

**INVESTMENT ADVISER BROCHURE
PART 2A OF FORM ADV**



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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Lariat Partners, LP. If you have any questions about the contents of this Brochure, please contact us at (720) 544-6262 or info@lariatpartners.net. 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.

Lariat Partners, LP is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Lariat Partners, LP is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 **MATERIAL CHANGES**

Lariat Partners, LP is a new investment adviser and is filing Form ADV for the first time. As a result, there are no material changes to report.

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ITEM 4 ADVISORY BUSINESS

Lariat Partners, LP (“**Lariat Partners**”) is a Delaware limited partnership and a registered investment adviser that began operations in January 2013. Lariat Partners and its affiliated investment adviser, Lariat Partners GP, LLC (the “**General Partner**”, and together with Lariat Partners and their affiliated entities, “**Lariat**”) provide investment advisory services to Lariat’s private fund clients. The General Partner is registered as an investment adviser in accordance with SEC guidance under the Advisers Act.

Lariat’s client is Lariat Partners Fund I, LP (the “**Fund**,” and together with any future private investment fund managed by Lariat, the “**Funds**”). Lariat Partners and the General Partner are generally operated as a single advisory business and are controlled by their principal owners, Kevin Mitchell and Jay Coughlon (the “**Principals**”).

The Funds are private equity funds and invest through negotiated transactions in operating entities. Lariat’s investment advisory services to the Funds include investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of portfolio companies and advising the Funds as to disposition opportunities. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Lariat may serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds.

Lariat’s advisory services for the Funds are detailed in the Funds’ respective private placement memoranda, investment management agreements, and limited partnership agreements and are further described below under Item 8, “*Methods of Analysis, Investment Strategies and Risk of Loss.*”

Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints. The Funds or Lariat may enter into side letters or other similar agreements with certain investors that have the effect of establishing rights under, supplementing or altering a Fund’s partnership agreement or an investor’s subscription agreement.

As of August 26, 2013, Lariat had no assets under management.

ITEM 5 FEES AND COMPENSATION

As detailed below, Lariat may receive management fees and carried interest in connection with providing investment advisory services to the Funds. The General Partner or other Lariat entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and a portion of such additional compensation may offset in whole or in part the management fee otherwise payable to Lariat. Generally, investors in a Fund pay management fees quarterly in advance for the duration of the commitment period of the respective Fund. Investors in the Funds also bear certain fund expenses as further described below. Except as otherwise described in the applicable partnership agreement, expenses and other fees are expected to be paid over the term of the applicable Fund and investors generally are not permitted to withdraw or redeem interests in such Fund. Installments of the management fee payable for any period other than a full quarterly period generally are adjusted on a *pro rata* basis according to the actual number of days in such period.

With respect to co-invest vehicles, to the extent any fees are charged or received by Lariat, such fees are generally negotiated on a vehicle-by-vehicle basis, but may include commitment-based fees,

performance-based fees or allocations, expense reimbursements or other administrative fees similar to those described below relating to the Funds.

Lariat may exempt principals, employees and senior advisors from and reduce large investors' payment of all or a portion of management fees and/or carried interest. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by Lariat, or through other Funds which co-invest with a Fund. Lariat's principals, employees and senior advisors are not subject to management fees or carried interest on their direct or indirect investment in the Funds. Lariat may form co-invest vehicles that are not subject to management fees or carried interest. Lariat may also reduce management fees and/or carried interest for certain large or strategic investors through side letter arrangements.

After payment of all overhead and expenses, principals or other employees of Lariat may receive residual portions of the management fee, carried interest or other compensation received by Lariat.

As permitted under the respective partnership agreement, Lariat may waive or agree to reduce the management fee. Any such waived or reduced portion of the management fee reduces the amount of capital Lariat would otherwise be required to contribute to the respective Fund. An amount equal to aggregate waived management fees that are not applied to capital contributions may be distributed to the General Partner or an affiliate. Upon a waiver, the limited partners of a Fund may be required to make a *pro rata* contribution according to their respective Commitments to fund any such waived management fee that Lariat elects to treat as a contribution and, as a result, the exercise of such waiver may result in an acceleration of investor capital contributions. Waived or reduced management fees are not subject to the management fee offsets described below. Due to waived or reduced management fees by Lariat and/or timing of receipt of compensation subject to offsets (as described below), it is possible that management fee offsets will not be fully realized by investors in a Fund, resulting in a net additional benefit to Lariat.

Further specific details of management fees, performance-based fees or allocations, fund expenses and fee waivers are set forth in the Funds' respective private placement memoranda and partnership agreements.

Management Fees

During the commitment period of the Fund, the Fund will pay an annual management fee, funded by each limited partner quarterly in advance, equal to the budget-based approved amount of fees required to fund the operations of Lariat Partners. The management fee will be funded in advance as of the initial closing based on the aggregate Fund investor capital commitments ("**Commitments**"), regardless of when a limited partner is actually admitted. Investors participating in a closing after the initial closing of the Fund are still responsible for payment of the management fee, with annual 8% interest thereon attributable to their commitments, from the initial closing date. Following the termination of the commitment period, there will be no management fee payable and the operations of Lariat Partners will be funded solely through the other fees received by Lariat or the Principals from portfolio companies.

Performance-Based Fees

Distributions to investors in the Fund may be subject to carried interest or other profit-based allocations for the benefit of the General Partner. Generally, this carried interest represents a share of distributions made in excess of invested capital and allocable fees and expenses. As more fully described in the Fund's partnership agreement, carried interest allocations will increase from 20% of realized profits to 25% to the extent the Fund achieves greater than a three times (3x) return of invested capital. Carried interest allocations are subject to an annually compounded investor preferred return of 8%, a related

General Partner catch-up and an adviser giveback obligation if the General Partner has received excess cumulative distributions. With respect to co-invest vehicles, the General Partner will receive 50% of the carried interest with respect to co-investment opportunities relating to each portfolio company provided to limited partners and no more than the amount of carried interest received with respect to co-investment opportunities provided to non limited partners.

It is expected that any future Funds will have a similar fee structure.

Other Fees

During the commitment period of a Fund, to the extent that Lariat is entitled to receive fees from a portfolio company of such Fund (directors' fees, transaction, monitoring, break-up, advisory or other fees ("**Other Fees**")), the management fee will be one hundred percent offset by such fees (net of expenses) otherwise payable to Lariat in accordance with the partnership agreement of such Fund. Following the commitment period of a Fund, all such Other Fees will be paid directly to Lariat or the Principals at their discretion. Other Fees will not include any fees paid to Lariat Industry Partners.

Expenses

Each Fund generally bears organizational expenses, including legal, accounting, regulatory and other similar expenses incurred in connection with organizing and establishing the Funds and the General Partner and the marketing and offering of limited partnership interests in such Funds, including placement agent fees (collectively, "**Offering and Organizational Expenses**"), provided that the management fee will be reduced dollar-for-dollar by the amount of placement agent fees paid by each Fund such that the limited partners will not bear the economic burden of any placement agent fees. Limited partners of the Fund will receive a reduction in management fees equal to the amount of Offering and Organizational Expenses (excluding placement agent fees) in excess of \$500,000.

Each Fund will pay all costs and expenses relating to its activities (to the extent not reimbursed by a portfolio company investment), including legal, auditing, consulting, administration, custodian and accounting fees and expenses (including expenses associated with the preparation of such Fund's financial statements, tax returns, and K-1s), expenses of the applicable Fund's limited partner advisory board (each, a "**Board of Advisors**"), annual meetings of the limited partners, insurance and other expenses associated with the acquisition, holding and disposition of its investments, extraordinary expenses (such as indemnification and litigation) and all debt service obligations, including principal, interest, premium, if any, fees, expenses and other amounts payable in respect of indebtedness of such Fund. The Funds will pay all expenses for transactions not completed, including amounts payable to third parties and all fees and expenses of lenders, investment banks and other financing sources in connection with arranging financing for transactions which are not consummated, and any deposits or down-payments which are forfeited in connection with unconsummated transactions. Lariat Partners will be responsible for all ordinary operating expenses of the Fund, including overhead expenses, facilities expenses and compensation of employees. For the avoidance of doubt, Lariat Industry Partners may receive compensation in respect of board of director and consulting fees and equity compensation from portfolio companies but will not be compensated by the Fund. No fees or equity compensation paid to Lariat Industry Partners will be used to offset the management fee.

Brokerage fees may be incurred in accordance with the practices set forth in Item 12 below, "Brokerage Practices."

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under Item 5, “*Fees and Compensation*” above, the General Partner may receive a carried interest allocation on realized profits in a Fund. Except for potential future co-invest vehicles, Lariat does not advise Funds not subject to a carried interest, however Lariat may waive carried interest with respect to certain persons as described above.

ITEM 7 TYPES OF CLIENTS

Lariat’s clients are the Funds. The Fund is a Delaware limited partnership which operates as an exempt investment pool under the Investment Company Act of 1940, as amended (the “**1940 Act**”). Any future Funds advised by Lariat may include investment partnerships or other pooled investment vehicles formed under domestic or foreign laws and operated as exempt investment pools under the 1940 Act. The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates, charitable organizations or other corporations or business entities and also may include, directly or indirectly, principals or other employees of Lariat.

The Funds generally require a minimum investment amount of \$5 million for third-party investors, but such amount may be reduced with the prior agreement of the General Partner, subject to applicable legal requirements.

Fund interests are offered and sold generally to investors that are (i) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended and (ii) “qualified purchasers” as defined under Section 2(a)(51) of the 1940 Act.

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

General

Lariat provides day-to-day investment advisory services to the Funds. The following is a summary of the investment strategies and methods of analysis generally used by Lariat on behalf of the Funds. More detailed descriptions of the Funds’ investment strategies and methods of analysis are included in the applicable private offering materials and governing documents of each Fund. There can be no assurance that Lariat will achieve the investment objectives of each Fund and a loss of investment is possible.

Investment Strategy

The Funds will pursue consolidation opportunities in a diverse range of industries with a strong preference toward platforms managed directly by the founding entrepreneur which have certain unique, outlier characteristics that differentiate the portfolio company from its industry peers. Lariat will endeavor to structure transactions with meaningful management rollover equity participation as well as equity upside potential using stock options and restricted stock incentive pools. The Funds will be guided by Lariat’s CORE Investment Strategy™. The Funds will not focus on real estate investing, oil/gas exploration and production, venture capital, technology or distressed companies.

CORE Investment Strategy™

Lariat’s CORE Investment Strategy™ consists of COnsolidations, COnsumables and REcurring revenue businesses (REpair & maintenance, REplacement, REtrofit and REgulatory-driven industries). This strategy creates discipline around the evaluation of new platform opportunities, limits exposure to

cyclical industry niches and provides differentiated branding to the deal sourcing community. The CORE Investment Strategy™ allows Lariat to concentrate on industries with specific attributes, giving Lariat in-depth knowledge about a few industry niches and enhancing competitive positioning within those niches. Furthermore, due to Lariat's buy-and-build consolidation focus, the mapping of the competitive landscape within certain industry niches greatly accelerates add-on acquisition activity. Due to a lack of financing alternatives and less competitive bidding processes, the lower middle market has allowed for lower purchase multiples relative to larger investments.

Method of Analysis

Lariat Partners utilizes a top-down approach to deal flow and regularly partners with buy-side advisors to help in the search of new platform and add-on acquisition opportunities. The diligence effort will be led by teams consisting of at least two Lariat investment professionals on a best-fit basis in which one Principal will take the lead. The Principal that is not leading a given transaction will also be involved in the formation of the investment thesis, evaluation of the management team and due diligence process. Every potential platform company acquisition will be evaluated based upon a number of criteria, including: the underlying macro and microeconomic trends, the organic growth strategy, the potential for adding ancillary products and services through add-on acquisitions and the anticipated exit strategy. In addition, each deal team will analyze risks and mitigants, including exposure to industry cycles. As new information is gathered, Lariat will continuously evaluate the desirability of the investment.

Structuring and Valuation

Lariat performs extensive research to determine the proposed value of each portfolio company, starting at acquisition and continuing through to disposition. Lariat will seek to structure every deal to maximize returns for the Limited Partners and the management of portfolio companies. Lariat is very focused on management ownership and will be biased toward transactions that have large rollover equity ownership. This allows Lariat to align its interests with management and make more strategic, value-added decisions going forward. Lariat will structure most transactions with moderate to low leverage as compared to other private equity funds.

Risks of Investment

Each Fund and its investors bear the risk of loss that Lariat's investment strategy entails. The discussion below enumerates certain risk factors that apply generally to an investment in one or more Funds. Prior to making any investment in a Fund, investors should review the applicable Fund's private placement memorandum for additional information regarding risks and conflicts of interest specific to each Fund.

General Risks

General. Investing in portfolio companies involves a high degree of business and financial risk that can result in substantial losses. In order for the Fund to succeed, it must be able to identify potentially successful business enterprises, a process that is difficult even for those with extensive experience investing in such enterprises. Portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and may require substantial additional capital to support expansion or to achieve or maintain a competitive position.

Investment in the Fund is highly speculative, involves a high degree of risk and could result in the loss of part or all of an investor's capital contributions. Prospective investors should not subscribe for interests in the Fund unless they can bear such a loss. There can be no assurance that the Fund's

investment objectives will be achieved, and investment results may vary materially from one reporting period to the next. In addition, there will be occasions when Lariat may encounter potential conflicts of interest in connection with the Fund. Consequently, an investment in the Fund is suitable only for sophisticated investors capable of making an informed independent decision as to the risks involved in an investment in the Fund.

Lack of Operating History and Experience. The Fund consists of one or more newly formed entities that have not commenced operations and therefore, has no operating history upon which prospective investors may evaluate its performance or upon which an investor can base its prediction of future success or failure. In addition, although the Principals have significant experience in making investments consistent with the Fund's investment strategy, Lariat Partners and the General Partner are recently formed entities as well. The performance of any of the Principals' prior investments is not necessarily indicative of the future results of the Fund's investments. The Fund is permitted to make investments in markets in which Lariat may have had no prior operating experience. Accordingly, the Fund may compete for assets with entities that may have greater experience and knowledge of such markets and may have better relationships with sellers, brokers, lenders or others in such markets. Investments in new markets may require more management time, staff support and expense in order to develop and maintain an appropriate knowledge base and relevant relationships.

Long-Term Nature of Investment; Illiquidity. An investment in the Fund requires a long-term commitment, with no certainty of return. Generally, the Fund's investments will be illiquid, and there can be no assurance that the Fund will be able to realize on such investments in a timely manner or at all. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the limited partners. In addition, there may be little or no near-term cash flow available to the investors. The Fund typically will acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws.

Additionally, the realizable value of a highly illiquid investment may be less than its intrinsic value. It is generally not expected that partial or complete dispositions of investments will result in a return of capital or the realization of gains (if at all) for a number of years after an investment is made. A variety of factors (including economic conditions, asset conditions, political and regulatory considerations and public opinion) could affect the ability of the Fund to buy or sell investments on favorable terms.

No Assurance of Investment Return. An investment in the Fund involves a significant degree of risk. Lariat cannot provide assurance that it will be able to choose, make, and realize investments in any particular Fund investment. There can be no assurance that the Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of assets and transactions described herein. Past investment activities of the Principals, and any entities with which they were associated, provide no assurance of future success. There can be no assurance that any investor will receive any distribution from the Fund. In addition, the Fund will bear the expenses of transactions that are not consummated. While such expenses may be reimbursed by offsetting certain amounts payable to Lariat Partners, there can be no assurance that sufficient offsetting fees will be generated to reimburse all such expenses. Furthermore, the Fund may enter into agreements to consummate transactions which involve payments, such as reverse break-up fees, by the Fund in certain circumstances if the Fund does not consummate the transaction. As a result, the Fund could incur a substantial cost with no opportunity for a return. Even if the investments of the Fund are consummated and successful, they may not produce a realized return to the investors for a number of years. Accordingly, an investment in the Fund should only be considered by persons who do not require current income and can afford a loss of their entire investment. Past or current activities of the Principals provide no assurance of future success. There is no

assurance that any benefits or advantages to investors suggested or implied in the private placement memorandum will be available or accomplished. There can be no assurance that projected or targeted returns for the Fund will be achieved.

Dependence on Key Personnel. The success of the Fund depends in substantial part upon the skill and expertise of the Principals and the other individuals employed by Lariat. However, there can be no assurance that such professionals will continue to be associated with Lariat throughout the life of the Fund. The loss of one or more Principals or other key personnel could materially and adversely affect the Fund and the performance of its investments. In such event, the Fund could have a diminished capacity to obtain investment opportunities, to capitalize upon relationships and to structure and execute its potential investments and dispositions. The Fund may not be able to successfully recruit additional personnel and any additional personnel that are recruited may not have the requisite skills, knowledge or experience necessary or desirable to enhance the incumbent management.

Reliance on Portfolio Company Management. Each portfolio company's day-to-day operations will be the responsibility of such portfolio company's management team. The Fund intends to seek management rights, including board representation or other rights, where appropriate. However, there is no assurance that these rights, if sought, will be obtained. Furthermore, even in cases where the Fund may be represented on management boards or have other management rights, the Fund does not expect to have an active role in the day-to-day operations of its investments. The success or failure of many of the Fund's portfolio companies will depend to a significant extent on the financial and management talents and efforts of specific employees of such portfolio companies, whose death, disability or resignation could adversely affect the performance of the portfolio company. In addition, the Fund may co-invest with non-affiliated co-investors whose ability to influence the day-to-day management and affairs of the portfolio companies' investments may be significant and even greater than that of the Fund.

Indemnification and Exculpation. The Fund will indemnify and exculpate Lariat and any of its members, partners, managers, officers, directors, shareholders, employees, agents, representatives, investors, affiliates or other personnel, including, without limitation, each of the Principals, as well as the members of the Board of Advisors (collectively, the "**Covered Persons**") from and against all liabilities to which they may be or may become subject by reason of their activities on behalf of the Fund, except in certain limited circumstances. As a result, the Fund and the limited partners may have a more limited right of action against these persons than they might otherwise have. Fund assets will be available to indemnify the Covered Persons and limited partners may be required to return distributions to satisfy such obligations. Such obligations may survive the dissolution of the Fund. The General Partner may cause the Fund to purchase insurance, at the Fund's expense, against such liability in connection with the activities of the Fund. There is no assurance that such insurance will be available or obtained in sufficient amounts to cover any such liabilities.

Failure to Make Capital Contributions. The interests of the Fund may be materially and adversely affected by the failure of a limited partner to meet its contribution or other payment obligations to the Fund (whether arising through a limited partner's default, its excuse or exclusion from one or more investments, or a permitted withdrawal or removal from the Fund). If a limited partner fails to make any contribution or payment to the Fund for any reason, the other limited partners may be required to fund the shortfall, with the consequence that the non-defaulting limited partners may have greater exposure on the Fund's investments or liabilities than they otherwise would. A limited partner's failure to make any contribution or payment to the Fund for any reason could also cause the Fund to be unable to meet the Fund's obligations when due, which could materially and adversely impair the Fund's ability to execute on its investment strategy or to otherwise continue operations. In such event, the Fund may be subjected to significant liabilities or penalties that could materially reduce the returns to the participating limited partners (including non-defaulting limited partners). A substantial default by (or discontinued

participation of) one or more limited partners would limit opportunities for investment diversification and would likely negatively affect the Fund's economic results.

Consequences of Default. Any limited partner who defaults in making a required capital contribution or other payment required by the partnership agreement will be subject to certain significant remedies and penalties as set out in the partnership agreement, which may include, among other things, forfeiture or compulsory transfer of all or a portion of its interest in the Fund and loss of voting rights with respect to any matter to come before the limited partners. In addition, the General Partner may pursue available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys' fees, to be paid by the defaulting limited partner. The General Partner will retain the discretion to employ such remedies in respect of a limited partner's default as it may determine on a case-by-case basis in its sole discretion. There is no requirement that remedies be applied consistently among defaulting limited partners, and the General Partner may determine for a variety of reasons to apply different remedies to different defaulting limited partners.

Material, Non-Public Information. Certain personnel of Lariat may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Side Letters. The General Partner, on behalf of the Fund, may from time to time enter into letter agreements or other similar agreements (collectively, "**Side Letters**") with one or more limited partners (including any limited partner in any parallel vehicle) in connection with such limited partner's investment without the approval of any other limited partner. This would have the effect of establishing rights under or supplementing the terms of the partnership agreement or any subscription agreement with respect to such limited partner in a manner potentially more favorable to such Limited Partner than those applicable to other limited partners. Such rights or terms in any such side letter or other similar agreement may include, without limitation, (i) provisions as to costs or expenses, (ii) excuse rights applicable to particular investments (which may increase the percentage interest of other limited partners in, and contribution obligations of other limited partners with respect to, such investments), (iii) reporting obligations of the General Partner, (iv) waiver of certain confidentiality obligations, (v) consent of the General Partner to certain transfers by such limited partner, or (vi) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such limited partner. The General Partner, on behalf of the Fund, will not be required to notify any or all of the other investors of any such Side Letters or any of the rights or terms or provisions thereof, nor will the General Partner, on behalf of the Fund, be required to offer such additional or different rights or terms to any or all of the other investors. The General Partner, on behalf of the Fund, may enter into such Side Letters with any party as the General Partner may determine, in its sole and absolute discretion, at any time. The other investors will have no recourse against the Fund, the General Partner or any of their affiliates in the event that certain investors receive additional or different rights or terms as a result of such Side Letters.

Effects of Bankruptcy. The Fund may make investments in portfolio companies that are or may become the subject of voluntary or involuntary bankruptcy or similar proceedings under applicable laws. Certain risks that are faced in bankruptcy or similar proceedings that must be factored into the investment decision include, for example, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, the Fund could suffer a loss of all or a part of the value of its investment in a portfolio company. A bankruptcy filing or similar proceeding may adversely and permanently affect a portfolio company. The portfolio company could lose market position and key employees, and the liquidation value of the portfolio company may not equal the liquidation value that was believed to exist prior to the making of

the investment by the Fund. In general, bankruptcy laws may be expected to have a variety of adverse impacts on the value of the Fund's investments and the timing and amount of any distributions the Fund is able to receive therefrom. In addition, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

Risks Relating to the Fund's Investments

Available Opportunities and Competitive Marketplace. The success of the Fund depends on the availability of appropriate investment opportunities and the ability of the Principals to identify, select, close and exit those investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Fund to invest all of its committed capital during its investment period or that such investment opportunities will lead to completed investments by the Fund. The Fund will be competing with other private equity funds, as well as institutional investors and strategic investors, for investments in prospective portfolio companies. As a result, there can be no assurance that the Fund will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its committed capital.

Limited Number of Investments; Lack of Diversity. The Fund is expected to participate in a limited number of investments, and a more limited number than most other private equity funds with similar investment objectives, and, as a consequence, the Fund's aggregate returns may be materially and adversely affected by the unfavorable performance of even a single investment. Investors have no assurance as to the degree of diversification in the Fund's investments. Because the Fund's investments may be concentrated within a single industry or sector, portfolio diversification will be less than would be possible if the Fund were to invest in a broader range of industries or sectors. Such reduced diversification may increase the volatility of the Fund's returns, and could reduce the Fund's returns relative to diversified funds to the extent that such industries or sectors do not perform as well as other industries or sectors. Although the Fund intends to diversify its investments among different assets, no assurances can be given that the Fund will, in fact, so diversify its investments. The Fund may make investments for which third-party financing will be desirable but not necessarily available (on desired terms or at all) at the time of investment. Such financing may never become available, or a refinancing may not be able to be completed on desirable terms. This could result in the Fund having a variety of unintended long-term investments or reduced diversification.

Minority Investments. The Fund may make minority equity investments or investments in debt securities in portfolio companies where the Fund may not be able to protect its investment or to control or influence effectively the business or affairs of such entities to the same extent as it would in a controlled investment. The Fund may be adversely affected by actions taken by the majority equity holder(s) of the portfolio companies in which it invests, including resulting in the Fund's investments being frozen in minority positions that incur substantial losses.

Control Positions. The Fund (alone, or together with other investors, including other investment vehicles sponsored by Lariat) may be deemed to have a control or management position with respect to one or more of the portfolio companies in which it has an investment. This in turn could expose the Fund to risk of liability for product defects, failure to supervise management, pension and other fringe benefits, violation of laws and governmental regulations (including securities laws), violation of fiduciary duties to minority owners and other types of liability, including, in the case of debt investments, lender liability. If these liabilities were to arise, the Fund might suffer a significant loss. The exercise of control over a portfolio company could expose the assets of the Fund to claims by such portfolio company, its security holders and its creditors.

Leverage. The Fund's investments may include companies whose capital structures may utilize significant amounts of leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Additionally, the securities acquired by the Fund may be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss.

Credit Risks in Investments. The Fund may invest in various forms of equity and debt securities issued by portfolio companies. The Fund may enter into financial contracts with third parties or hedging arrangements. There is no minimum credit standard required for the Fund's investment in any such security or any other financial instrument or the counterparty's credit standing, in the case of financial contracts, and many, if not all, of the securities or instruments issued by portfolio companies or financial contracts with third parties are expected to be illiquid or non-transferable and non-investment grade or non-rated.

Risks of Early-Stage Investments. The Fund may invest in the securities of smaller, less-established companies. Investments in such companies may involve greater risks than are generally associated with investments in more established companies. Less-established companies tend to have less capital and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may also have shorter operating histories on which to judge future performance.

Financial Market Fluctuations. General economic conditions and fluctuations in the debt markets or in the securities markets (whether in local communities, particular countries or globally) may affect the value and success of the portfolio companies that will be held by the Fund. Such conditions include interest rates, availability of credit, inflation rates, economic uncertainty and changes in national or international political circumstances. Moreover, the ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the debt and equity markets, or to borrow from banks or otherwise. There can be no assurance that these general or economic market conditions and fluctuations or unanticipated downturns in these markets (or segments of them) will not have a material adverse effect on the Fund or its portfolio companies

Co-Investment Opportunities. The Fund may co-invest in one or more investments with certain strategic investors, lenders, limited partners (or affiliates thereof) and/or other third parties through joint ventures or other entities, which parties in certain cases may have different interests or superior rights to those of the Fund. The Fund may not have control rights over certain of its investments and, therefore, may have a limited ability to protect its position therein. In addition, the Fund's investments will be subject to typical risks in connection with third-party involvement, including the possibility that a third-party may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take (or block) action in a manner contrary to the Fund's investment objectives. The Fund may also in certain circumstances be liable for the actions of its third-party partners or co-investors. Investments made with third parties in joint ventures or other entities may involve carried interests or fees payable to such third-party partners or co-investors, thereby reducing the distributions to the Fund. In addition, such co-investments may or may not be on substantially the same terms and conditions as the Fund, and such different terms may be disadvantageous to the Fund or to any investor participating directly or indirectly therein.

Risks In Effecting Operating Improvements. In many cases, the success of the Fund's investment strategy will depend, in part, on the ability of the Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing potential operating

improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Fund will be able to successfully identify and implement such improvements.

Financial Fraud. Instances of fraud and other deceptive practices committed by senior management of portfolio companies in which the Fund invests may undermine Lariat Partners' due diligence efforts with respect to such companies and, if such fraud is discovered, negatively affect the valuation of the Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility that can negatively impact the Fund's investment program.

Investments in Junior, Unsecured Securities. The Fund may acquire securities which are junior, unsecured, equity or quasi-equity instruments. While this approach can facilitate obtaining control and then adding value through active management, it also means that the Fund's positions will be unsecured. If the portfolio company in question does not successfully reorganize, the Fund will have no assurance that it will recover any of the principal which it has invested.

Reinvestment. Under certain circumstances, proceeds distributable (or previously distributed) to the limited partners that constitute a return of capital contributions may be retained and reinvested (or recalled for reinvestment) by the General Partner or used (or recalled for use) by the General Partner for any other proper purpose. Amounts available for recall will be restored to the limited partners' respective available Commitments. Accordingly, the aggregate amount that an investor may be required to fund for investments or expenses during the term of the Fund may significantly exceed its Commitment.

Accuracy of Third-Party Information. The General Partner may select investments for the Fund, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the General Partner by third parties. Although the General Partner will evaluate all such information and data and will ordinarily seek independent corroboration when the General Partner considers it is appropriate and when such corroboration is reasonably available, the General Partner may not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.

Projections. The Fund may rely upon projections developed by Lariat or other transaction parties or third-party reports concerning an investment's expected future performance and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of the persons making such projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could materially and adversely impair the realization of projected values and cash flows.

Global Economic Conditions; Market Dislocation. General global economic conditions may affect the Fund's activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets may affect the value of investments made by the Fund. Instability in the securities markets may increase the risks inherent in portfolio investments made by the Fund. Ongoing events in the fixed income markets have caused, and could cause, significant dislocations, illiquidity and volatility in the structured credit, leveraged loan and high yield bond markets, as well as in the wider global financial markets. To the extent the Fund's portfolio companies participate in such markets, the results of their operations may suffer. In addition, to the extent that marketplace events continue (or even worsen), this may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of the Fund's portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Fund could lose both invested capital in and anticipated profits from such portfolio companies.

In addition, current global economic conditions may materially and adversely affect (i) the ability or willingness of certain counterparties to do business with the Fund or its affiliates; (ii) the Fund's exposure to the credit risk of others in its dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents); (iii) demand for the products and services offered by the Fund's portfolio companies; (iv) growth opportunities for the Fund's investments; (v) the Fund's ability to exit its investments at desired times, on favorable terms or at all; (vi) availability of reliable insurance on favorable terms or at all; and (vii) the ability of the Fund's limited partners to meet their obligations to the Fund in a timely manner or at all.

Contingent Liabilities on Disposition of Assets. In connection with the disposition of its assets, the Fund may be required to make representations and warranties about the business and financial affairs of itself, its special purpose entities (or other similar entities) or its assets. The Fund also may be required to indemnify the purchasers of such assets with respect to certain matters, including the accuracy of such representations and warranties. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may need to establish reserves or escrows from Fund assets or from draws against the investors' Commitments. In that regard, investors may not receive as distributions their allocable share of the full amount of disposition proceeds that would otherwise be available for distribution or may be required to return amounts distributed to them to fund obligations of the Fund, including indemnity obligations. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each limited partner that receives a distribution in violation of such Act will, under certain circumstances, be obligated to return such distribution to the Fund.

Distributions in Kind. Although the Fund intends to make distributions in cash under normal circumstances, it is possible that under certain circumstances (including the liquidation of the Fund) distributions may be made in kind and could consist of assets or securities for which there is no readily available public market.

Uncertain Exit Strategies. Due to the illiquid nature of the investments which the Fund expects to make, there can be no assurances as to what, if any, exit strategy will ultimately be available for any given investment position. Exit strategies which appear to be viable when an investment is initiated may be precluded when the investment is deemed to be ready for realization due to economic, legal, political or other factors. The larger the transaction, the more uncertain the Fund's exit strategy tends to become, which increases risk to the Fund's total returns and success.

Investments Longer than Term. The Fund may make investments which may not be disposed of in an advantageous manner prior to the date that the Fund will be dissolved, either by expiration of the Fund's term or otherwise. Additionally, the Fund may hold outstanding loans with a maturity date later than such dissolution date. The Fund may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of dissolution. No assurance can be given in any such circumstance that the Fund will have received a return of its invested capital or that the Fund will otherwise be able to exit its investments by sale or other disposition (at attractive prices or at all). Additionally, there can be no assurance that the value of investments determined by the General Partner for purposes of determination of distributions and the calculation of the General Partner's carried interest will ultimately be realized.

Conflicts of Interest

During the commitment period of the Fund, Lariat will pursue all appropriate investment opportunities through the Fund, subject to certain limited exceptions. Without limitation, the Principals currently manage several other investments similar to those in which the Fund will be investing. The Principals and Lariat's investment staff will continue to manage and monitor such investments until their realization. Such other investments that the Principals may control may potentially compete with

companies acquired by the Fund. Following the commitment period of the Fund, the Principals may and likely will focus their investment activities on other opportunities and areas unrelated to the Fund's investments.

The Fund may, from time to time, make investments in association with a subsequent Fund. In these cases, such investment will generally be on the same terms and conditions in all material respects, with amounts for investment allocated between the Fund and the subsequent Fund, subject to available capital, including reasonable reserves, or other investment limitations on the Fund and subsequent Fund, in the sole discretion of the General Partner.

It is expected that employees, officers, directors, agents, managers, members, representatives, partners, investors and shareholders of Lariat and its affiliates will serve as directors of certain of the portfolio companies and, as such, may have duties to persons other than the Fund. Although such positions in certain circumstances may be important to the Fund's investment strategy and may enhance the General Partner's and Lariat Partners' ability to manage investments, they may also have the effect of impairing the Fund's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject Lariat and the Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Fund will indemnify employees, officers, directors, agents, managers, members, representatives, partners, investors and shareholders of the General Partner, Lariat Partners and their respective affiliates from such claims.

From time to time, Lariat will be presented with investment opportunities that would be suitable not only for the Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Lariat. In determining which investment vehicles should participate in such investment opportunities, Lariat is subject to conflicts of interest among the investors in such investment vehicles. Lariat attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Lariat's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among the Fund, other Funds and such investment vehicles in a fair and equitable manner. Where necessary, Lariat consults and receives consent to conflicts from the Board of Advisors and such other investment vehicles' boards of advisors.

Although the Board of Advisors is intended to act as the representative of the limited partners in respect of certain matters, including reviewing valuations of the Fund's assets and addressing potential conflicts of interest, the Board of Advisors may not have the same interests as all investors. Furthermore, the Board of Advisors cannot be expected to be expert in such matters, and certain of its determinations may, in fact, adversely affect the performance of the Fund.

Because the General Partner's carried interest is based on a percentage of net realized profits, it may create an incentive for the General Partner to cause the Fund to make riskier or more speculative investments than would otherwise be the case. In addition, Lariat Partners will be entitled to receive the management fee from the Fund during the commitment period. Lariat and its affiliates may also be entitled to receive Other Fees as described under Item 5, "*Fees and Compensation*." Lariat or any of its affiliates may require co-investors, including without limitation investors and third parties, to bear a carried interest, management fee and other costs to with respect to any co-investment, and may make an investment, or otherwise participate, in any vehicle formed to structure a co-investment in connection therewith.

In addition, investors may have conflicting investment, tax and other interests with respect to their investments in the Fund or a particular Fund vehicle. The conflicting interests of individual investors and of the different Fund vehicles may relate to or arise from, among other things, the nature of

investments made by the Fund, the structuring or the acquisition of investments and the structure, timing or manner of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner, including with respect to the nature or structuring of investments or dispositions, that may be more beneficial for one investor or for one Fund vehicle than for another investor or Fund vehicle, especially with respect to investors' individual tax situations and the tax treatment of the different Fund vehicles. In selecting and structuring investments appropriate for the Fund, the General Partner will consider the investment and tax objectives of the Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually or of any Fund vehicle individually.

Furthermore, there can be no assurance that adequate remedies will be available to any investors if the General Partner fails to perform its duties, and the partnership agreement does not afford the investors rights to remove the General Partner other than upon a supermajority vote upon the occurrence of specified cause events as described in the partnership agreement. The partnership agreement includes provisions for exculpation and indemnification of the General Partner, Lariat Partners and each of their respective affiliates and the members, partners, managers, officers, directors, shareholders, employees, agents, representatives, investors, affiliates, advisors and other personnel of the General Partner, Lariat Partners and their respective affiliates. Therefore, investors may have more limited rights of action than they would have absent such limitation.

ITEM 9* **DISCIPLINARY INFORMATION*

Lariat and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

ITEM 10* **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS*

Lariat Partners is affiliated with Lariat Partners GP, LLC, a general partner that is also an investment adviser registered in accordance with SEC guidance under the Advisers Act pursuant to Lariat Partners' registration.

This affiliated investment adviser operates as a single advisory business together with Lariat Partners, serves as general partner of the Fund and generally shares common owners, officers, partners, employees, consultants or persons occupying similar positions. Both advisers are under common control and are subject to Lariat's code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act.

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

Lariat has adopted a Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Lariat's Principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Lariat personnel to report their personal securities transactions and requires pre-clearance for Lariat personnel to purchase securities in an initial public offering or private placement, and, with limited exceptions, in other securities, without first obtaining approval from the Lariat Chief Compliance Officer. A copy of the Code will be provided to any client, prospective client or any investor in a Fund upon request to Matt Amann, Lariat's Chief Compliance Officer, at 720-544-6222.

Lariat or its personnel may, from time to time, come into possession, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Lariat and its personnel are 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 Lariat.

Accordingly, should Lariat or its principals or employees come into possession of material nonpublic or other confidential information with respect to any public company, Lariat would be prohibited from communicating such information to clients, and Lariat would have no responsibility or liability for failing to disclose such information to clients as a result of following its policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Lariat's personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Participation or Interest in Client Transactions

When two or more fund vehicles are formed as part of the same Fund for making the same investments Lariat will allocate investments made by such fund vehicles based on their relative partners' commitments, subject to any limitations in the applicable partnership agreements.

Additionally, the Funds may invest together with other future Funds advised by Lariat, subject to limitations set forth in the applicable partnership agreements. Lariat will determine allocations of investment opportunities in a manner that it believes is fair and equitable to the Funds consistent with Lariats' obligations to each such Fund, including as set forth in the applicable partnership agreement and Lariat's allocation policy. Where necessary, Lariat will consult and receive consent to conflicts from the Board of Advisors of the Fund or Funds subject to any conflict of interest.

Lariat may serve as investment manager to certain co-invest vehicles that invest alongside the Funds in certain portfolio companies. Certain affiliates and personnel of Lariat, third party investors and other persons may be permitted to participate in the co-invest vehicles or in some cases co-invest directly in a particular portfolio company. Subject to Lariat's obligation to make co-invest opportunities available first to limited partners in certain circumstances, Lariat will select which investors or other persons are permitted to co-invest based on various factors, including (but not limited to) the sophistication of the investor, the ability of the investor to fund and complete the investment on a timely basis and any other reason for including such investor or person. In circumstances where an entire investment could be made by a Fund, Lariat may still allocate a portion of such investment to one or more co-invest vehicles in accordance with such Fund's partnership agreement and Lariat's allocation policy.

Personal Trading

The Principals and employees of Lariat may carry on personal investment activities for their own account and for family members, friends or others who do not invest in the Funds. The investment advice that such Principals and employees give to such persons may differ from advice given to, or securities recommended or bought for the Funds even though their investment objectives may be the same or similar.

ITEM 12 BROKERAGE PRACTICES

Lariat focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Lariat may also distribute securities to investors in a Fund or sell such securities,

including through using a broker-dealer, if a public trading market exists. Although Lariat does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If Lariat sells publicly traded securities on behalf of a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Lariat. In such event, Lariat will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Lariat may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Lariat has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Lariat generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Lariat seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Lariat generally does not make use of such services at the current time and has not made use of such services since its inception.

ITEM 13 **REVIEW OF ACCOUNTS**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Lariat closely monitors the Funds’ portfolio investments. Lariat’s Principals serve on its Investment Committee and work closely with other Lariat professionals to oversee and monitor the operations, financial performance and strategic direction of each portfolio investment. The Investment Committee as a whole will meet whenever necessary to ensure that all committee members and assigned investment professionals are apprised in every step of the investment playbook. Additionally, the Board of Advisors will meet at least semi-annually and as required with the General Partner and Lariat Partners to review existing portfolio investments and valuations.

The Funds will provide the following information to their limited partners on an annual basis: (i) audited financial statements, (ii) valuations of the applicable Fund’s portfolio investments as of the end of such year, (iii) descriptive investment information for each portfolio company investment, and (iv) a report on the Other Fees received during the preceding fiscal year and all management fee offsets. The Funds will also furnish to their limited partners on a quarterly basis unaudited summary financial information and descriptive investment information for each portfolio investment.

ITEM 14 **CLIENT REFERRALS AND OTHER COMPENSATION**

Lariat may provide certain business or consulting services to the Funds’ portfolio companies and may receive compensation from these companies in connection with such services. While this may present a conflict of interest between Lariat and a Fund, any such conflict is addressed by the fact that, as described in the partnership agreement and Item 5 “*Fees and Compensation*” above, during the commitment period, one hundred percent of the compensation received by Lariat offsets the management

fees payable by the Funds. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to management fees. See Item 5, “*Fees and Compensation*.”

From time to time, Lariat may enter into placement arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Currently, the Fund does not have any placement agent payment obligations. Any fees and expenses payable to any such placement agents will be borne by Lariat either directly or indirectly through a dollar-for-dollar offset against the management fee as described in Item 5, “*Fees and Compensation*,” above. Such placement arrangements would be based on a percentage of commitments to a particular Fund.

ITEM 15 CUSTODY

In accordance with current SEC standards and guidance, Lariat has established an account with a custodian to hold funds and securities on behalf of the Fund with Silicon Valley Bank. Lariat’s Funds are subject to a year-end audit by a major accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board. The audited financial statements are then provided to the underlying investors of Funds within 120 days of the end of the fiscal year.

ITEM 16 INVESTMENT DISCRETION

Lariat generally has discretionary authority to manage investments on behalf of each Fund. Lariat assumes this discretionary authority pursuant to the terms of the applicable partnership agreements, investment management agreements and powers of attorney executed by the limited partners of the Funds.

As a general policy, Lariat does not allow clients to place limitations on this authority. Pursuant to the terms of the applicable partnership agreement, however, Lariat may enter into side letters with certain limited partners whereby the terms applicable to such limited partner’s investment in a Fund may be altered or varied, including, in some cases, to provide for reduced fees or the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

ITEM 17 VOTING CLIENT SECURITIES

Lariat has adopted Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Fund’s (and any future Fund’s) portfolio investments. The Proxy Policy seeks to ensure that Lariat votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest. Lariat generally believes its interests are aligned with those of the Funds’ investors through Lariat’s and the Principals’ capital commitment to the Funds, and therefore will not seek investor approval or direction when voting proxies. However, the Proxy Policy sets forth certain specific proxy voting guidelines for when Lariat does vote proxies on behalf of a Fund, and investors in a Fund may obtain information on how Lariat voted their securities upon request to Lariat’s Chief Compliance Officer.

Lariat does not consider service on portfolio company boards by Lariat personnel or their receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In the event that there is or may be a conflict of interest between Lariat and a Fund in voting proxies, the Proxy Policy provides that Lariat may address the conflict using

certain procedures, including by seeking the approval or concurrence of the Fund's Board of Advisors on the proposed proxy vote or through other alternatives set forth in the Proxy Policy.

A copy of Lariat's Proxy Policy will be provided to any client, prospective client or any investor in a Fund upon request to Matt Amann, Lariat's Chief Compliance officer, at 720-544-6222 or mja@lariatpartners.net.

ITEM 18 **FINANCIAL INFORMATION**

Lariat does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure. Lariat has not been the subject of any bankruptcy petition.