Investment Strategy

When actively investing, the Firm focuses on small to middle-market companies with enterprise values between \$15 million and \$50 million, seeking those companies that have strong growth potential, but, through the Additional Funds, the Firm has done transactions with companies with enterprise values as low as \$2 million and as high as \$300 million. The Firm targets companies in this market because it believes there are significant advantages in avoiding the more crowded higher-end segment of the middle market, including lower purchase price multiples, heightened opportunities for multiple expansion, a scarcity of private equity competition and better opportunities for proprietary deal flow.

The Funds seek to achieve superior returns through venture capital investments. The Firm seeks to take a control position in each target investment company through ownership of that company. Tapping into the resources provided by both its group of experienced principals and its extensive network of highly accomplished senior executives and consultants, the Firm

seeks to either reorganize management of a target company, take positions on the board of directors of the target company or work with the target company's existing management to maximize its profitability. The Firm seeks to maximize profitability so that, upon exit, investors receive the highest possible returns.

On average, the Funds hold investments for five years. When a company reaches its target earnings return, the Fund generally seeks to exit the investment through a private sale.

C. Risk of Loss

Investments in a Fund involve a significant risk of loss that investors should be prepared to bear. A Fund investor should not invest in a Fund unless the investor is able to withstand a total loss of the investment. Even if the investments of a Fund are successful, they may not produce a realized return to Fund investors for a period of years. There is no assurance that a Fund will achieve its investment objective. In addition to the speculative nature of such investments, the risks include limited operating history for the Funds and the companies in which they invest, challenges in achieving optimum diversification, dependence on managers to enhance portfolio company values, limitations on withdrawal from the Funds, potential conflicts of interest, non-transferability of interests in the Funds and illiquidity of the Funds' investments. The Funds' risk management cannot entirely eliminate risk. The following are risks associated with the Funds' significant investment strategies:

Risks Related to the Business and Investments of the Fund

Business Risks

The Fund's investment portfolio consists primarily of securities issued by privately-held unseasoned technology companies and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk which can result in substantial losses. Furthermore, such portfolio companies may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial position. In addition, such 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.

Leveraged Nature of Investments

The Funds may use debt to leverage its portfolio companies but generally do not incur debt at the Fund level to make investments. Investments in leveraged companies involve a high degree of risk. As a result, recessions, operating problems and other general business 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 that any such portfolio company cannot generate adequate cash flow to meet debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company.

Future and Past Performance

The Funds have a limited operating history. The performance of the prior funds managed by the Firm and its principals cannot be relied upon as indicative of the Funds' future results.

While the Firm intends the Funds to have estimated returns commensurate with the risks undertaken, there can be no assurances that a positive return will be achieved. Any given investment made by the Funds may prove to be unsuccessful and investors should determine whether they are able to absorb a loss of some or all of their investment before investing in the Funds.

Investment in Subordinated and Unsecured Securities

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

Competitive Market for Investments

The business of identifying and structuring transactions of the nature contemplated by the Funds is highly competitive. The Funds compete for investments with other private equity investment vehicles and other companies, including institutional investors. There can be no assurance that the Funds will be able to continue 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

The Funds participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. Given the location of the Funds' management team on Long Island and the Funds' intent to leverage its contacts in the Long Island business community, a portion of the Funds' investments may be in companies based in Long Island. As a result, the Funds' investment portfolio could become concentrated and its lack of diversification may increase the Funds' exposure to adverse market conditions. Moreover, such concentration could cause the Funds' aggregate return to be affected substantially by the performance of a few holdings.

Focus on Start-Up Investments

It is anticipated that the Funds will make a significant portion of their investments in start-up companies which have inherently greater risk than more established businesses. Accordingly, the growth of these companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by the Funds will be successful.

Restricted Nature of Investment Positions

All or a substantial portion of the Funds' investments will consist of securities that are subject to restrictions on sale by that Fund because they are not registered under the Securities Act or other applicable securities laws and may be subject to contractual restrictions and conditions on transfer. Generally, the Funds will not be able to sell such securities under the Securities Act of 1933, as amended (the "***Securities Act***"), or will only be able to sell the securities under Rule 144 or other rules under the Securities Act which permit limited sales under specified conditions. In addition, practical limitations may inhibit a 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 issuers' equity securities. Sales may also be limited by market conditions, which may be unfavorable for the sale 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 the delay of any sale or reduce the amount of proceeds that might be realized from such sale.

Actual Results May Vary Significantly From Projections

The Funds may rely upon projections, forecasts or estimates relating to investment decisions in a particular portfolio company. Projections, forecasts and estimates are forward looking statements and are based upon certain assumptions. Actual events are difficult to predict and beyond the Funds' control and may differ significantly from those assumed. Accordingly, there can be no assurance that estimated returns or projections can be realized or that actual returns or results will not be materially lower than estimated. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each portfolio company's management and subject to numerous factors outside the control of the investing Fund. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

Need for Follow-On Investments

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

Foreign Investments

The Funds may invest in portfolio companies that are organized and operating outside of the United States, its territories and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations as such regulations may be given effect during the term of the applicable Fund.

Control of Limited Partners' Vote

The investors have the ability to vote on certain significant matters relating to the Funds, including replacement of the General Partner, dissolution of their Fund and amendment of the applicable Fund agreement. Members of the General Partner, together with the principals and their affiliates, may own a significant portion of the limited partner interests in the Funds. There may be situations where the interests of such persons and the other investors differ and the applicable Fund partnership agreement does not include any limitation on the ability of such investors to vote their limited partner interests.

Partnerships Vote Separately

Each vote of investors undertaken in the Funds is taken on a separate partnership basis. As a result, the Funds could have different terms in their partnership agreements which could adversely affect the General Partner's ability to manage identical returns for each Fund.

Certain Regulatory Considerations

The Funds may make investments in industries that are or may become subject to regulation under the laws of any one or more jurisdictions in which they operate. New and existing regulations and the burdens of regulatory compliance may have a material adverse effect on companies that operate in these industries. In addition, the Funds may invest in companies which thereafter experience a change in laws or regulations which change has an adverse effect on the portfolio company.

Possible Adverse Consequences of Control Positions

The Funds often take control positions in their portfolio companies. Depending upon the amount of equity owned by the Funds in a portfolio company, contractual arrangements between a portfolio company and the Funds and other relevant factual circumstances, such control could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made by the portfolio company to the Funds. In addition, because of its equity ownership, representation on a portfolio company's board of directors or other similar governing body, the Funds could be exposed to control person liability for environmental damage, product defects, failure to supervise management and employees, violations of laws and other potential liabilities. If the Funds experience control person liability, it could expose the Funds' assets to claims by its portfolio companies, by its portfolio companies' other security holders and creditors, and by governmental agencies which, if adversely determined against the Funds, could materially and adversely affect the Funds' performance.

Less Control in Minority Positions

Although the Funds typically acquire principally controlling interests in their portfolio companies, they may, as part of its overall investment strategy, elect to purchase or maintain after any disposition a minority position in one or more of its portfolio companies, and as such, it may not be able to exercise control over such companies.

Other Risks

Other risks related to investment in a Fund are detailed in each Fund's offering documents.

ITEM 9 DISCIPLINARY INFORMATION

None.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker Dealer Registration Status

None.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity
Trading Adviser Registration Status

None.

C. Material Relationships or Arrangements with Related Persons

Leo Guthart is a common owner and is involved in the investment decisions for each of the Funds.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT
TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

The Firm has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest, as required by Rule 204A-1 under the Advisers Act. The Firm's Code of Ethics contains policies and procedures that address, among other things, pre-clearance of certain personal securities transactions; periodic reporting of employees' personal securities transactions and holdings; and prompt internal reporting of any violations of the Code of Ethics.

The Firm will provide a copy of our Code of Ethics to Fund investors or prospective investors upon request.

ITEM 12 BROKERAGE PRACTICES

Although the Firm has discretionary authority to recommend broker-dealers for client transactions, the Firm does not expect to use this authority. Since the Firm anticipates that the securities of the underlying funds and portfolio companies will not be publicly traded, the Firm does not anticipate engaging any broker-dealer to effect transactions in securities of underlying funds and portfolio companies.

ITEM 13 REVIEW OF ACCOUNTS

A. Review of Fund Portfolio

The only accounts managed by the Firm are the Funds. The principals of the Firm meet on a periodic basis to discuss new investment opportunities that should be presented to the General Partner. The investment positions and assets within the Funds' portfolios are monitored and reviewed by personnel of the Firm regularly. The principals of the Firm meet whenever needed to review and approve new investment opportunities or to evaluate developments with respect to existing investments and/or opportunities for exiting investments.

B. Fund Reporting

Investors receive an audited annual financial report for each Topspin Venture Fund within 120 days after the conclusion of each fiscal year, and an unaudited financial report within 60 days after the conclusion of each of the first three quarters of each of the Topspin Venture Fund's fiscal year, or as soon as practicable thereafter. With respect to the Funds, we use all reasonable efforts to deliver annual tax information for an investor's tax return within 180 days after the end of each fiscal year. The Topspin Additional Funds are not audited but their portfolio

companies generally are audited. Investors in Topspin Additional Funds generally fund their investment at the time of the closing of the investment into the particular portfolio company.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

The Firm does not receive economic benefits from non-clients for providing investment advice or other advisory services to clients.

ITEM 15 CUSTODY

Under Advisers Act rules, the Firm is deemed to have custody of Topspin Venture Fund client assets.

Each Topspin Venture Fund is subject to an annual audit, and the audited financial statements are distributed to each of the Topspin Venture Fund's investors in accordance with the custody rules. Such financial statements are prepared in accordance with generally accepted accounting principles by an independent public accountant registered with and subject to regular inspection by the Public Company Accounting Board.

Topspin Additional Funds' assets are invested directly into a portfolio company by the investors therein at the closing of the particular investment.

ITEM 16 INVESTMENT DISCRETION

The Firm has investment discretion over each of the Topspin Venture Funds' assets in accordance with the offering document and limited partnership agreement for each of those funds. The General Partner has the authority to delegate investment discretion to the Firm pursuant to the limited partnership agreements of each of the Topspin Venture Funds. The offering documents and limited partnership agreements generally set forth the limitations with respect to the management of the Topspin Venture Funds and the activities of the Firm.

The Firm does not have investment discretion over the Topspin Additional Funds' assets. Instead, investors invest on a deal-by-deal basis and the Firm deploys invested capital in accordance with the terms negotiated for each particular deal.

ITEM 17 VOTING CLIENT SECURITIES

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, the Firm has adopted and implemented written policies and procedures governing the voting of client securities.

The Funds are primarily invested in venture capital investments which typically do not issue proxies. However, upon occasion, we will receive proxies in connection with a portfolio company that has become a publicly traded portfolio company, in which case it is our policy to exercise the proxy vote in the best interest of the investing Fund, taking into consideration all relevant factors, including without limitation, acting in a manner that we believe will (i) maximize the economic benefits to the relevant Fund and (ii) promote sound corporate governance by the issuer. On rare occasions, we may be required to exercise a vote for a privately-held portfolio company, in which case the same procedures shall apply.

We seek to avoid material conflicts of interest between our own interests on the one hand, and the interests of the Funds on the other. In situations where we are required to vote the proxy for a company in which our employees serve on the board of directors, we have determined that this does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on the investing Fund's investment in such portfolio company. Accordingly, while we are generally, but not automatically, fully support recommendations made by a portfolio company's board of directors with respect to proxy votes related to that issuer, we will review all proxies in accordance with our proxy voting guidelines and may or may not vote in favor of the board's recommendation.

All conflicts of interest will be resolved in the interests of the Funds. In situations where we perceive a material conflict of interest, the circumstances surrounding such potential conflict will be reviewed with our Chief Compliance Officer, who will be responsible for recommending the appropriate action, which may include removing certain of our employees from the proxy voting process.

All proxies that we receive will be treated in accordance with these policies and procedures. A copy of our written proxy voting policies and procedures, as well as a record of how we have voted in the past, will be maintained and available for review upon written request made to the Firm at Three Expressway Plaza, Suite 100, Roslyn Heights, NY 11577-2033.

ITEM 18 FINANCIAL INFORMATION

We are not aware of any financial condition we expect, or believe is likely to, impair our ability to meet our contractual commitments to the Funds.