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This brochure provides information about the qualifications and business practices of Charterhouse Group, Inc. (“Charterhouse”). If you have any questions about the contents of this brochure, please contact us at 212-584-3200 or clieberman@charterhousegroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT CHARTERHOUSE OR ANY PRINCIPALS OR EMPLOYEES OF CHARTERHOUSE POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Material Changes

This is the first update to Charterhouse's brochure since the brochure, dated March 15, 2013, was prepared. The following is a brief summary of the material changes that have been made to the brochure since the March 15, 2013 version was prepared. The following is a summary only, and should be read in context with the more detailed disclosure appearing elsewhere in this brochure.

- Items 1 (Advisory Business) has been amended to reflect the assets under management as of December 31, 2013.

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SUPPLEMENT – BIOGRAPHIES OF KEY PERSONNEL

Advisory Business

Charterhouse Group, Inc., a Delaware corporation (“Charterhouse” or the “Firm”), is a private equity fund management firm. Charterhouse was founded in 1973 as the U.S. investment arm of the U.K.-based Charterhouse Bank. In the mid-1980s, the Firm became an independent entity and raised its first formal private equity fund in 1989.

Charterhouse’s investment activities are conducted through the various private equity funds that the Firm has raised (the “Charterhouse Funds” or the “Funds”). An affiliate of Charterhouse generally acts as general partner of each Charterhouse Fund (the “General Partner”), and a separate affiliate of Charterhouse generally acts as the investment manager of each Charterhouse Fund (the “Management Company”). The General Partner of each Fund is generally organized as a limited partnership, the general partner of which is a wholly-owned subsidiary of Charterhouse and the limited partners of which are various limited liability companies owned by certain executives of and other persons associated with Charterhouse.

Charterhouse tailors its advisory services to the specific investment objectives and restrictions of each Charterhouse Fund. Investors and prospective investors in each Charterhouse Fund should refer to the confidential private placement memorandum, limited partnership agreement and other governing documents for each Charterhouse Fund (the “Governing Documents”) for more complete information on the investment objectives and investment restrictions with respect to a particular Charterhouse Fund.

The principal owners of Charterhouse are Thomas C. Dircks, the Managing Partner, and Merrill M. Halpern, the founder of the Firm. Charterhouse is led by Tom Dircks and a team of experienced investment professionals. Additionally, the Firm maintains an administrative and financial infrastructure led by its CFO.

Since its inception in 1973, Charterhouse has consistently focused on the middle-market and has specialized in both identifying sectors and creating value in middle-market companies through buy-and-build strategies and operational improvements. A hallmark of Charterhouse’s investment approach is its involvement with its Entrepreneurs, a broad network of industry executives. By utilizing their developed networks of industry contacts, the Entrepreneurs assist Charterhouse in identifying and evaluating platform investments and add-on acquisitions, as well as recruiting new Entrepreneurs. Their knowledge and experience provides key input into the Firm’s investment decisions.

Typically, Charterhouse identifies a sub-sector of interest and performs an extensive search to identify Entrepreneurs who have significant expertise in these sub-sectors. The Entrepreneurs assist Charterhouse in testing and refining the Firm’s investment thesis. Once the Firm partners with an Entrepreneur, that individual and the Firm’s investment professionals work collaboratively to: (i) source transactions through their respective networks, often on a proprietary basis; (ii) evaluate the prospective opportunities for value creation that can be achieved through a particular platform company and related

add-on acquisition strategy; (iii) conduct detailed due diligence; (iv) analyze the universe of potential buyers for an eventual exit; and (v) develop strategic business plans for growing the business. Once an investment decision has been made and a transaction closed, the Entrepreneur and the Firm's investment professionals turn their focus to executing buy-and-build strategies to achieve economies of scale and implementing operational enhancements to drive organic growth. These initiatives enable the Firm's portfolio companies to grow profitably and to be positioned for successful exits.

Charterhouse manages all assets on a discretionary basis in accordance with the terms and conditions of each Charterhouse Fund's Governing Documents. As of December 31, 2013, the amount of assets Charterhouse managed on a discretionary basis was \$208,482,770.

Fees and Compensation

Charterhouse is generally compensated by the Charterhouse Funds through the receipt of a management fee and through a "carried interest," which gives the General Partner of each Charterhouse Fund a preferential distribution of any investment proceeds distributed by the Fund once the Fund achieves a rate of return in excess of a specified rate. These fee arrangements are described in more detail below. However, investors and prospective investors in each Charterhouse Fund should refer to the Fund's Governing Documents for more complete information on the fees and other compensation received by Charterhouse in respect of that Fund.

Management Fee

In general, during the period in which Charterhouse will be making investments on behalf of a Charterhouse Fund (the "Investment Period"), the Fund will pay the Management Company for that Fund an annual management fee equal to 2% of the committed capital of the Charterhouse Fund. Thereafter, the management fee will be reduced to 1.0% of the Fund's aggregate cost basis in its remaining portfolio investments. Such fees are subject to reduction as provided below.

Payments of management fees are generally made quarterly in advance in accordance with the terms of each Charterhouse Fund's Governing Documents. Under certain circumstances, Charterhouse's services may be terminated by any of the Charterhouse Funds by prior written notice to Charterhouse delivered within a reasonable period of time prior to such termination.

The General Partner and certain limited partners that are Charterhouse Entrepreneurs do not pay a management fee on their commitments in the Charterhouse Funds.

Carried Interest

In addition to the management fee, the General Partner of each Charterhouse Fund is typically entitled to receive a “carried interest” in any investment proceeds distributed by the Fund. In general, whenever aggregate proceeds received by a Charterhouse Fund are equal to or exceed the sum of aggregate capital contributions for realized investments, the management fee amounts and organization costs related to realized investments plus a preferred return of 8% per annum, compounded semi-annually, on the aforementioned items, 80% of subsequent distributions will be paid to the General Partner of the Charterhouse Fund until it has received an amount equal to 20% of all net realized gains and losses on realized investments. After that, 80% of subsequent net realized gains and losses will be distributed pro rata to all partners of a Charterhouse Fund and 20% shall be distributed to the General Partner of such Charterhouse Fund.

The carried interests distributed by the Charterhouse Funds are typically subject to a “clawback provision,” which provides that upon the final distribution of investment proceeds by a Fund, the General Partner of the Fund is obligated to return to the Fund for distribution to all partners in proportion to their funded commitments any aggregate amount previously distributed to the General Partner as its carried interest that exceeds the aggregate distributions due the General Partner under the Fund’s Governing Documents. In no event, however, will the General Partner be required to return an amount greater than the aggregate amount of distributions received by the General Partner with respect to its carried interest, less income taxes attributable to the carried interest.

Other Fees and Expenses

A Charterhouse Fund will generally pay all offering and organizational expenses actually incurred in the formation of the Partnership up to an amount not to exceed a specified cap. Offering and organizational expenses in excess of this cap will be borne by Charterhouse (through a reduction in the management fee or otherwise). A Charterhouse Fund will also pay all expenses related to its operations, including fees and expenses of custodians, counsel and independent accountants; expenses associated with reports to partners; expenses of the advisory board and annual meetings of limited partners; out of pocket expenses incurred in connection with transactions that are not consummated; costs of insurance covering liability of the Fund, the General Partner or its affiliates to third parties; expenses associated with the acquisition, holding and disposing of the Fund’s investments; and any taxes, fees or other government charges levied against the Fund.

Except as otherwise noted above, Charterhouse will be responsible for all of its day-to-day administrative and overhead expenses in connection with locating and consummating investments, including compensation of its employees. Charterhouse will also bear (through a reduction in the management fee or otherwise) all fees payable to any placement agent in connection with the offering of interests in a Charterhouse Fund.

See “Brokerage Practices” below for a description of the factors Charterhouse considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Transaction-Based Compensation

Charterhouse and its affiliates or employees may from time to time receive compensation in the form of transaction fees, director’s fees, advisory fees and consulting fees with respect to a Charterhouse Fund’s portfolio investments. The management fee for a Charterhouse Fund will be reduced by 50% of the amount of any such fees received for the account of Charterhouse, the General Partner, the Management Company and their respective directors, executive officers, general partners, managers or managing members (excluding Charterhouse Entrepreneurs), less amounts applied in respect of certain fees, costs and expenses. If any of such persons or entities receives a break-up fee with respect to a Charterhouse Fund investment, the management fee will be reduced by the amount of any broken deal expenses paid by the Fund with respect to that investment (up to the amount of such break-up fee) and then by 50% of the excess, if any, of the amount of such break-up fee over the amount of any such broken deal expenses with respect to that investment.

Other

Charterhouse is authorized under the Governing Documents to charge and deduct advisory fees directly from the assets of the Charterhouse Funds, at the times and in the amounts described below.

Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

As described in “Compensation and Fee Schedules” above, the General Partner of each Charterhouse Fund will receive a “carried interest,” which is calculated and charged based on a share of capital gains on or capital appreciation of the assets of the Charterhouse Fund. Performance-based allocation arrangements received by related persons of Charterhouse may create an incentive for Charterhouse to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Please refer to the Governing Documents of each Charterhouse Fund for more complete information on the “carried interest” arrangements of each Charterhouse Fund.

Side-by-Side Management

It is Charterhouse’s policy that all investment opportunities shall, to the extent practicable, be allocated among the Funds on a basis that over a period of time is fair and

equitable to each Fund relative to other Funds, taking into account all relevant facts and circumstances, including (without limitation):

- The investment objectives, strategies, guidelines, and restrictions of each Fund;
- The relative allocation of investment opportunity provisions in a Fund's Governing Documents;
- Differences with respect to available capital (e.g., current or anticipated capital available for investment, including anticipated follow-on investments, if applicable);
- Potential conflicts of interest, including whether a Fund has an existing investment in the opportunity in question;
- The nature of the investment opportunity, including the size, minimum investment amounts and source of the opportunity;
- Current and anticipated market conditions;
- Portfolio diversification; and
- Tax, legal or regulatory considerations.

Charterhouse may depart from the foregoing policy if the Chief Compliance Officer determines that for good reason it would be appropriate to do so, and that such a departure is nevertheless consistent with Charterhouse's fiduciary obligations.

Types of Clients

Types of Clients

Charterhouse provides advice to the Charterhouse Funds. The investors in the Charterhouse Funds may include corporations, endowments, foundations, trusts, estates, individuals and pension and profit sharing plans. The Charterhouse Funds are offered exclusively to accredited investors pursuant to Section 3(c)(1) of the Investment Company Act and are therefore not required to register as investment companies under the Investment Company Act in reliance upon certain exemptions available to the Charterhouse Funds whose securities are not publicly offered.

Minimum Investment Requirements

Charterhouse requires that each investor in the Charterhouse Funds be an "accredited investor" as defined in Regulation D under the Securities Act of 1933 (the "Securities Act"). Generally, investors must invest a minimum dollar amount of \$5 million in a

Charterhouse Fund. However, the General Partners of each Charterhouse Fund reserve the right to accept investments of lesser amounts.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

Charterhouse was one of the first firms in the United States dedicated to managing and investing institutional capital in private equity transactions. Since inception, the Firm has invested over \$2 billion in more than 100 platform companies and has completed more than 200 add-on acquisitions. Throughout its history, the Firm has consistently focused on the middle-market and has specialized in both identifying sub-sectors and creating value, primarily through buy-and-build strategies and operational improvements.

Charterhouse generally targets North American-based businesses with the potential to be grown into companies with enterprise values ranging from \$75 million to \$300 million. These businesses will generally have strong management teams and provide Charterhouse with the opportunity to create value by improving operations, making disciplined add-on acquisitions and growing organically into more substantial, valuable enterprises. Most recently, Charterhouse has focused on the Business Services, Healthcare Services, and Consumer Products and Services industry sectors.

Charterhouse generally seeks platform companies that possess some or all of the following characteristics:

- Favorable industry dynamics that will support revenue and earnings growth
- High degree of industry fragmentation that will lend itself to buy-and-build strategies
- A leading position in a sizable market
- Sustainable competitive advantages such as brand recognition and/or proprietary products, services processes or customer relationships
- A scalable business model
- The ability for Charterhouse to control or exert significant influence over the companies through board representation
- An identifiable universe of potential buyers for eventual exit

The Charterhouse Entrepreneurs. A hallmark of Charterhouse's investment approach is its involvement with its Entrepreneurs, a network which provides the Firm with access to operating professionals, some of whom have played significant roles in multiple Charterhouse investments. The Entrepreneurs assist in identifying platform investments

and add-on acquisitions, as well as recruiting new Entrepreneurs. Their extensive knowledge and experience provides key input into the Firm's investment decisions.

Typically, Charterhouse identifies an industry sub-sector of interest and performs an extensive search to identify Entrepreneurs who have significant expertise in these sub-sectors. The Entrepreneurs assist Charterhouse in testing and refining the Firm's investment thesis. Once the Firm partners with an Entrepreneur, that individual and the Firm's investment professionals work collaboratively to: (i) source transactions through their respective networks, often on a proprietary basis; (ii) evaluate the prospective opportunities for value creation that can be achieved through a particular platform company and related add-on acquisition strategy; (iii) conduct detailed due diligence; (iv) analyze the universe of potential buyers for an eventual exit; and (v) develop strategic business plans for growing the business. Once an investment decision has been made and a transaction closed, the Entrepreneur and the Firm's investment professionals turn their focus to executing buy-and-build strategies to achieve economies of scale and implementing operational enhancements to drive organic growth. These initiatives enable the Firm's portfolio companies to grow profitably and to be positioned for successful exits.

Transaction Sourcing. Charterhouse generates investment opportunities utilizing its network of Entrepreneurs to assist in identifying potential platform companies and add-on acquisition targets. Charterhouse uses a proactive, outbound approach to reach companies that operate in the Firm's designated sub-sectors of interest. This includes a structured plan for Entrepreneurs to reach out directly to contacts within their personal networks and to utilize specialized third-party firms familiar with Charterhouse's investment model to conduct targeted acquisition searches. Sub-sectors within each of the Firm's areas of focus are identified through top-down analyses, focusing on market size and growth characteristics, screening of key market segments, competitive landscapes, industry trends and opportunities to pursue buildup strategies.

Focus on Buy and Build Opportunities. Charterhouse has generally prioritized its focus on identifying platform companies with solid infrastructures where Charterhouse can create value by executing add-on acquisition strategies and drive organic growth. Charterhouse's team of investment professionals and Entrepreneurs combine financial and operating skills to source, build and improve the operations of its portfolio businesses. The Firm concentrates its investment focus on companies that both have strong organic growth attributes and can serve as solid platforms for executing the Firm's buy-and-build strategy. Furthermore, Charterhouse focuses on acquiring platform companies that are already substantial businesses in their own right, with infrastructures capable of supporting additional businesses.

Collectively, the Charterhouse investment professionals and the Entrepreneurs bring financial skills, operational experience, industry contacts and strategic perspectives that

enable the Firm to acquire and effectively integrate add-on acquisitions and reduce execution risk. This is an integral part of Charterhouse's value creation process as it enables the Firm to rapidly build businesses, apply operational best practices, and help drive the implementation of operational enhancements.

Value is created by acquiring platform companies and executing one or a series of strategic add-on acquisitions. These companies are then able to benefit from synergies and the economies of scale associated with larger companies, generally resulting in realizations at higher exit multiples. Charterhouse has a history of buying and building businesses and selling them to strategic investors. In recent years, Charterhouse has been acting as a consolidator of companies in sub-sectors that are then acquired by larger financial investors interested in pursuing acquisition strategies in larger, broader sectors of the economy.

Disciplined Investment Decisions. Charterhouse maintains strict discipline with respect to purchase price multiples paid for both platform companies and add-on acquisitions. As a result of its focus on sourcing transactions through its Entrepreneur network, the Firm is often able to source platform investments and add-on acquisitions on a proprietary basis and to avoid broad auction processes. When Charterhouse enters a market environment where the ability to complete accretive add-on acquisitions is increasingly challenging due to high purchase price multiples, the Firm begins to evaluate opportunities to sell its portfolio companies.

Active Involvement in Portfolio Companies. Charterhouse's investment professionals and the respective Charterhouse Entrepreneurs take an active role in each portfolio company in which they are involved, serving as members of the board of directors, with the Charterhouse Entrepreneur often assuming the Chairman or CEO position. The combination of Charterhouse investment professionals and Entrepreneurs actively participating in the management and/or on the boards of portfolio companies brings together financial and operational skills, resulting in enhanced value for the Firm's investments. It also reduces the operational risk associated with executing buy-and-build strategies. Charterhouse Entrepreneurs make meaningful investments in each company with which they are affiliated and in some instances, have the opportunity to earn additional equity upon achieving target levels of performance within specified periods of time. Key management is also typically provided with incentives in the form of opportunities to acquire meaningful stakes in the company through equity and option awards. These incentives ensure that the interests of management are aligned with those of Charterhouse.

Realization Strategies. Over its investment history, Charterhouse has realized on over 100 investments across various economic and financial market environments. The Firm consummates a transaction only when it believes at the time of investment that a viable exit strategy will be available. Historically, the Firm has used the following methods of

exiting investments in portfolio companies: (i) sales to strategic third parties and to larger financial sponsors; (ii) secondary sales through public offerings; (iii) recapitalizations, including stock buyouts and extraordinary dividends; and (iv) sales to joint venture partners or management.

Liquidity events are pursued when it is determined that either: (i) most of the value that can be added through Charterhouse's efforts, both through organic growth and add-on acquisitions, has been achieved; (ii) market conditions are conducive to an exit (e.g., a trade or strategic buyer is identified or approaches the company); or (iii) the internal rate of return and cash-on-cash return to the investors has been maximized.

Risk of Loss

An investment in a Charterhouse Fund is highly speculative and involves material risks, potential conflicts of interest and tax considerations that prospective investors should consider before subscribing. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the interests in a Charterhouse Fund. As a result of these factors, as well as other risks inherent in an investment in a Charterhouse Fund, there can be no assurance that a Charterhouse Fund will meet its investment objectives or otherwise be able to successfully carry out its investment program. The following is not intended as an exhaustive list of risks associated with an investment in a Charterhouse Fund. An investor should only invest in a Charterhouse Fund as part of an overall investment strategy and only if the investor is able to withstand a total loss of its investment. No guarantee or representation is made that a Charterhouse Fund will achieve its investment objective or that investors will not suffer loss.

No Assurance of Investment Return. The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that Charterhouse will be able to choose, make and/or realize investments in any particular company or portfolio of companies. There can also be no assurance that the Charterhouse Funds will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the types of companies and transactions described herein. There can be no assurance that any investor will receive any distribution from a Charterhouse Fund.

Illiquidity; Lack of Current Distributions. An investment in a Charterhouse Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Prior to such time, there often will be no current return on the investments. Further, it is possible that taxes owing on taxable income allocated to

investors from a Charterhouse Fund's portfolio investments will exceed the amount of current cash distributions by the Fund.

Limited Transferability of Interests. There will generally be no public market for interests in a Charterhouse Fund, and none are expected to develop. There are substantial restrictions upon the transferability of interests in the Charterhouse Funds under their respective Governing Documents and applicable securities laws. In general, withdrawals of interests in the Charterhouse Funds are not permitted. In addition, interests in the Charterhouse Funds are not redeemable.

Future and Past Performance. Future Funds raised by Charterhouse and their General Partners will have no operating history or investments from which investors can evaluate their potential performance. While Charterhouse intends for each Charterhouse Fund to make investments which have estimated returns commensurate with the risks undertaken, there can be no assurances that any Charterhouse Fund will achieve its performance objectives. On any given investment and on an overall basis, loss of principal is possible. Past performance is not indicative of future results.

Reliance on the Management Company and its Key Personnel. The success of the Charterhouse Funds is dependent in substantial part upon the experience, relationships, skills and expertise of Charterhouse's investment professionals, Entrepreneurs and employees of Charterhouse and its affiliates. There can be no assurance that these individuals will continue to be employed throughout the term of a Charterhouse Fund. The loss of key personnel could have a significant adverse impact on the business of a Charterhouse Fund.

Lack of Investor Control Over Charterhouse Funds. As limited partners, investors have no right or power to take part in the management of Charterhouse Funds. Investors will not receive the detailed financial information issued by portfolio companies, which are available to the General Partner and the Management Company. Investors must rely upon the ability of the General Partner and the Management Company to identify, structure and implement investments consistent with a Charterhouse Fund's investment objectives and policies and will not be able to evaluate for themselves the merits of particular investments prior to the Fund making such investments.

Nature of the Charterhouse Fund's Investments. A substantial portion of the Charterhouse Funds' investments are and will be in equity or equity-related investments that by their nature involve business, financial, market and/or legal risks. The Charterhouse Funds' investments are and will be highly illiquid, and there can be no assurance that a Charterhouse Fund will be able to realize on such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the investors.

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 Charterhouse 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 Charterhouse Fund's activities.

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

Middle-Market Companies. The Charterhouse Fund's investment strategy is to invest in middle-market companies. While investments in middle-market companies may present greater opportunities for growth, such investments may also entail larger risks than are customarily associated with investments in larger companies. Medium-sized companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. Such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in medium-sized companies, could make it difficult for the Charterhouse Funds to react quickly to negative economic or political developments.

Non-Controlling Investments. A Charterhouse Fund may invest in minority positions in portfolio companies and in portfolio companies for which the Fund may have a limited ability to exert significant influence or protect its position. Accordingly, a Charterhouse Fund may have a limited ability to protect its interests in such portfolio companies and to influence such portfolio companies' management. In such cases, the Fund will be significantly reliant on the other equity participants in the portfolio companies and on the existing management and board of directors of such portfolio companies, which may include representation of other financial investors with whom the Charterhouse Fund is not affiliated and whose interests may conflict with the interests of the Fund.

Competitive Market for Investment Opportunities. The activities of identifying, completing and realizing suitable investments are highly competitive. Although Charterhouse has been successful in identifying suitable investments in the past, Charterhouse will be competing for investments against other private investment funds,

strategic buyers and other institutional investors. Other investors may make competing offers for investment opportunities that are identified, and consummating a transaction is subject to innumerable uncertainties, only some of which are foreseeable or within the control of Charterhouse. Competition for investments may reduce returns. There can be no assurance that a Charterhouse Fund will be able to locate, complete and exit investments that satisfy the Fund's performance objectives, or realize upon their values, or that it will be able to fully invest its committed capital.

Limited Number of Investments. Each Charterhouse Fund tends to participate in a limited number of investments and, as a consequence, the aggregate return of a Charterhouse Fund may be adversely affected by the unfavorable performance of even a single investment. Although Charterhouse attempts to diversify each Charterhouse Fund's portfolio to the extent reasonably possible within the confines of the Fund's investment strategy, the inability of Charterhouse to achieve this objective could adversely affect the performance of a Charterhouse Fund. Furthermore, to the extent that the capital raised is less than the targeted amount, a Charterhouse Fund may make fewer investments and thus be less diversified.

Leverage. Portfolio companies in which the Charterhouse Funds invest will typically have leveraged capital structures. Use of leverage may increase the exposure to adverse economic factors such as significantly rising interest rates, downturns in the economy or deterioration in the condition of any given portfolio company or its industry. In the event a portfolio company is unable to meet principal and interest payments on its third-party indebtedness, the value of a Charterhouse Fund's investment in such entity could be significantly reduced or even eliminated.

In addition, a Charterhouse Fund's ability to achieve attractive rates of return will depend in part on its ability to access sufficient sources of indebtedness for its portfolio companies at attractive rates and terms. Reduced availability, an increase in interest rates and/or other tightening of terms associated with indebtedness available to a Charterhouse Fund's portfolio companies may make it more expensive to finance the Fund's portfolio investments and could make it more difficult for the Fund to compete for suitable investment opportunities.

Reliance on Other Management. The day-to-day operations of each portfolio company in which a Charterhouse Fund invests will be the responsibility of such portfolio company's management team. Although Charterhouse will monitor the performance of the Charterhouse Fund's portfolio companies and will screen for and, if necessary, recruit capable management, there can be no assurance that such management will be able to operate any such portfolio company in accordance with the Fund's expectations.

Bridge Loans. From time to time, a Charterhouse Fund may lend to portfolio companies on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio

companies in anticipation of a future issuance of equity or debt securities or other refinancing or syndication. Such loans may be convertible into a more permanent, long-term security; however, for reasons not always in the Charterhouse Fund's control, such long-term securities issuance or other refinancing or syndication may not occur and such loans and interim investment may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Fund.

Concentration. Because the Charterhouse Funds generally have the ability to concentrate their investments by investing up to 15% of a Fund's aggregate Commitments (or 20% including bridge financings) in a single investment, the overall adverse impact on a Charterhouse Fund of adverse performance of a single investment will be considerably greater than if the Charterhouse Funds were not permitted to concentrate their investments to such an extent.

Follow-On Investments. A Charterhouse Fund may be called upon to provide follow-on funding for its portfolio companies or have the opportunity to increase its investment in portfolio companies. There can be no assurance that the Fund will have sufficient capital to do so. Any decision not to make follow-on investments or the inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the Charterhouse Fund's proportionate ownership in such portfolio company and thus its ability to influence such portfolio company's future development.

Economic and Market Risk. Portfolio companies in which the Charterhouse Funds invest may be sensitive to general downward swings in the overall economy or in the sectors in which such companies operate. Factors affecting economic conditions, including, for example, the availability of credit, inflation rates, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends, tax laws and innumerable other factors, none of which will be within the control of Charterhouse, can affect substantially and adversely the business and prospects of a Charterhouse Fund. A drawn-out recession, downturns in the economy or adverse developments in the securities or credit markets may have an adverse impact on some or all of a Charterhouse Fund's investments. A sustained period of inactivity and/or low valuations in the public equity markets could result in substantially lower liquidation value and substantially longer periods before liquidity is achieved, which would reduce the returns that could be achieved by a Charterhouse Fund. In addition, factors specific to a portfolio company may have an adverse effect on a Charterhouse Fund's investment in such company.

Recent Market Volatility. The capital, credit and securities markets have experienced unprecedented levels of volatility and disruption over the course of the past several years. Continued volatility could negatively impact a Charterhouse Fund in a number of ways.

Overall returns may be reduced as relatively small changes in the capital, credit or securities markets may have significant impacts on the profitability of a Charterhouse Fund's investments. In addition, Congress and regulatory agencies may adopt new financial regulations and tax policies in response to continued volatility, which could restrict a Charterhouse Fund's investment options and be otherwise unfavorable to the Charterhouse Funds.

Control Liability. In most cases, a Charterhouse Fund will own a significant or controlling percentage of the common equity of its portfolio companies. The Charterhouse Funds will generally appoint one or more representatives to the board of directors of the companies in which they invest. On occasion, a representative of a Charterhouse Fund may also serve in an executive officer position with a portfolio company. Significant or controlling ownership and serving on the board of directors or as an executive officer of a portfolio company exposes the Charterhouse Funds' representatives, and ultimately the Charterhouse Funds themselves, to potential liability because the Charterhouse Funds or their representatives may in certain cases be thought to control, participate in the management of or influence the conduct of portfolio companies.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of an investment, a Charterhouse Fund may be required to make representations typical of those made in connection with the sale of a business. A Charterhouse Fund may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities, which might ultimately have to be funded by investors to the extent of their unpaid capital commitments to the Charterhouse Fund or through the return by investors of certain prior distributions. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each investor that receives a distribution in violation of such Act will be obligated, under certain circumstances, to re-contribute such distribution to the Fund.

Non-U.S. Investments. Although non-U.S. investments are not an area of focus for Charterhouse, a Charterhouse Fund may invest in portfolio companies operating and/or organized outside of the United States. Such investments will involve risks not typically associated with investments in the securities of U.S. companies. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Charterhouse Fund) and the application of complex tax rules to cross-border investments. The foregoing factors may increase transaction costs, adversely impact the value of a Charterhouse Fund's investments in non-U.S. portfolio companies and otherwise reduce returns to investors.

Investments Longer than Term. A Charterhouse Fund may invest in investments that may not be advantageously disposed of prior to the date that the Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although Charterhouse expects that investments will be disposed of prior to dissolution or suitable for in-kind distribution at dissolution, a Charterhouse Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Distributions in-Kind. Charterhouse may distribute the proceeds of certain of a Charterhouse Fund's investments in securities or other non-cash property. Any such distribution could create downward pressure on the trading price of those securities. In addition, investors may incur costs and delays in converting such assets to cash.

Dilution from Subsequent Closings. Investors admitted to a Charterhouse Fund at subsequent closings (which may be held for up to one year after the initial closing) will participate in existing investments of the Charterhouse Fund, diluting the interest of existing limited partners. Although investors admitted at subsequent closings will contribute their *pro rata* share of previously made capital contributions (plus an additional amount thereon), there can be no assurance that such payment will reflect the fair value of the Charterhouse Fund's existing investments at the time of such contributions.

Failure to Fund Commitments; Consequence of Default. A Charterhouse Fund's investments in portfolio companies will require capital calls on investors over an extended period of time. If investors fail to fund their capital commitment obligations when due, the Charterhouse Fund's ability to complete its investment program or otherwise continue operations may be substantially impaired. A default by a substantial number of investors or by one or more investors who have made substantial capital commitments to a Charterhouse Fund would limit opportunities for investment diversification and likely would reduce returns to the Fund. In the event that an investor defaults, such investor may be subject to various penalties, including, without limitation, forfeiture of all or a portion of its interest in the Charterhouse Fund and loss of its right to potential distributions from the Fund, as provided in the Fund's Governing Documents.

Charterhouse Funds not Registered. The Charterhouse Funds are not registered under the Investment Company Act, pursuant to an exemption set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act or any other U.S. federal or state securities laws or similar laws of any other jurisdiction. The Investment Company Act provides certain protection to investors and imposes certain restrictions on registered investment companies, none of which will be applicable to the Charterhouse Funds. None of Charterhouse or its affiliates are registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or with the Financial Industry Regulatory Authority ("FINRA"), and is consequently not subject to

the record-keeping and specific business practice provisions of the Exchange Act and the rules of FINRA.

Regulatory Changes for Private Equity Funds. Legal, tax and regulatory changes are likely to occur during the term of a Charterhouse Fund and some of these changes may adversely affect the Charterhouse Funds, perhaps materially. The financial services industry generally, and the activities of private equity funds and their managers, in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase a Charterhouse Fund's exposure to potential liabilities and to legal compliance and other related costs. Increased regulatory oversight may also impose additional administrative burdens on Charterhouse, including without limitation, responding to inquiries and implementing new policies and procedures. Such burdens may direct Charterhouse's time, attention and resources away from portfolio management activities.

It is impossible to predict what, if any, changes in law or regulation applicable to private equity firms and the funds they sponsor, including the Charterhouse Funds, may be instituted in the future. The effect of any future regulatory change on the Charterhouse Funds could be substantial and adverse.

Taxation Risks. An investment in a Charterhouse Fund may involve complex U.S. federal income and other tax considerations that will differ for each investor. Under certain circumstances, the investors could be required to recognize taxable income in a taxable year for U.S. federal income tax purposes, even if a Charterhouse Fund either has no net profits in such year or has an amount of net profits in such year that is less than such amount of taxable income. Furthermore, the investors could incur U.S. federal income tax liabilities without receiving from a Charterhouse Fund sufficient distributions to defray such tax liabilities.

Confidential Information. The Governing Documents for a Charterhouse Fund will contain confidentiality provisions intended to protect proprietary and other information relating to the Fund's portfolio companies. To the extent that such information is publicly disclosed, competitors of the Fund and/or its portfolio companies may benefit from such information, thereby adversely affecting a Charterhouse Fund, its portfolio companies, Charterhouse and the economic interests of the limited partners. The investors are expected to include entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding a Charterhouse Fund, its investments and its investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise. To the extent that Charterhouse determines that, as a result of such public records or similar laws, an investor or any of its affiliates or agents may be required to disclose information relating to a Charterhouse Fund, its affiliates and/or any portfolio company (other than information that Charterhouse has previously consented in writing that the investor may

disclose), Charterhouse may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provide to such investor.

Limited Recourse and Indemnification. A Charterhouse Fund's Governing Documents will limit the circumstances under which Charterhouse and its affiliates, including their respective officers, directors, partners, employees, shareholders, members, consultants and other agents (the "Covered Persons"), can be held liable to the Charterhouse Fund. As a result, investor may have a more limited right of action in certain cases than they would have in the absence of such a limitation. In addition, a Charterhouse Fund's Governing Documents will provide for indemnification of the Covered Persons regarding activities undertaken by them on the Fund's behalf, including, without limitation, their activities with respect to portfolio companies of the Fund. Any indemnification claim may be paid out of the Charterhouse Fund's assets, and limited partners may be required to return distributions in satisfaction of such a claim.

Potential Conflicts of Interest

Investors in the Charterhouse Fund should be aware that there may be occasions when Charterhouse, Charterhouse's employees and personnel, and their respective affiliates will encounter potential conflicts of interest in connection with the Charterhouse Funds' activities. The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in a Charterhouse Fund. The following is not intended as an exhaustive list of the potential conflicts.

Carried Interest. The carried interest that a General Partner will be entitled to receive may create an incentive for Charterhouse to approve and to cause a Charterhouse Fund to make riskier or more speculative investments than it would otherwise make in the absence of such performance-based compensation. In addition, the terms of the carried interest could give Charterhouse an incentive to make determinations regarding the timing and structure of realization transactions that are not applicable to the interests of the investors.

Diverse Investors. The investors may have conflicting investment, tax, and other interests with respect to their investments in a Charterhouse Fund. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Charterhouse Fund, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by Charterhouse, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Charterhouse Fund, Charterhouse will consider the investment and tax objectives of the Funds and their investors as a whole, not the investment, tax, or other objectives of any investor individually.

Formation of New Funds. Subject to any limitations in the applicable Governing Documents, Charterhouse or its affiliates may establish additional private equity funds which may be competitive with a Charterhouse Fund. There can be no assurance that the creation of such additional funds will not give rise to conflicts of interest between the investors of the respective funds.

Other Activities. The Charterhouse investment professionals and other personnel will devote some of their business time to monitoring and developing the investments of multiple Charterhouse Funds and permitted other funds. Conflicts may arise between the allocation of investment opportunities and business time and attention among such funds.

Side Letters. In accordance with common industry practice, one or more of the Charterhouse Fund General Partners may enter into “side letters” or similar agreements with certain investors pursuant to which the General Partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally. While the use of side letters may frequently benefit all investors in a Fund or otherwise be immaterial to other investors in a Fund, in certain circumstances side letters may provide certain investors with terms that may materially and adversely impact other investors in a Fund. In such circumstances, Charterhouse will make such disclosure as it reasonably believes necessary to enable other investors to assess the possible impact of such side letter on their investments.

Disciplinary Information

Charterhouse and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this item.

Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

None of Charterhouse or its management persons are registered as a broker-dealer or a registered representative of a broker-dealer. In addition, Charterhouse and its management persons are not affiliated with any broker-dealer, bank or other financial services firm.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

None of Charterhouse or any of its management persons are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

Relationships with Related Persons

As discussed in the section below titled “Participation or Interest in Client Transactions; Personal Trading,” Charterhouse and its related persons are, directly or indirectly, the General Partner, limited partners and/or managing members/general partners of the

General Partner of each of the Charterhouse Funds. Charterhouse and its related persons may spend substantially all of their business time on one or more of the Charterhouse Funds as required pursuant to the terms of each Charterhouse Fund's Governing Documents. Investors are requested to refer to the Governing Documents of each Charterhouse Fund for more complete information on the requisite time commitments of Charterhouse and its related persons to the Charterhouse Funds.

Employees of Charterhouse and its affiliates may serve as officers, advisors, directors or in comparable management functions for portfolio companies in which the Charterhouse Funds invest, or provide other services to portfolio companies, and may receive compensation in connection therewith. Employees of Charterhouse may also from time to time serve on the board of directors or a creditors committee of a portfolio company, or be given access for other reasons to confidential information relating to companies in which the Charterhouse Funds invest. As a result, the Charterhouse Funds may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or securities of such a portfolio company, which prohibition may have an adverse effect on the Charterhouse Funds.

Selection or Recommendation of Other Advisers

Charterhouse does not recommend or select other investment advisers for its clients and receive compensation from such advisers in a manner that would create a material conflict of interest. Charterhouse does not have other business relationships with other advisers that create a material conflict of interest.

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

Code of Ethics

Charterhouse has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act expressing Charterhouse's commitment to ethical conduct. Charterhouse's Code of Ethics describes its fiduciary duties and responsibilities to its clients, and sets forth Charterhouse's policies and procedures on (i) personal securities transactions, (ii) disclosure of non-public information (iii) receipt of gifts and entertainment by employees, (iv) political contributions, (v) outside business activities, and (vi) other matters. Under Charterhouse's Code of Ethics, all supervised personnel have a duty to act only in the best interests of the Charterhouse Funds and all potential conflicts and violations of the Code of Ethics must be promptly reported to Charterhouse's Chief Compliance Officer ("CCO"). All supervised personnel must acknowledge the terms of the Code of Ethics annually, or as amended. It is the expressed policy of Charterhouse that no person employed by Charterhouse shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, all supervised persons of Charterhouse who have access to non-public information regarding clients' securities transactions, or who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public ("Access Persons") are required to provide annual securities holdings reports and quarterly transaction reports to the firm's CCO. Charterhouse also requires any such Access Persons to also receive approval from the CCO prior to investing in any initial public offerings or private placements.

In an effort to prevent inappropriate securities transactions by Charterhouse's personnel, the CCO will maintain and make available a list of restricted securities. The restricted securities list will be updated periodically and will include all securities where the Charterhouse has, or is in a position to receive, material non-public information about such companies as a result of a special relationship between Charterhouse or a Charterhouse Access Person and such companies or otherwise. Access Persons are prohibited from trading on their own behalf in restricted securities without obtaining the prior written approval of the CCO.

Charterhouse requires that all individuals act in accordance with all applicable federal and state regulations governing investment advisory practices. Charterhouse's Code of Ethics also includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline or termination.

Charterhouse will provide a complete copy of its Code of Ethics to any person upon request.

Participation or Interest in Client Transactions; Personal Trading

As general partners, limited partners or managing members of the general partners of each of the Charterhouse Funds, Charterhouse and its related persons have indirect beneficial interests in the securities owned by the Charterhouse Funds and will share in any profits and losses generated by the Charterhouse Funds' investments. Before Charterhouse makes a recommendation that a Charterhouse Fund buy or sell a security, all related persons that have direct ownership of such security at the time of such recommendation are required to disclose such interest to Charterhouse.

Brokerage Practices

Subject to the investment objectives, policies and restrictions of each Charterhouse Fund as set forth in such Charterhouse Fund's Governing Documents, Charterhouse has discretionary authority to determine the type, amount, and price of securities and investments to be bought and sold on behalf of each Charterhouse Fund, including the selection of, and commissions paid to, brokers.

Although Charterhouse typically does not utilize broker-dealers to effect portfolio investments, shares of certain companies may be received by the Charterhouse Funds as

part of a general distribution. Charterhouse may sell the securities received in share distributions such that the proceeds can be distributed to the Charterhouse Funds' limited partners.

In selecting broker-dealers to effect securities transactions, Charterhouse seeks to obtain best execution by considering factors including, but not limited to, execution quality, price, the level of service offered, reliability, experience in liquidating distributions from private equity funds and such other factors as Charterhouse considers relevant and beneficial to the Charterhouse Funds.

Research and Other Soft Dollar Benefits

Charterhouse does not generally have any soft dollar arrangements with any brokers whereby Charterhouse can direct a broker to pay for external research services from a soft dollar account. No supervised person of Charterhouse may agree with a broker to engage in soft dollar transactions without the express permission of Charterhouse's chief compliance officer.

Brokerage for Client Referrals

Subject to Charterhouse's obligation to seek best execution of all transactions for its clients, Charterhouse may consider referrals of clients or investors in determining its selection of broker-dealers. Charterhouse may have an incentive to select or recommend a broker-dealer based on its interest in receiving investor referrals, rather than on its clients' interest in receiving the most favorable execution.

Review of Accounts

Review of Client Accounts

Charterhouse continuously monitors portfolio investments on behalf of each Charterhouse Fund. Investments are reviewed in the context of each Charterhouse Fund for (i) adherence to the investment objectives and guidelines as set forth in the Governing Documents of each Charterhouse Fund; (ii) the Charterhouse Fund's investment performance, and (iii) the performance of the investment relative to the Fund's growth and exit strategies for such investment.

Each review is conducted by one or more of the following supervised persons:

Supervised Person	Title
Thomas C. Dircks	Managing Partner
Robert Haisch	Managing Director
William Landuyt	Managing Director

Cheri Lieberman	Chief Financial Officer
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Reports to Clients

The General Partners of each Charterhouse Fund distribute quarterly and annually written reports to their respective limited partners. Annual reports generally contain an individual capital account statement as of the end of such fiscal year, a listing of investments held by the Charterhouse Fund and the audited financial statements of the Charterhouse Fund. The Quarterly reports generally contain unaudited financial statements of the Charterhouse Fund for the fiscal quarter.

Investors are requested to refer to the Governing Documents of each Charterhouse Fund for further information on the reports provided by a particular Charterhouse Fund to its investors.

Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

As is discussed in “Fees and Compensation “ above, Charterhouse and its affiliates or employees may from time to time receive compensation in the form of transaction fees, directors fees, advisory fees and consulting fee with respect to a Charterhouse Fund’s portfolio investments. The management fee for a Charterhouse Fund will be reduced by 50% of the amount of any such fees received for the account of Charterhouse, the General Partner, the Management Company and their respective directors, executive officers, general partners, managers or managing members (excluding Charterhouse Entrepreneurs), less amounts applied in respect of certain fees, costs and expenses. If any of such persons or entities receives a break-up fee with respect to a Charterhouse Fund investment, the management fee will be reduced by the amount of any broken deal expenses paid by the Fund with respect to that investment (up to the amount of such break-up fee) and then by 50% of the excess, if any, of the amount of such break-up fee over the amount of any such broken deal expenses with respect to that investment.

Third Party Compensation for Client Referrals

Charterhouse and related persons of Charterhouse may enter into cash compensation arrangements with unaffiliated placement agents or third parties for introducing investors to a Charterhouse Fund. Any sales charge associated therewith will ultimately be payable by Charterhouse or its related persons, either directly or through an offset of the management fee payable by the relevant Charterhouse Fund to Charterhouse. An investor will not be charged any additional amount or bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party.

Charterhouse endeavors at all times to put the interests of the Charterhouse Funds first as part of Charterhouse’s fiduciary duty. Nevertheless, the receipt of compensation by the placement agents and the potential receipt of brokerage commissions by broker-dealers creates a potential conflict of interest, and may affect the judgment of placement agents

and broker-dealers when making referrals to Charterhouse and the Charterhouse Funds. Moreover, a potential conflict of interest may arise between the interests of the Charterhouse Fund investors in obtaining best price and execution and Charterhouse's interest in receiving future referrals to the Charterhouse Funds. Charterhouse will address this conflict of interest by seeking to obtain best execution by considering factors including, but not limited to, execution quality, price, the level of service offered, reliability, experience in liquidating privately placed securities and such other factors as Charterhouse deems relevant and beneficial to the Charterhouse Funds.

Custody

Charterhouse will not have physical custody of any client assets. Charterhouse may be deemed to have custody of the assets of the Charterhouse Funds as a result of its authority over the Charterhouse Funds.

It is Charterhouse's policy to cause each Charterhouse Fund with assets over which Charterhouse is deemed to have "custody" to be audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any such Charterhouse Fund, Charterhouse will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Charterhouse Fund to all investors promptly after completion of the audit.

Investment Discretion

Subject to the investment objectives, policies and restrictions of each Charterhouse Fund as set forth in the Governing Documents of such Charterhouse Fund, Charterhouse has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Charterhouse Fund, including the selection of, and commissions paid to, broker-dealers.

Voting Client Securities

Because Charterhouse has, or will accept, authority to vote securities held by a Charterhouse Fund, it has adopted policies and procedures (the "Proxy Voting Policies and Procedures") that have been designed to ensure that Charterhouse complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act, and reflect Charterhouse's commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of the client.

When exercising its voting authority over client securities, Charterhouse considers all relevant information, evaluates other issues that could have an impact on the value of the security and votes with a view toward maximizing overall value. Charterhouse votes all proxies in a prudent manner, considering the prevailing circumstances at such time, and

in a manner consistent with the Proxy Voting Policies and Procedures and Charterhouse's fiduciary duties to its clients.

Charterhouse reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of a Fund.

Prior to exercising its voting authority, Charterhouse, in consultation with the CCO and outside counsel, as appropriate, reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of Charterhouse, its owners, its employees or its related persons, with persons having an interest in the outcome of the vote. If a material conflict exists, Charterhouse takes steps to ensure that its voting decision is based on the best interests of the client and is not a product of the conflict. Charterhouse may, at its discretion, (A) seek the advice of the applicable advisory board in voting such security (if any); (B) disclose the conflict of interest to the client and defer to the client's voting recommendation; (C) defer to the voting recommendation of an independent third party provider of proxy voting services; and/or (D) take such other action in good faith (in consultation with Charterhouse's outside counsel) which would serve the best interest of the client. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

Charterhouse will promptly deliver to each client upon written request a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the applicable Charterhouse Fund(s).

Financial Information

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