

Form ADV Part 2A Brochure

NewGlobe, L.P.

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June 2013

This brochure provides information about the qualifications and business practices of NewGlobe, L.P.. If you have any questions about the contents of this brochure, please contact the firm's Chief Compliance Officer at (212) 231-3954. 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. NewGlobe, L.P. is applying for registration as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended. This registration does not imply a certain level of skill or training.

Additional information about NewGlobe and its affiliates is also available on the SEC's website at www.adviserinfo.sec.gov

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Material Changes

This is the initial filing of the brochure in connection with application for registration of NewGlobe, L.P.

1. Advisory Business

NewGlobe, L.P. (referred to as NewGlobe or we), a Delaware limited partnership formed in May, 2013, is a private investment advisory firm whose principal owner is NewGlobe Capital Partners US, LLC (that is principally owned by Christophe Browne). Andrew Hawkins and Christophe Browne control NewGlobe through their managing member interest in NewGlobe GP, LLC, the general partner of NewGlobe.

NewGlobe is affiliated with NewGlobe Capital Partners LLP (referred to as NewGlobe UK), a British limited liability partnership authorized and regulated by the United Kingdom Financial Conduct Authority. NewGlobe UK is controlled by Messrs. Hawkins and Browne. NewGlobe UK is a relying adviser with respect to NewGlobe's registration with the U.S. Securities and Exchange Commission in accordance with the position expressed in the American Bar Association No-Action Letter (publicly available January 18, 2012). It is anticipated that one or more majority owned subsidiaries of NewGlobe, will be formed and will also serve as relying advisers. Information in this brochure applies to NewGlobe and our relying advisers except as otherwise specified.

NewGlobe will provide investment advice to private fund clients (referred to as Client Funds) on the acquisition, directly or indirectly, of secondary limited partnership interests in private equity funds (referred to as Target Funds) NewGlobe will seek to acquire concentrated or controlling positions in the Target Funds and thereby to exercise significant influence over the management of the portfolio companies held by the Target Funds in order to drive maximum value from them.

NewGlobe will tailor advisory services to the individual needs and specified investment mandates of our Client Funds, provided that a seed investor may be allowed to opt out of participating in any of the Client Fund's investments. We will adhere to the investment strategy set forth in the Funds' private placement memoranda and operating agreements, including any restrictions and guidelines included in these documents.

NewGlobe does not participate in wrap fee programs.

NewGlobe expects to manage, on a discretionary basis, in excess of \$150 million within 120 days of filing with brochure.

2. Fees and Compensation

NewGlobe, or an affiliate, will receive compensation from each Client Fund normally based on both the percentage of commitments managed during the investment period, or the cost of unrealized investments after the investment period, and on the performance achieved for each Client Fund. The management fee may be paid in advance but since investors in the Client Funds may not withdraw capital prior to termination of the fund, investors will not be subject to management fees in excess of what they owe for the entire period. Management fees will be subject to equitable pro-rata in the event of termination of the investment management agreement prior to the end of the relevant fee period. Performance allocation will typically be based on net realized returns with respect to the Client Fund's investment portfolio and may be subject to a hurdle or a preferred return. Detailed information concerning our compensation and fees will be contained in the private placement memorandum and governing documents and agreements of each client Fund. NewGlobe's fees are generally not negotiable; however, we have the discretion to agree to different fees with investors in the Client Funds and may also waive fees, including for investors that are our affiliates or employees.

The Client Funds will bear their organizational and offering expenses, in certain instances subject to limitation. To the extent the Client Funds pay any placement agent fees, NewGlobe's management fees

will be offset by the same amount. The Client Funds will bear all costs and expenses directly related to portfolio investments or prospective investments (whether or not consummated). The Client Funds will also bear all costs and expenses relating to their activities, including legal, accounting and other professional or third-party costs, transaction costs, custody fees, costs and expenses of the Target Funds including fees of their professional advisors (other than NewGlobe's affiliates), travel expenses, specific expenses incurred in obtaining systems, research and other information utilized with respect to the Client Funds' investment program and any withholding or transfer taxes imposed on the Client Funds. The Client Funds will also bear in accordance with the relevant funds' governing documents all out-of-pocket costs of their administration (as well as their pro rata share of such expenses incurred at the Target Fund level), including accounting, audit, administration, legal and compliance expenses (which may include preparation of regulatory reports containing fund information regardless of the identity of the filer and any programs and software expenses related to any of the foregoing), costs of holding any meetings of investors or the Client Funds' advisory committees, costs of any liability insurance obtained on behalf of the Client Funds, NewGlobe or its affiliates, costs of any litigation or investigation involving Client Fund activities, and costs associated with reporting and providing information to existing and prospective investors in the Client Funds.

Neither NewGlobe nor any of our principals or employees receives any transaction-based compensation for the sale of interests in the Client Funds. NewGlobe and certain of its affiliates may receive management, oversight, advisory and certain transaction fees (in excess of expenses incurred by them) in connection with providing the relevant services, from Target Funds or portfolio companies in the Target Funds' investment portfolios, which may be wholly or partially offset against the management fees payable to NewGlobe by the Client Funds depending upon the terms agreed with the investors in a Client Fund.

NewGlobe UK receives compensation from NewGlobe with respect to certain services provided by NewGlobe UK, but does not charge fees directly to any of the Client Funds.

Relying advisers will receive management fees and performance allocation from the relevant Target Fund similar to those payable to NewGlobe or its general partner affiliate by the Funds. Detailed information will be contained in the Target Fund's offering documents and operating agreements. If NewGlobe or its affiliates, including NG Potomac VII, L.P., are entitled to management fees or performance compensation from the Target Funds, the Client Funds' interests in the Target Funds will not be subject to these amounts.

3. Performance-Based Fees and Side-by-Side Management

All of NewGlobe's clients will be subject to performance-based compensation payable to our affiliated entities.

4. Types of Clients

NewGlobe will provide investment management services to private investment funds that are exempt from registration under the Investment Company Act of 1940, as amended. NewGlobe's affiliates may serve as investment advisors to the Target Funds that are also private investment funds. Investors in the Client Funds and Target Funds will typically comprise financial institutions and other institutional investors and may include private persons who are high net worth individuals with prior experience of investing in private funds. The funds will require investors to be "accredited investors" and "qualified purchasers" or "knowledgeable employees" (as defined in relevant federal securities laws and regulations). The private placement memorandum for a Client Fund may specify a minimum investment requirement.

5. Methods of Analysis, Investment Strategies and Risk of Loss

The Client Funds will principally acquire limited partner interests in the Target Funds. The Target Funds, in turn, typically will comprise portfolios of equity, debt or convertible debt interests in mature, middle market companies in a wide variety of industries.

NewGlobe sources transactions via a combination of (1) desktop due diligence, utilizing, among other tools, commercially available private equity databases, (2) engaging with financial advisors, and (3) networking and meeting with limited and general partners in private equity funds. NewGlobe reviews numerous potential transaction opportunities, of which a very small percentage will result in an executed transaction.

NewGlobe conducts a ‘bottom-up’ due diligence review of each potential investment, including a detailed analysis of each Target Fund as well as of each underlying portfolio company, including historical and projected operational results, liability exposures, corporate strategy, industry dynamics and competitive landscape.

NewGlobe’s dedication to risk management is intended to identify and appropriately address the sorts of risk inherent in the types of transactions in which the Client Funds participate. However, despite our risk management process, investing in any securities and other instruments involves a risk of loss that any of our clients and any of the investors in our clients must be prepared to bear.

Examples of potential areas of risk associated with the types of investment strategies in which we engage are:

Investing in Target Funds. The Client Funds’ investment program depends on NewGlobe’s ability to identify and complete acquisitions, of limited partner interests in the Target Funds. There are limited investment opportunities available in this area, and the Client Funds will compete with other investors for these opportunities. The due diligence and structuring of the transactions with the Target Funds is a lengthy and costly process, and the closing is subject to the factors outside of NewGlobe’s control (e.g. consent of the Target Funds’ existing investors). The Client Fund will bear the costs of any transactions even if they are not consummated. Such expenses may be significant and may have a material adverse effect on the Client Fund’s performance.

NewGlobe’s strategies and the success of the Client Funds depend upon our ability to gather all relevant information about each investment and to assess it accurately, not only at the time of investment but through our holding period until our disposition of the investment. Our expectations regarding the favorable outcome of any investment can be adversely affected by numerous factors beyond our control, including our receipt of incomplete or inaccurate data, our failure to assess it accurately, and unpredictable changes in circumstances, including unforeseeable macroeconomic circumstances unrelated to our analysis of the specific investment. There can be no guarantee that NewGlobe’s assessment of the value of underlying positions of the Target Funds will prove accurate or that such positions will ultimately be realized. Accordingly, the investors should be prepared to bear the risk for an indefinite period of time and ultimately, be prepared to lose their entire investment.

Concentration of Investments. A Client Fund may participate in a limited number of investments and may seek to make several investments in Target Funds focusing on one industry or one industry segment. As a result, a Client Fund’s investment portfolio could be highly concentrated, and the performance of a few holdings may substantially affect its aggregate return.

Business Risks. A Target Fund's investment portfolio will consist primarily of securities issued by privately held companies, and operating results in a specified period may be difficult to predict. Investments in Target Funds involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance. The performance of prior investments of the principals of NewGlobe or a Client Fund is not necessarily indicative of a that fund's future results or of the future results of any other Client Fund.

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

Restrictions on Transfer; Illiquidity. Interests in the Client Funds and the Target Funds are not registered under the Securities Act of 1933 (referred to as the Securities Act, as amended) or any state or other securities laws. The interests may not be transferred unless registered under applicable federal and state securities laws and, in some cases, non-U.S. securities laws, or unless an exemption from such laws is available. The Client Funds and the Target Funds have no plans, and are under no obligation, to register the interests in the funds under the Securities Act. No public market exists for the interests and none is expected to develop. Further, approval by a Client Fund's general partner of a transfer of an investor's interest in the fund is required before any transfer may occur, which the general partner may withhold in its sole discretion. Accordingly, interests in the Client Funds constitute illiquid investments and only those investors who are able to bear the risk of their investment for an indefinite period should have purchased interests in the Client Funds.

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

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Target Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that a Target Fund will make follow-on investments or that the Target Fund will have sufficient funds to make all or any of such investments. Any decision by a Target Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment or may result in a lost opportunity for the Target Fund to increase its participation in a successful operation, and in turn result in losses to the Client Fund.

Leveraged Investments. A Client Fund may make use of leverage directly or indirectly by having a Target Fund or its portfolio companies incur debt to finance a portion of a Client Fund's investment in a given Target Fund or portfolio company. Leverage generally magnifies both a Client Fund's opportunities for gain and its risk of loss from a particular investment.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of a Client Fund's investments, and hence, most of a Client Fund's investments will

be difficult to value. Certain investments may be distributed in kind to the limited partners of a Client Fund, typically at the end of its life.

Reliance on Target Funds' Management. Although the Client Funds generally intend to invest in Target Funds with strong management or recruit strong management to such companies, there can be no assurance that the existing management of such companies will continue to operate a company successfully.

Minority Ownership. In certain instances, a Client Fund's investments in particular Target Funds may be minority investments. Such investments may exist alongside one or more funds sponsored by other private equity firms. There can be no assurance that a Client Fund will be able to negotiate control provisions or otherwise exercise control in such situations. Disagreements with management or other investors (including other private equity firms) may limit a Client Fund's ability to bring about operating, strategic, or other changes at such companies and may limit exit opportunities.

Controlling Interest. Due to its equity ownership, representation on the board of directors, and/or contractual rights, a Target Fund may often be considered to control, participate in the management of, or influence the conduct of portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws), and other types of liability, for which the limited liability generally afforded to shareholders in the portfolio company (i.e., the Target Fund) may be ignored. If these liabilities were to arise, a Target Fund, and as a result, a Client Fund investing in this Target Fund, may suffer a significant loss.

Dependence on Patents, Trademarks, and Other Intellectual Property. Certain investments depend heavily on intellectual property rights, including patents, trademarks, and service marks. The ability to effectively enforce patent, trademark, and other intellectual property laws will affect the value of certain Target Fund investments. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of a portfolio company's particular product.

Indemnification. Each Client Fund and Target Fund generally is required to indemnify, subject to certain limitations, its general partner, investment manager, their affiliates, and each of their respective members, officers, directors, employees, consultants, advisers, senior advisers, partners, and other persons who serve at the request of such general partner on behalf of the relevant Client Fund or Target Fund, for liabilities incurred in connection with the activities of such Client Fund or Target Fund. The amounts incurred pursuant to these obligations may be significant and may have a material adverse effect on the Client Fund's performance.

Contingent Liability on Disposition of Investments. Most of the Target Funds' investments involve private securities. In connection with the disposition of an investment in private securities, the Target Funds may be required to make representations about the business and financial affairs of the company typical of those made in connection with the sale of a business. The Target Funds also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities that ultimately yield funding obligations that must be satisfied by the investors to the extent set forth in the Client Fund agreements.

Public Company Holdings. A Target Fund's investment portfolio may contain securities issued by publicly held companies. These investments may subject such Target Fund and as a result the Client Fund to risks that differ in type or degree from those involved with investments in privately held

companies. The risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Target Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members and increased costs associated with each of the aforementioned risks.

Director Liability. A Target Fund will often obtain the right to appoint a representative to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Target Fund's representatives, and ultimately the Client Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

Uncertain Economic and Political Environment. The current global economic and political climate is one of uncertainty. Such a climate may have an adverse effect on the economy generally and on the ability of a Client Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities and increases the difficulty of modeling market conditions, reducing the accuracy of the financial projections.

Market Conditions. Any material change in the economic environment may have a negative impact on the performance and/or valuation of the portfolio companies. A Client Fund's performance may be affected by deterioration in public markets and by market events, which can impact the public market comparable earnings multiples used to value privately held portfolio companies. A Client Fund's performance may also be affected by deterioration in the credit and capital markets, particularly where the availability of financing is reduced. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Client Fund's performance.

Co-investments. The Client Funds may co-invest with third parties through joint ventures or other entities. Co-investments may involve risks in connection with such third-party involvement, including the possibility that such party may have financial difficulties that negatively impact such investment or may have economic or business interests that conflict with those of a Client Fund.

Currency Risk. Investments are likely to be made and realized in currencies other than the base reporting currency of a Client Fund. Changes in rates of exchange may have an adverse effect on the value, price or income of the investments in a Client Fund. Movements in the foreign exchange rate may have an impact upon such investor's returns in their own currency of account.

Regulatory Risk. As a response to the recent global financial crisis, both United States and Europe adopted a variety of new laws and regulations that may limit the activities in which the Client Funds, the Target Funds and NewGlobe may engage and make their operations more costly or otherwise less profitable. Although the new laws typically require more disclosure and transparency, there can be no guarantee that the new regulations will protect the Client Funds or the Target Funds against a risk of loss or fraud.

6. Disciplinary Information

In the past ten years, there have been no legal or disciplinary events involving either NewGlobe or any of its management persons that are material to a current investor's or prospective investor's evaluation of NewGlobe's advisory business.

7. Other Financial Industry Activities and Affiliations

Neither NewGlobe nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither NewGlobe nor any of its management persons 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 the foregoing entities.

As described above, NewGlobe shares ownership with NewGlobe UK. NewGlobe UK is an investment adviser authorized and regulated by the United Kingdom Financial Conduct Authority.

In addition, NewGlobe will be a majority owner of the relying adviser(s) that will act as investment manager(s) to Target Funds. NewGlobe will form affiliated entities to serve as general partners of the Client Funds and the Target Funds and investment managers to certain Target Funds. As a result, the Client Funds and in some instances the Target Funds will not have independent management.

To the extent NewGlobe manages more than one Client Fund, our personnel will not devote their exclusive attention to any single Client Fund or Target Fund, and the interests of one client may conflict with those of another. For example, a conflict may arise due to the fact that the Client Funds may have similar investment mandates. NewGlobe will adopt an allocation policy to ensure fair allocation of investments among clients. The policy will contain provisions preventing NewGlobe from taking into account differences in compensation structures and investment by related persons in any Client Fund in allocating an investment opportunity.

NewGlobe does not recommend or select other investment advisers for the Client Funds, although NewGlobe's strategy calls for us to make determination on whether to retain or replace the management of the Target Funds in order to maximize the value of their portfolios.

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

NewGlobe has adopted the Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended (together with the firm's compliance manual referred to as the Code), which sets forth standards of conduct for NewGlobe personnel, addresses various conflicts of interests, including in connection with personal trading, and contains other policies and procedures to address potential conflicts of interest and comply with NewGlobe's regulatory obligations. The Code requires personal securities transactions by personnel to be conducted in a manner that prioritizes the clients' interests in client-eligible investments. NewGlobe personnel must report their personal securities transactions and prohibits NewGlobe's personnel's direct or indirect acquisition of beneficial ownership of securities in an initial public offering or in a limited offering, in each case, without first obtaining approval from NewGlobe's Chief Compliance Officer. A copy of the Code will be provided to any client or prospective client upon request to Mark Klein on (212) 231-3954 or at mark@newglobecapital.com.

NewGlobe's employees may sit on the advisory or director boards of the Target Funds or their portfolio companies. These employees could have a conflict of interest with respect to decisions made by the board as the interests of the Client Funds and the Target Funds or their portfolio companies may differ. Our employees may also serve as a committee representative in a bankruptcy proceeding. In determining whether to serve on the boards or creditor committees, we will weigh the benefits of such appointments with the conflicts presented.

NewGlobe and its affiliated persons may come into possession from time to time of material nonpublic or other confidential information about portfolio companies which, if disclosed, might affect an investor's

decision to buy, sell or hold a security. Under applicable law, NewGlobe and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of NewGlobe. Accordingly, should NewGlobe or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, NewGlobe would be prohibited from communicating such information to NewGlobe UK in respect of the Client Funds, and NewGlobe will have no responsibility or liability for failing to disclose such information as a result of following its policies and procedures designed to comply with applicable law.

Personnel of NewGlobe, NewGlobe UK and their affiliates may indirectly own an interest in the Client Funds and/or Target Funds through investment vehicles established for the purpose of investing in these funds and which are also advised or managed by NewGlobe. NewGlobe believes such interests do not create a conflict of interest and instead operate to align the interests of NewGlobe personnel with the Client Funds. NewGlobe and its affiliates and their personnel may carry on investment activities for their own accounts and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities to other accounts or in respect of certain vehicles which may differ from advice given to NewGlobe UK.

NewGlobe or its affiliates may receive, directly or indirectly, compensation from the Target Funds in connection with providing services to the Target Funds. NewGlobe has adopted policies preventing us from taking this compensation into account in determining whether to invest in a Target Fund, and as noted above, in some instances such amounts may be offset against NewGlobe's management fees.

9. Brokerage Practices

Given the Client Funds' investment strategy, NewGlobe does not expect to utilize broker-dealer services and will not recommend broker-dealers to its clients. Therefore, NewGlobe will not benefit from soft dollar arrangements. NewGlobe does not intend to aggregate the purchase or sale of securities for client accounts. In the case that NewGlobe's operations warrant the use of broker-dealers or aggregation of trades, NewGlobe will adopt policies aiming to achieve "best execution" for its clients and minimize any potential conflict of interest.

10. Review of Accounts

NewGlobe's investment professionals will review the Target Funds and their portfolios and analyze their performance on an ongoing basis. In addition, NewGlobe's General Counsel will monitor compliance with the Client Funds' operating agreements on an ongoing basis, most specifically whenever a Client Fund makes a new investment, issues capital calls, or makes any distributions or payments by the Client Fund.

The Client Funds will generally provide unaudited written reports to investors within 45 days of the end of March, June and September quarter-ends and audited annual reports for each of our Client Funds containing financial statements examined by our independent auditors as well as such tax information as is necessary for each investor in our domestic Client Funds to complete its U.S. federal and state income tax or information returns, along with any other tax information required by law within 120 days of the December year end. These reports will typically include a valuation of each investment and the applicable Client Fund as a whole. The frequency and content of reports will be agreed with investors prior to their admission to a Client Fund and described in each Client Fund's limited partnership agreement. As such, to the extent permitted by applicable law or regulation, there may be differences in the reports received by investors in different Client Funds. The Target Funds managed by relying advisers will generally be subject to similar reporting requirements.

11. Client Referrals and Other Compensation

NewGlobe does not receive any economic benefit from non-clients for providing advisory services to its clients. However, NewGlobe and its affiliates may receive economic benefits, in the form of management, oversight, advisory or transaction fees, from the Target Funds or their portfolio companies in connection with services provided by NewGlobe or its affiliates to these entities. As described elsewhere in this brochure, NewGlobe has policies and procedures designed to manage any potential conflicts raised by these practices.

Neither NewGlobe nor its related persons intends to compensate any person for client referrals. To the extent that NewGlobe ever does so, these arrangements shall comply with the requirements of Rule 206(4)-3. However, NewGlobe or its affiliates may use third party placement agents or finders in connection with the offering of interests in the Funds. NewGlobe will take measures to ensure that each placement agent or finder is registered as a broker-dealer (unless such registration is not required by applicable laws). NewGlobe will effectively bear any placement agent fees either directly or by offsetting the management fees payable to it by the amount of any placement agent fees on a dollar-for-dollar basis. The investors in the Client Funds may also agree to bear placement agent or finders' fees that are fully disclosed to them.

12. Custody

Due to our expected access to client funds and securities as general partner or investment manager for our Client Funds and certain Target Funds, and our or a related person's authority to deduct fees and other expenses from these accounts, NewGlobe will be deemed to have constructive custody of clients' funds and securities within the meaning of Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (known as the Custody Rule).

We will utilize the services of unrelated financial institutions or other qualified custodians (as defined in the Custody Rule) to hold the funds and securities of all of our clients, with the exception of certain uncertificated privately offered securities, which are expected to comprise a substantial majority of the Client Funds' portfolios. We also ensure that the qualified custodian maintains such funds in accounts that contain only clients' funds and securities, which may be under our name as agent or trustee for the client.

For our clients that are collective investment vehicles, we will comply with the periodic reporting requirements of the Custody Rule by arranging for annual financial statements, prepared in accordance with generally accepted accounting principles and audited by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, to be delivered to each investor in these funds within 120 days of the end of the relevant fund's fiscal year.

13. Investment Discretion

All of our firm's investment advisory services involve the management of client accounts on a fully discretionary basis. We have the authority to determine, without obtaining specific client consent, which securities to buy or sell and the amount of securities to buy or sell, the brokers through which we may effect trades, and the commission rates at which we effect trades. In exercising this authority, we adhere to the investment strategy and program set forth in each Client Fund's private placement memorandum and operating agreements. Certain investors in the Client Funds may elect not to participate in one or more of the Client Funds' investments.

Investors in the Client Funds will be required to complete subscription documents to acquire interests in the Client Funds, which, among other things, will confirm that the investor has reviewed the relevant disclosure documents describing the scope of NewGlobe's authority and the inability of any investor to direct NewGlobe's trading activities.

14. Voting Client Securities

In accordance with the fiduciary duty to our clients and Rule 206(4)-6 under the Advisers Act (known as the "proxy voting rule"), NewGlobe has adopted and implemented written policies and procedures governing the voting of Client Funds' and/or Target Funds' securities.

The Client Funds and the Target Funds normally invest in privately held portfolio company investments that typically do not issue formal proxies. In the event a Client Fund or a Target Fund receives a proxy in connection with a publicly traded portfolio company, NewGlobe will cause the general partners of such Client Funds to exercise the proxy vote in the best interest of the relevant fund, taking into consideration all relevant factors, including without limitation, acting in a manner that NewGlobe believes will (i) maximize the economic benefits to the relevant fund and (ii) promote sound corporate governance by the issuer. NewGlobe, on behalf of a Client Fund or a Target Fund, also may be required to exercise a vote (not covered by a formal proxy) for a privately held portfolio company, in which case the same procedures will apply. In acting for a Target Fund, NewGlobe will have a fiduciary responsibility to act in the best interests of the Target Fund which may not be the same as the interests of the relevant Client Fund.

As is typical with private equity investing, NewGlobe generally seeks and accepts the election of one or more NewGlobe representatives to serve on the board of directors of Client Fund or Target Fund portfolio companies and will typically, but not always, vote in favor of board recommendations. In situations where NewGlobe is required to vote a proxy for a company for which one or more of its representatives serve on the board of directors, however, in accordance with NewGlobe's proxy voting policy, NewGlobe will establish a proxy conflicts committee to resolve conflicts in the event they arise. This committee will review all proxies in accordance with the proxy voting policy and NewGlobe may or may not vote in favor of the board's recommendation, depending on what NewGlobe determines to be in the best interests of NewGlobe's clients invested in the portfolio company. The proxy conflicts committee will recommend a course of action for NewGlobe to adopt, or NewGlobe may defer to the voting recommendation of an independent third-party provider of proxy services or take such other action in good faith that protects the interests of its clients.

A copy of the proxy voting policy is available upon request by contacting the General Counsel at (212) 231-3954 or at mark@newglobecapital.com. Further, upon request, investors will be provided with a record of how formal proxies have been voted.

15. Financial Information

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, so the instruction to include a balance sheet for NewGlobe's most recent fiscal year is not applicable to us.

We do not believe any financial condition exists that is reasonably likely to impair our ability to meet contractual commitments to our clients.

NewGlobe has never been the subject of a bankruptcy petition.

16. Requirements for State-Registered Advisers

Not applicable.