

Calera Capital Advisors, L.P.

Part 2A of Form ADV The Brochure

580 California, Suite 2200
San Francisco, CA 94104
Tel: 415-632-5200
Fax: 415-632-5201

www.caleracapital.com

March 21, 2014

This brochure provides information about the qualifications and business practices of Calera Capital Advisors, L.P. and its affiliates (collectively “Calera” or the “Firm”). If you have any questions about the contents of this brochure, please contact Lance R. Taylor at (415) 632-5220. 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.

Calera is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”); however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Calera is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure dated March 21, 2014 does not contain any material changes since the last annual update of Calera's Brochure dated March 27, 2013.

Calera has updated certain information and revised the language in various sections of this Brochure but has not materially altered any of its responses in this Brochure. Please note that this summary of material changes discusses only those material changes that have occurred since the last annual update of the Brochure.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation.....	5
Item 6 – Performance Based Fees and Side-by-Side Management.....	8
Item 7 – Types of Clients	9
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss	10
Item 9 – Disciplinary Information	15
Item 10 – Other Financial Industry Activities and Affiliations.....	15
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..	16
Item 12 – Brokerage Practices.....	17
Item 13 – Review of Accounts	18
Item 14 – Client Referrals and Other Compensation	18
Item 15 – Custody	18
Item 16 – Investment Discretion	18
Item 17 – Voting Client Securities	19
Item 18 – Financial Information.....	19

Item 4 – Advisory Business

Calera is an independent private equity firm founded in 1991 and formed under the laws of the State of Delaware as a limited partnership. Calera is primarily owned and controlled by James T. Farrell and Mark N. Williamson (the “Principals”), each of whom brings a wealth of investment, operational and financial expertise and experience to Calera and its affiliates. In addition, Robert Jaunich II, who co-founded Calera in 1991 with Mr. Farrell, continues with the Firm as a Founding Partner and chairs the Firm’s Advisory Board – a group of senior operating executives providing assistance to the Firm in deal sourcing, evaluation and monitoring.

Calera serves as an investment manager and provides discretionary advisory services to a number of pooled investment vehicles including private investment partnerships and offshore investment funds (“Funds”). Currently, these include Calera Capital Partners II, L.P., Calera Capital Offshore Partners II, L.P., Calera Capital Partners III, L.P., and Calera Capital Partners IV, L.P., and each of their respective parallel funds and subsidiary investment vehicles. Each Fund is governed by a limited partnership agreement, limited liability company agreement, or similar document (as applicable) that sets forth the specific investment guidelines and restrictions applicable to each Fund (the “Governing Documents”). In addition, investors in each Fund are provided with offering documents prior to their investment, which also contain information regarding the intended investment program for such Fund.

The Funds are organized to invest in a portfolio of middle-market companies across a diverse range of industries primarily in the US and Canada, and will pursue opportunities where it can influence portfolio companies’ strategies and operations in partnership with management. Calera typically makes substantial equity investments in operating companies with enterprise values up to \$1 billion, investing between \$50 and \$250 million in each company.

Affiliates of Calera serve as the general partners (or similar capacities) of the Funds (the “General Partners”). Each of the General Partners is a related person of Calera and is under common control with Calera. Each General Partner retains management authority over the business and affairs, including investment decisions, of its respective Fund. While the General Partners maintain ultimate investment authority over the respective Funds, Calera has been delegated the role of investment adviser. The General Partners and their employees and personnel will be subject to the Investment Advisers Act of 1940 (the “Advisers Act”) and rules thereunder, and to all of Calera’s compliance policies and procedures. Each of the personnel of the General Partners will be deemed “persons associated with” Calera (as that term is defined in section 202(a)(17) of the Advisers Act) and will be subject to SEC examination. As such, references to Calera in this Brochure should also be considered references to the General Partners in the appropriate context.

In providing services to the Funds, Calera formulates each Fund’s investment objective, and directs and manages the investment and reinvestment of each Fund’s assets. Investment advice is provided directly to the Funds and not individually to the limited partners, members or shareholders of the Funds (the “Investors”). Calera generally has broad and flexible investment authority with respect to the investment portfolios that it manages for the Funds, subject to the investment guidelines and restrictions set forth in the applicable Governing Documents.

Calera neither tailors its advisory services to the individual needs of Investors in the Funds, nor accepts Investor-imposed investment restrictions. Except in limited circumstances, Investors are not permitted to withdraw from a Fund prior to such Fund's dissolution.

In certain cases, the General Partners may, and have, entered into side letter agreements with certain investors in a Fund establishing rights under, or supplementing or altering the terms of, the applicable Governing Documents (including without limitation, "most favored nations" rights, transparency rights, reporting rights, capacity rights, approval rights and certain other protections and the right to receive certain special allocations). Once invested in a Fund, Investors generally cannot impose additional investment guidelines or restrictions on such Fund.

Shares or limited partnership or member interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and the Funds are not registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Accordingly, interests or shares in the Funds are offered and sold exclusively to investors satisfying applicable eligibility and suitability requirements.

In certain situations, Calera may determine that the purchase of an investment in its entirety would be too large or not appropriate for certain of the Funds and may offer the opportunity to "co-invest" to certain investors in the Funds and/or third parties (collectively "Co-Investment Partners"). These co-investment opportunities will be offered as interests in a limited partnership, limited liability company, or other similar entity formed for each investment (a "Co-Investment Entity"). Please refer to Item 6 and Item 8 for additional information with respect to Calera's use of Co-Investment Entities.

Calera does not participate in wrap fee programs.

As of December 31, 2013 Calera managed \$1,785,300,000 of assets on behalf of the Funds, on a discretionary basis. Calera only manages assets on a discretionary basis.

Item 5 – Fees and Compensation

General

Calera and/or its affiliates provide discretionary investment advisory services to each of the Funds pursuant to separate investment advisory agreements (the "Agreements"). The Agreements for each Fund, along with specific Governing Documents of a Fund, set forth in detail the fee structure relevant to each such Fund. The terms of the Agreements are generally established at the time of the initial closing of the applicable Fund. In general, each Agreement is only terminable once the applicable Fund is dissolved, wound up, and terminated.

Calera and/or its affiliates typically receive compensation from fees based on a percentage of committed capital/assets under management, carried interest allocations and certain other fees or expenses related to transactions. These fees and expenses will vary, but typically will include fees associated with making or selling portfolio investments, legal and accounting fees, taxes, commissions and brokerage fees, registration expenses, fees to government regulatory agencies, and other expenses such as litigation or broken deal expenses. Investors should review all fees

charged by Calera, its affiliates, and others to fully understand the total amount of fees to be paid by a Fund and, indirectly, by its Investors.

Current and potential Investors in a Fund should refer to the detailed information found in each Fund's Private Placement Memorandum ("PPM") and other Governing Documents for specific information about the fees earned by Calera, including Fee Income (defined below) and the fees charged to such Fund.

Management Fees

Calera receives an investment management fee (the "Management Fee") payable approximately semi-annually in advance; the Management Fee is payable for any period that is less than a full Management Fee period and is payable less than six months in advance. The Funds are generally charged a Management Fee of 1.75% - 2.00% per annum of the total committed capital during the commitment period and on any invested capital thereafter. Calera may, in its sole discretion, waive, in whole or in part, the Management Fee for certain Investors (including employees, strategic partners, or affiliates of Calera). The Management Fee is negotiable and established at the time of the closing of an investment commitment by an Investor and is generally paid by the Fund out of capital contributions called from Investors, or out of amounts withheld from distributions to Investors. The Management Fee assessed for each Fund is described in further detail in each Fund's PPM and other Governing Documents.

The Management Fee for a Fund is reduced by the amount of excess organizational expenses paid by Investors in the Fund, as well as by other fees received by Calera as described below. The Management Fee for any Management Fee period of a Fund is generally pro-rated for the number of days in such period, and in the case of the last Management Fee period, Calera will refund to each Investor the amount of the Management Fee paid by such Investor allocable to that portion of such period which is subsequent to the date of the final distribution of such Fund.

Carried Interest Allocations

Carried interest is a share of the net profits (typically 20%) realized on the disposition of investments that is paid to each Fund's General Partner. The General Partner's carried interest allocation is in addition to any investment that the General Partner may have in the Fund.

In order to receive its carried interest allocation, Calera and its affiliates must first return all capital contributed by the Investors with respect to realized investments, plus an additional 8% cumulative internal rate of return, calculated and distributed in accordance with the specific provisions outlined in each Fund's PPM. The carried interest allocation is subject to a General Partner catch-up and a General Partner clawback as detailed in the Governing Documents of each Fund.

Calera may, in its sole discretion, waive, in whole or in part the carried interest allocation with respect to certain Investors (including employees, strategic partners or affiliates of Calera).

Organizational Expenses

Each Fund will bear all reasonable legal and other organizational and offering expenses incurred in the formation of each Fund and related entities ("Organizational Expenses"). Typically,

organizational expenses in excess of a certain threshold, as detailed in each such Fund's Governing Documents, will reduce the Management Fee otherwise payable by Investors on a dollar-for-dollar basis.

Placement Fees

All fees due to placement agents will not be included in the limitation set forth in "Organizational Expenses" above, but will reduce the Management Fee otherwise payable by Investors, to the extent such Investors have been allocated any placement fees, on a dollar-for-dollar basis.

Overhead Expenses

Calera and the General Partners will pay all of their respective ordinary administrative and overhead expenses in managing Fund investments, including salaries, benefits and rent.

Other Expenses

Each Fund will pay all other expenses attributable to the activities of a Fund (collectively, "Operating Expenses"), including, without limitation: (i) expenses incurred in connection with the evaluation, acquisition or disposition of investments (whether or not consummated), including private placement fees, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, and legal, accounting, investment banking, consulting, information services, travel and professional fees; (ii) expenses incurred in connection with the carrying or management of investments, including custodial, trustee, record keeping and other administration fees; (iii) expenses incurred in connection with a Fund's financial statements, tax returns, K-1's and other communications with Investors; (iv) attorneys' and accountants' fees and disbursements (including a pro-rated amount of in-house attorneys' and accountants' salaries and bonuses attributable to Fund matters); (v) taxes and other governmental charges levied against a Fund; (vi) insurance, regulatory and litigation expenses (and damages), including insurance and regulatory expenses of the Firm, General Partner, and other affiliated entities (as defined in a Fund's PPM); (vii) expenses incurred in connection with the winding up or liquidation of a Fund; (viii) expenses relating to defaults by Investors in the payment of any capital contributions; (ix) expenses incurred in connection with any restructuring or amendments to the constituent documents of a Fund and related entities, including the Firm and General Partner; (x) expenses incurred in connection with the formation of alternative investment vehicles to the extent permitted under the Fund's Governing Documents; (xi) expenses incurred in connection with any valuation of the assets of a Fund, in connection with distributions from a Fund, and in connection with any meetings with Investors called by the General Partner.

Fee Income

Fee income, including all transaction and monitoring fees, advisory fees, directors' fees, investment banking fees, break-up fees or other similar fees realized with respect to investments or proposed investments by each Fund ("Fee Income") will first be applied to unreimbursed out-of-pocket expenses related to the applicable transaction and thereafter will be paid to the Firm or its affiliates. A percentage of any excess Fee Income after payment of such out-of-pocket expenses will be used to reduce the Management Fee otherwise payable to Calera in accordance with the terms of each Fund's Governing Documents. To the extent any application of the foregoing sentence would reduce the Management Fee to zero for two consecutive quarterly periods, such credit against the Management Fee will be carried forward for future application.

Item 6 – Performance Based Fees and Side-by-Side Management

As described above, Calera or its affiliates receive performance-based compensation in the form of “carried interest,” which calculation is based on the profits generated on the sale or disposition of Fund assets together with the current income generated by such assets, subject to the limitations more fully set forth in each Fund’s Governing Documents (including the attainment of a preferred internal rate of return (compounded annually) by the Investors). The fact that a significant portion of the Firm’s compensation (including the compensation of its investment professionals) is directly computed on the basis of profits generated by the sale or disposition of Fund assets may create an incentive for Calera to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation arrangements.

The following investment parameters should also be noted by Investors:

Alternative Investment Vehicles

Subject to certain limitations, if it is determined by any Fund’s General Partner to be in the best interests of one or more Investors, such General Partner may direct the capital contributions of such Investors through one or more alternative investment vehicles in order to facilitate such Investor’s participation in a particular investment. Any such vehicles will contain terms and conditions substantially identical in all material respects to those of the Funds and will be advised by Calera or an affiliate thereof. The profits and losses of such vehicles will be aggregated with those of the applicable Fund for purposes of determining distributions by such Fund and such vehicles.

Co-Investment

As noted in Item 4, above, where appropriate, Calera intends, but is not obligated, to provide co-investment opportunities to certain Investors and/or third parties. Co-Investment Entities are utilized when a Fund’s investment program or other factors prevent the Fund from increasing its participation in a specific investment (for example, the Fund has reached a relevant investment limit or has limited liquidity). In such situations, Calera will allocate the available investment among the Funds, the Co-Investment Entity and any third parties as it may in its sole discretion determine. Calera typically does not charge Co-Investment Entities any carried interest or other performance-based compensation.

As a result of this approach, Calera has a potential conflict of interest in determining the amount of the investment to allocate to the Funds and any Co-Investment Entity, because Calera would have an incentive to favor Funds or Investors that pay performance-based compensation over those that do not. To address this conflict, Calera has policies and procedures to regularly review investment allocations among the Funds and Co-Investment Entities. Please refer to Item 8 for additional information relating to the factors Calera considers in making decisions regarding whether and who to offer co-investment opportunities, and the allocation of investment opportunities among the Funds and Co-Investment Entities.

Parallel Funds

One or more parallel funds (the “Parallel Funds”) to a Fund may be organized by Calera for legal, regulatory or tax reasons. The Parallel Funds generally will invest on a side-by-side basis with such Fund pro rata in all of the investments of such Fund.

Successor Funds

Generally, Calera, its principals, the applicable Fund General Partner and its affiliates will not close on a private equity fund having substantially similar investment parameters as such Fund (a “Successor Fund”) until at least 75% of the total capital commitments of such Fund have been invested, committed to be invested, reserved for investment, or used for fees (including reserves for fees or expenses) or until the end of such Fund’s commitment period. If a Successor Fund is closed after such time, then, until the end of the applicable commitment period, a Successor Fund may also co-invest alongside the applicable Fund on the same terms and conditions in all material respects, with amounts for investment allocated between the Fund and the Successor Fund on a basis that the General Partner believes in good faith to be fair and reasonable, unless the investment by the Fund is legally or contractually prohibited or, as a result of the application of law, could have a material adverse effect on the Fund or the General Partner.

Allocation of Investment Opportunities

In allocating investment opportunities between the Funds, Calera must offer to each Fund all of the potential investments presented to it that satisfy the investment parameters of such Fund, except for in certain circumstances as detailed in the Governing Documents of each Fund. The exceptions typically include follow-on investments or co-investments and investment opportunities which are originated by Calera prior to the initial closing of such Fund.

Calera and its affiliates may execute transactions for their own accounts, subject to restrictions and reporting requirements as may be required by law or as set forth in the Governing Documents of each Fund or as otherwise determined from time to time by Calera and its affiliates. Conflicts of interest may arise due to the execution of such transactions.

Investment Limitations

Each Fund is subject to certain investment limitations, as detailed in the Governing Documents of each Fund. These limitations typically include restrictions on investment size, certain types of securities, geographic location, diversification, and hostile transactions. The investment limitations are subject to the good faith interpretation of the General Partner.

Item 7 – Types of Clients

Calera’s clients are pooled investment vehicles that are exempt from registration under the Investment Company Act. Calera provides discretionary investment advisory services to the Funds directly, subject to the direction and control of the General Partner of each Fund. Investors in the Funds may include, but are not limited to, high net worth individuals, pension plans (corporate, state and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g., funds-of-funds), trusts, estates or charitable organizations, and corporate or business entities.

The minimum commitment for an Investor of a Fund is generally \$10 million, however, it is outlined in each Fund’s PPM and other Governing Documents that Calera (or the General Partner) maintains discretion to accept less than the minimum investment threshold. In addition, the Funds may enter into separate agreements, commonly referred to as “side letters,” with certain Investors, to modify certain terms or add different terms than those specifically described in the Governing

Documents. Under certain circumstances, these agreements could create preferences or priorities for such Investors.

Calera and its affiliates require that the Investors in each Fund meet certain suitability qualifications, such as being “accredited investors” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act and/or “qualified purchasers” as defined in section 2(a)(51)(A) of the Investment Company Act. Also, Investors will be required to make certain representations when investing in a Fund, including, but not limited to (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment and (iii) they have the ability to bear the economic risk of an investment in the Fund. Details concerning applicable Investor suitability criteria are set forth in the respective Fund’s offering documents and subscription materials, which are furnished to each Investor. An Advisory Committee of representatives of at least three Investors is selected by the General Partner for the relevant Fund (“Advisory Committee”). The Advisory Committee of each Fund advises the General Partner and resolves issues involving conflicts of interest, including review and approval of the valuations of the Fund’s unrealized portfolio investments for purposes of determining writedowns.

In order to facilitate investment by certain Investors, the General Partners may establish one or more Parallel Funds which will invest and divest proportionally in all Portfolio Investments alongside the Funds, subject to applicable legal, tax, accounting, regulatory or other similar considerations. In addition, each Parallel Fund shall bear its pro rata share of all expenses related to such investments.

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

Methods of Analysis

Calera’s due diligence process is typically designed to develop a thorough understanding of a target company’s business, markets and competitive position and to develop a three to five year strategic and operating plan for the business. In conducting due diligence, Calera relies on the skills and experiences of its Principals and investment professionals but also often contracts with consultants and outside advisors to assist with specific components of the due diligence process. In addition, Calera is able to solicit the assistance of its Advisory Board, as well as its many current and former portfolio company board members in developing insights into the operations of target companies.

Calera’s business due diligence review with respect to a potential investment typically focuses on the following areas: the company’s competitive position and its performance, including a review of performance and prospects for each product or service line; attractiveness of the industry in which the company competes and trends affecting the industry; management structure, incentives and organization; review of the company’s competitors; structure of the company’s customer base and distribution channels; opportunities for growth either organically or through acquisitions; supplier arrangements; cost position and opportunities to improve margins through efficiencies; and exit strategies. In addition, Calera conducts a thorough tax, legal, accounting and environmental review.

Investment Strategy

Each Fund's investment objective is to achieve significant, long-term capital appreciation primarily through middle-market investments in companies in which the Funds will generally have significant influence on the management, operations and strategic direction of the business. For certain transactions, the Funds may seek Co-Investment Partners from among its Investors, prospective limited partners, affiliates, employees, or third parties as determined by the General Partner of the respective Fund. The Funds' investments are primarily in the form of controlling or significant positions in companies achieved through leveraged acquisitions, build-ups, recapitalizations, restructurings and growth equity transactions. Calera is generally focused on attempting to create and pursue investments outside of the typical auction process. These situations frequently involve a management team that desires to have a substantial equity investment in the business and that is focused on the reputation and integrity of the partner and the ability of that partner to help build value in the business post-closing.

Calera employs what it believes is a consistent criteria in evaluating businesses and a disciplined approach to deploying capital. Calera typically focuses on businesses that at the time of investment have, or the Firm believes to have, a reasonable potential to achieve leading market positions, strong organic revenue growth, high EBITDA margins and/or attractive returns on capital employed. The Firm is focused on earning returns primarily through enhancing the long-term fundamental value of a business, rather than through financial engineering or market timing. Calera typically expects to hold investments for three to seven years, although earlier exits may be sought if special circumstances or opportunities are identified. The Principals have experience exiting investments both through public offerings and through sales to strategic buyers. The decision to exit an investment is typically made in conjunction with management. However, in situations where Calera controls an investment, ultimate decisions regarding the timing of an investment exit are made by the Firm after considering the views of management.

Risk of Loss

All investing involves a risk of loss and the investment strategy offered by the Firm could lose money over short or even long periods. An investment in the Funds may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that a Fund will achieve its investment objective or that Investors will receive a return of their capital. The descriptions contained below are a brief overview of different market risks related to the Firm's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Funds.

General Business and Management Risk

Investments in portfolio companies subject the Funds to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely

affect the portfolio company's performance. While in all cases the Firm will monitor portfolio company management, the day-to-day management of each portfolio company will be the responsibility of such portfolio company.

Liquidity Issues

The Funds will invest in instruments where there is likely to be no actively traded market. Moreover, many of each Fund's investments may be held by relatively few other investors. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer or of the asset, a Fund may find it more difficult to sell such instruments when the Firm believes it advisable to do so or may be forced to sell them at prices lower than if the instruments were widely held. Thus, the range of disposal strategies available to the Funds may be further limited. Finally, dispositions of investments may be subject to contractual and other limitations on transfer, or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms obtainable upon a disposition.

Valuation of Assets

Most of the securities owned by the Funds are not publicly traded and are required to be fair valued by the Firm. When estimating fair value, Calera will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Firm. Investors should review the applicable Fund's PPM and other Governing Documents to understand the risks and potential conflicts of interest. However, neither the risks and conflicts listed here nor those listed in the Fund's PPM or Governing Documents, are intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operation of the Fund.

Nature of the Funds' Investments

A substantial portion of a Funds' investments will be in equity or equity-related investments that by their nature involve business, financial, market and legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that the Funds will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of a Funds' activities. As a result, a Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods. Although the Funds intend to make primarily control-oriented investments, a Fund may make minority equity investments in companies where it may have limited influence. Such a company may have economic or business interests or goals that are inconsistent with those of the Funds, and a Fund may not be in a position to limit or otherwise protect the value of its investment in the company, although as a condition of making such investments, it is expected that appropriate shareholder rights generally will be sought to protect the Funds' investments. A Funds' control over the investment policies of these companies may also be limited. A Funds' investments may involve leveraged acquisitions, which by their nature require companies to undertake a high ratio of fixed

charges to available income. Such investments are inherently more sensitive to declines in revenues and to increases in expenses.

Utilization of leverage is a speculative investment technique and involves risks to Investors. The leverage provided will result in interest expense and other costs incurred in connection with such borrowings, which may not be covered by available cash flow. While leverage may enhance total returns to the Investors, if the investment results fail to cover borrowing costs, then returns to the Investors will be lower than if there had been no borrowings.

A Fund may co-invest in a company with financial, strategic or other third-party Investors. Such investments will involve additional risks not present in investments where a third party is not involved, including the possibility that the co-investor may have interests or objectives that are inconsistent with those of a Fund or may be in a position to take (or block) action in a manner contrary to such Fund's investment objectives. In addition, the Funds may, in certain circumstances, be liable for actions of its third-party co-venturers or partners.

No Market for Interests; Restrictions on Transfers

Interests in the Funds have not been registered under the Securities Act, or applicable securities laws of any U.S. state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless subsequently registered under the Securities Act and any other applicable securities laws or an exemption from such registration is available. It is not contemplated that registration of the interests under the Securities Act or other securities laws will ever be affected. There is no public market for the interests in the Funds and one is not expected to develop. The interests are generally neither redeemable nor transferable, other than in certain limited circumstances, without the prior written consent of the General Partners of the Funds, which may be given or withheld in the General Partners' sole discretion. Withdrawals from the Funds are generally not permitted.

Conflicts of Interest

There will be occasions when Calera and its affiliates may encounter potential conflicts of interest in connection with acting as the investment adviser of the Funds. These potential conflicts of interest include, but are not limited to, the following:

Calera and its affiliates may receive certain fees from portfolio companies for financial advisory and other services and in connection with unconsummated transactions (e.g., director's fees, transaction fees, investment banking fees, break-up fees, advisory fees, monitoring fees or other similar fees). Except as set forth in the Governing Documents of each Fund (and described above in Fee Income above), Investors will not receive the benefit of such fees.

Conflicts of interests may arise in connection with decisions made by Calera that may be more beneficial for one or more Investors of a Fund than for others. The conflicting interests of individual Investors may relate to or arise from, among other things, the nature of portfolio investments, or their structuring, acquisition or disposition. In selecting, structuring and managing portfolio investments appropriate for a Fund, Calera will generally consider the investment and tax objectives of such Fund and its Investors as a whole, not the investment, tax or other objectives of any Investor individually.

Employees of Calera may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of a Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of Calera and such individual's duties as a director or officer of such portfolio company.

Co-Investment Opportunities and Secondary Transfers

Subject to any restrictions contained in the Governing Documents of the relevant Fund or any side letter or other terms negotiated with respect to such Fund. Co-investment opportunities may, and typically will, be offered to some but not other Investors, and certain persons other than Investors (e.g., third parties) may be offered to participate in co-investment opportunities. All decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of Calera, the General Partners, or their affiliates.

In addition, in exercising discretion to decide how to allocate investment opportunities among potential co-investors, Calera or the General Partners may consider some or all of a wide range of factors, which may include, but are not limited to, the following:

- The evaluation of the size and financial resources of the potential co-investment party and the perception of the ability of that person or entity (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Funds(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns that may arise in connection with providing the potential co-investment party with specific information relating to the investment opportunity in order to permit such person or entity to evaluate the investment opportunity;
- Calera's past experiences and relationships with the potential co-investment party and its prior experiences in comparable co-investment situations, such as the willingness or ability of such person or entity to respond promptly and/or affirmatively to potential investment opportunities;
- Calera's evaluation of whether the potential co-investment party may have specific knowledge or relationships that would be helpful to Calera in its evaluation of the investment opportunity or its ability to successfully complete it;
- Whether Calera believes that the potential co-investment party may be able to provide capital at other levels in the capital structure (for example, debt or mezzanine financing) that could be helpful in allowing Calera to successfully complete the investment opportunity;
- Whether the investment opportunity may subject the potential co-investment party to legal, tax, regulatory, reporting, public relations, media or other burdens that make it less likely that the potential co-investment party would act upon the investment opportunity if offered;

- Whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and
- Whether Calera believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to the Funds or future Funds and their underlying portfolio companies.

To the extent Calera or the General Partners have discretion over granting or withholding consent to a secondary transfer of interests in a Fund pursuant to such Fund's organizational documents, Calera may consider the factors listed above and such other factors as it may deem appropriate under the circumstances in exercising such discretion.

Item 9 – Disciplinary Information

Neither Calera nor any of its employees have been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the Firm or its personnel.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Calera nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Calera nor any of its management persons are registered, or have 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.

Calera does not recommend or select other investment advisers for the Funds.

Fund Representation

Calera organizes and sponsors the Funds, which are private investment companies. These pooled investment vehicles managed by Calera are controlled by affiliated General Partners. Calera or the General Partner will be responsible for all decisions regarding portfolio transactions of the Funds and have full discretion over the management of the Funds' investment activities. While the General Partners are not separately registered as investment advisers with the SEC, all of their investment advisory activities are subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of the General Partners are subject to the supervision and control of Calera. Thus, the General Partners, all of its employees and the persons acting on its behalf would be "persons associated with" Calera so that the SEC could enforce the requirements of the Advisers Act and Calera's compliance policies and procedures on the General Partners. Also, affiliates of the Fremont Group indirectly retain certain rights (including certain approval rights) by virtue of their relationship with the General Partner of Calera Capital Partners II, L.P., Calera Capital Partners Offshore Partners II, L.P., and Calera Capital Partners III, L.P.

Portfolio Company Representation

Employees of Calera may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of Calera and such individual's duties as a director or officer of such portfolio company.

Calera and its affiliates may receive certain transaction, consulting, advisory and other similar fees from portfolio companies associated with investments, monitoring, or proposed investments or commitments made by the Fund which are not subject to the Management Fee offset provisions described herein (e.g., director's fees, transaction fees, investment banking fees, break-up fees, advisory fees, monitoring fees or other similar fees). Except as set forth in each Fund's Governing Documents, the Investors will not receive the benefit of such fees.

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

Pursuant to Rule 204A-1 of the Advisers Act, Calera has adopted a written Code of Ethics (the "Code") predicated on the principal that the Firm owes a fiduciary duty to the Funds and its Investors. The Code is designed to address and avoid potential conflicts of interest and establishes standards of conduct for all officers, directors, members, partners, employees, and other supervised persons of Calera and includes general requirements that such supervised persons comply with their fiduciary obligations and applicable securities laws, and specific requirements relating to, among other things, personal trading, conflicts of interest, and confidentiality of client information.

The Code also requires Calera's supervised persons, and any other individual designated by the Chief Compliance Officer as being subject to the provisions of the Code (referred to as "Access Persons") to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to Calera's Chief Compliance Officer, and requires the Chief Compliance Officer to review those reports. The Firm requires its Access Persons to act in the Funds' best interests, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper.

Certain transactions in which Calera engages may require, for either business or legal reasons, that no employees trade in the subject securities for specified time periods or until the potential conflict of interest with respect to such securities no longer exists. Calera maintains a list of issuers whose securities may not be traded in on behalf of the Funds or in the personal accounts of Access Persons (the "Restricted List"). No employee may engage in any sort of trading activity with respect to a security or a derivative thereof on the Restricted List without obtaining prior approval from the Chief Compliance Officer and/or the General Counsel.

Access Persons must pre-clear all transactions for a personal account involving Reportable Securities (as defined by the Code), including IPO's, securities obtained through a private placement or instruments of indebtedness before completing the transactions. Access Persons are also required to provide quarterly reports of all transactions in Reportable Securities. Access Persons must provide Calera's Chief Compliance Officer with a list of all personal accounts and an initial holdings report within 10 days of becoming an Access Person, and annually thereafter. The Code also requires supervised persons to report any violations of the Code promptly to the Chief Compliance Officer. Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code during the preceding year.

Calera, and an affiliated entity, serves as the investment adviser and General Partner, respectively, to the Funds. Calera's parent corporation and the General Partner of the Funds will have an investment in the Fund. Therefore, Calera may be considered to participate indirectly in transactions effected for those clients. The foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are disclosed in the respective Funds' Governing Documents.

Calera will provide a copy of its Code of Ethics to current and prospective Investors upon request.

Item 12 – Brokerage Practices

Calera focuses on making investments in private securities, thus it does not ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable in connection with such investments. To the limited extent Calera transacts in public securities, it intends to select brokers based upon the broker's ability to provide the best execution for the Fund at a competitive rate. The Firm is generally authorized to make the following determinations, subject to each Fund's investment objectives and restrictions, without obtaining prior consent from the relevant Fund or any of their Investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

In making its decisions regarding the allocation of brokerage transactions for each Fund, the Firm will consider a variety of factors including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer or counter party; and (iv) the competitiveness of commission rates in comparison with other broker-dealers. Although Calera generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

Calera does not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers and dealers are supplemental to Calera's own research effort. To the best of Calera's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. The Firm does not separately compensate such broker-dealers for the research and does not believe that it "pays-up" for such broker-dealers' services due to the difficulty associated with the broker-dealers not breaking out the costs for such services.

Item 13 – Review of Accounts

Calera focuses on investments primarily in private equity. All investments are carefully reviewed and approved by Calera's Principals. The portfolio companies are reviewed on a continuous basis and the investment personnel meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities.

Annually, each Fund will furnish audited financial statements to all Investors and tax information necessary for the completion of tax returns. On a quarterly basis, each Investor will be furnished with unaudited financial statements of the Fund(s) in which they are invested. Investors will also receive descriptive investment information for each of the investments on a quarterly basis.

Item 14 – Client Referrals and Other Compensation

As described in Fee Income above, Calera or its affiliates may charge the Funds for any placement fees paid to third parties for referring prospective investors. In addition, Calera, the Funds, and/or the portfolio companies may also pay origination fees, breakup fees, consulting fees, monitoring fees, investment banking fees, and other similar fees to third parties. A percentage of the fees paid by portfolio companies and received by the Firm, or any of its affiliates, may be applied to reduce the Management Fee otherwise payable in accordance with the terms of the Funds' Governing Documents.

Item 15 – Custody

Calera is deemed to have custody of Fund assets since an affiliate of Calera serves as the General Partner of each Fund. All Fund assets, other than certain uncertificated securities purchased in private transactions, are held with "qualified custodians" (i.e. banks or broker-dealers) that are unaffiliated with Calera. Investors will not receive statements from the custodian. Instead, the Funds are subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("PCAOB"). The audited financial statements of each Fund will be prepared in accordance with generally accepted accounting principles and distributed to each Investor within 120 days of each Fund's fiscal year end. Investors should carefully review these statements, and should compare these statements to any account information provided by Calera.

Item 16 – Investment Discretion

In accordance with the terms and conditions of the Agreements of each Fund and subject to the direction and control of the General Partner of each Fund, Calera generally has discretionary

authority to perform the day-to-day investment operations of each Fund in accordance with the terms and conditions of the Agreements and the Fund's PPM and other Governing Documents.

Item 17 – Voting Client Securities

As an investment adviser to the Funds that invest primarily in private equity, the Firm is rarely, if ever, required to vote the proxies of public or private corporations, and most of the portfolio companies held by the Funds are private companies, which typically do not issue proxies. However, in the event proxies have to be voted, Calera has adopted and implemented written policies and procedures governing the voting activities on behalf of its Funds in accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act. Its proxy voting activities are conducted in a manner consistent, under all circumstances, with the best interest of the Funds.

In exercising its voting discretion, Calera and its employees will avoid any direct or indirect conflict of interest raised by such voting decision. A number of Calera's investment professionals serve as board members for the Funds' portfolio companies. In situations where Calera votes the proxy for a company in which a member of Calera serves on the board of directors, the Firm has determined that such voting and Board service do not inherently present a conflict of interest as the purpose for serving on the board is to maximize the return on the Investors' investment and to ensure that the Funds' interests are protected.

All proxies that Calera receives will be treated in accordance with these policies and procedures. A copy of Calera's written proxy voting policies and procedures, as well as a record of how Calera has voted in the past, will be maintained and available for review upon written request.

Item 18 – Financial Information

As noted in Item 5 above, the Management Fee is payable approximately semi-annually, but less than six months in advance. Accordingly, Calera does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet for its most recent fiscal year. Calera has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts or meet contractual commitments to the Funds or Investors.