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This brochure provides information about the qualifications and business practices of Ampersand Management LLC (“Ampersand Management”). If you have any questions about the contents of this brochure or our firm, please contact us at 781.239.0700 or by email at info@ampersandcapital.com. Additional information about Ampersand Management is available on the website of the United States Securities and Exchange Commission (“SEC”) at www.adviserinfo.sec.gov. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Ampersand Management is a registered investment adviser and is providing you with this brochure in compliance with SEC rules. Registration of an investment adviser does not by itself imply a certain level of skill or training.

Item 2 – Material Changes

There have been no material changes to this firm brochure that Ampersand Management is providing to the Limited Partners of the Ampersand Funds.

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Item 4 – Advisory Business

Ampersand Management provides investment management services to the Ampersand Funds (collectively with Ampersand Management, “Ampersand”), private equity funds with a focus on middle market growth equity investments in the healthcare sector. Within this focus, Ampersand’s targeted direct outreach lead generation process seeks to identify opportunities where it can be the first, and often the sole, institutional investor.

The Ampersand Funds (or the “Funds”) are private limited partnerships or other entities that are pooled investment vehicles operating pursuant to the strategies described in this brochure. Ampersand was founded in 1988 as a spinoff from PaineWebber. Since that time, the Ampersand Funds have received investment management services through a management company, currently named Ampersand Management LLC, a Delaware limited liability company based in Wellesley, Massachusetts. Richard A. Charpie and Herbert H. Hooper are Ampersand’s current managing partners and principal owners.

Ampersand Management is currently raising Ampersand 2014 Limited Partnership (“AMP-14”) and held its first closing of approximately \$103 million on January 21, 2014. The remaining Ampersand Funds are fully subscribed and no longer accepting capital commitments. The Funds generally have a term of 10 years and are marketed primarily to institutional investors and high net worth individuals (the “Limited Partners”). These investors purchase limited partnership interests in the Funds.

Ampersand makes private equity investments at the Fund level, not for individual Limited Partners of the Funds. As the investment manager for the Funds, Ampersand Management works with each Fund’s General Partner to identify investment opportunities for, and participates in decision making pertaining to the acquisition, management, monitoring and disposition of the portfolio of, each Fund.

Ampersand’s investments are predominantly in non-public companies, although the Funds occasionally hold public company securities. Ampersand’s investment professionals typically serve on a portfolio company’s board of directors and establish additional contractual and operational measures to influence the control and management of portfolio companies held by the Funds.

In accordance with common industry practice, Ampersand may from time to time in its discretion enter into letter agreements or other similar agreements (referred to as “side letters”) with one or more Limited Partners which provide additional or different rights than are provided under the general terms of the respective Fund. Ampersand is not required to offer such alternative terms to all other Limited Partners. Once invested in a Fund, Limited Partners cannot impose additional investment guidelines or restrictions on the Fund.

Ampersand’s activities for each of the Funds are further described in each Fund’s offering memorandum, limited partnership agreement, and management agreement. These Fund documents also detail the various investment restrictions that govern the types of investments each Fund may and may not make.

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As of December 31, 2013, Ampersand Management had approximately \$685 million of assets under management (including the AMP-14 first closing in January 2014), all in the Funds, on a non-discretionary basis. This included approximately \$128 million of uncalled capital commitments.

Item 5 – Fees and Compensation

Ampersand Management has agreements in place with each of the Funds pursuant to which Ampersand Management provides investment advice, portfolio management services and various administrative services subject to the direction and control of the respective Fund's General Partner. Under most Fund management agreements, Ampersand Management receives a fee equal to 2.0% per year of the total subscribed capital of the Fund, net of any distributions made by the Fund, that are designated by its General Partner as capital distributions and of any investments written off by the Fund as worthless or substantially worthless for tax purposes, both at cost. Management fees are payable monthly in arrears and are deducted by Ampersand Management directly from the Fund's account upon notice to the bank.

To the extent provided in the management agreements of the Funds, Ampersand will pay out of its management fees certain operating expenses, including salaries and expenses of its employees, expenses for providing bookkeeping and clerical services, office space, equipment and supplies, and travel expenses. Each Fund will bear all other expenses required by its respective management agreement, including legal, accounting, consulting, and other professional services, transaction costs for portfolio investments, taxes, interest, advisory board expenses and expenses incurred in connection with the organization of and offering and sale of limited partnership interests in the respective Fund.

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

The limited partnership agreement of each Fund provides a distribution waterfall in which the net proceeds (profits) realized by the Fund are, in general, allocated 1% to the General Partner and 99% to the Limited Partners in accordance with their respective interests until the Limited Partners have received the return of their committed capital and, thereafter, 20% to the General Partner and 80% to all partners in accordance with their respective interests. These distributions are described in more detail in the documents for the respective Fund initially provided to each investor when considering an investment. This compensation structure is disclosed to and approved by the Limited Partners at the time of their initial investments.

Item 7 – Types of Clients

Ampersand Management manages the Funds' assets directly, subject to the direction and control of the General Partner, and does not provide investment advice to the individual Limited Partners of any Fund. Accordingly, the Funds are considered Ampersand's "clients" for purposes of the Investment Advisers Act. Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act of 1933 and the Investment Company Act of 1940. Limited Partners of the Funds include pension and profit-sharing plans, pooled-investment vehicles, charitable organizations, state and municipal government entities, university endowments, corporations, limited partnerships, limited liability companies, other business

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entities and high net worth individuals. Each Fund generally requires a minimum investment of \$5 million, which the General Partner may waive in its sole discretion.

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

Investment Analysis and Strategy

Ampersand's investment strategy is summarized in the following five elements of our target profile:

1. **Industry: Healthcare** –Over the past two decades, Ampersand has developed deep expertise in the specific Healthcare sectors where our multiple prior successes give us a competitive edge.
2. **Stage: Lower Middle Market Growth** – Ampersand is positioned to invest in companies that combine lower middle market characteristics with growth potential.
3. **Source: Targeted Direct Outreach to Obtain Attractive Entry Valuations** – Ampersand prefers opportunities which are not the subject of a robust auction process. Our Direct Outreach program helps Ampersand find companies which match this element of the target profile.
4. **Role: First, and Usually the Sole, Institutional Investor** – Ampersand's sector-specific networks and targeted, direct outreach lead generation efforts identify opportunities where the competitive universe is smaller and Ampersand's value added is a key selling point. Ampersand plays a major role in shaping these companies.
5. **Value Add: Enhance Management and Source Complementary Acquisitions** – Ampersand's strategy provides a high degree of influence in its portfolio. Ampersand adds value in many dimensions, most notably by enhancing portfolio company management teams and sourcing complementary acquisitions.

Depending on the circumstance, Ampersand will invest in a majority or minority position, equity and/or debt, preferred and/or common equity, and the portfolio company may be leveraged or unleveraged, distressed or undistressed. In its implementation of its investment strategy and its management of assets, Ampersand Management conducts multi-faceted, extensive due diligence, including without limitation, diligence on the following areas: business, financial, costs, assets, accounting, management team, compensation, intellectual property, legal, regulatory, tax, environmental, market and competitive landscape and exit strategies.

Material Risks

The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that Ampersand Management will be able to choose, or that a Fund will be able to make and/or realize, any particular investment or that the Funds will be able to generate returns for their Limited Partners. In addition, there can be no assurance that any Limited Partner will receive any distribution from a Fund. Investing in the Funds—an indirect investment in the securities of their portfolio companies—involves a risk of loss that Limited Partners should be prepared to bear. Limited Partners in the Funds should carefully consider, among other factors, the following risks involved with Ampersand Management's investment strategies.

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The Funds' investment portfolios will consist primarily of securities issued by privately-held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of technology, management, operational, liquidity, reimbursement, regulatory, liquidity, compliance, business and financial risk which can result in substantial losses. Among those risks are the general risks associated with investing in companies in the expansion or pre-profitable stage. The companies may have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a business or develop new technology, products and markets. These activities, by definition, involve a significant amount of change in a company and could give rise to material challenges in sales, all aspects of operations and general management of those operations.

Illiquidity of Investments

The Funds' investments will generally be highly illiquid and difficult to value in a precise manner. As such, there may be no readily available markets for the securities held by the Funds, and there can be no assurance that the Funds will be able to realize such investments in a timely manner. The securities purchased by a Fund typically will have been issued in private placement transactions and thus may also be subject to legal or contractual restrictions on resale by a Fund. In addition, whether any value will be realized from any investments will not be known with any certainty until the General Partner elects, in its sole discretion, to sell the investments of the Funds and subsequently distribute the proceeds to the investors or to distribute securities to investors in lieu of cash. Also, since a Fund may only make a limited number of investments and since many of the investments of the Funds may involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to the investors.

Although the Ampersand Funds primarily make investments in privately held companies, they may at times also invest directly, or hold minority equity investments in, public companies, such as might occur if a portfolio company is taken public. As is the case with minority holdings in general, such minority investments that a Fund may hold will have neither the control characteristics of majority investments nor the valuation premiums accorded majority or controlling stakes. In addition, investments in securities of publicly-traded companies may be sensitive to movements in the stock market and trends in the overall economy.

Additionally, past performance of the Ampersand Funds is not a guarantee of future results. There can be no assurance that any future Fund's investments will perform as well as those of past Funds.

In addition, the limited partner interests acquired by the Limited Partners are highly illiquid. If and when a Limited Partner desires to sell its limited partner interest in a Fund, there may be no secondary market prepared to purchase such interest, or if there is a secondary market, the interest may be saleable only at a significant discount to the Fund's current valuation.

Concentration of Investments

While diversification is generally a Fund objective, there is no assurance as to the degree of diversification that will actually be achieved in a Fund's investments.

Because a substantial portion of certain Funds' committed capital may be invested in a single portfolio company, a loss with respect to any single portfolio investment could have a significant

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adverse effect on a Fund's returns. The Ampersand Funds will participate in a limited number of investments and frequently seek to make several investments in one industry or one industry segment. As a result, any particular Fund's investment portfolio could over time become highly concentrated, and its aggregate return may be affected substantially by the performance of a few holdings in a specific industry. This same concentration can occur as a result of the disposition of certain investments in a fund, leaving the remaining investments clustered in one industry or industry segment. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

Need for Follow-On Investments

Following its initial investment in a given portfolio company, a Fund may decide to make a further investment in the company. This may be (i) in accordance with initial projections that contemplated additional investment at the time of the initial investment, (ii) because the company needs more support than was anticipated initially or because performance has deteriorated in a manner the Fund did not predict, (iii) because the Fund wishes to increase its investment in a successful company or (iv) to take advantage of an opportunity to develop an additional market or other opportunity or "build on" or "bolt on" a complementary business. There is no assurance that a Fund will anticipate all required follow-on investments or that a Fund will have sufficient Funds to make all such investments. The failure of a Fund's limited partners to respond on a timely basis or at all to capital calls and the unavailability of credit at all or on commercially reasonable terms to a Fund could negatively impact a Fund's ability to participate in follow-on investments or make initial investments, and result in lost opportunities for the Fund. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a negative impact on a portfolio company in need of such an investment or may result in a lost opportunity for a Fund to increase its participation in a successful operation or improve the performance of a company or result in dilution or devaluation of the Fund's historic investment in the portfolio company.

Distressed Assets

A Fund may invest a portion of its assets in distressed assets (including companies experiencing significant financial or business difficulties). Although such investments may result in significant returns to a Fund, they involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful investment in distressed assets is unusually high.

Troubled company and other asset-based investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by a Fund. To the extent that a Fund becomes involved in such proceedings, a Fund may have a more active participation in the affairs of the company than that assumed generally by an investor. In addition, involvement by a Fund in an issuer's reorganization proceedings could result in the imposition of restrictions limiting the Fund's ability to liquidate its position in the issuer.

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Debtor-in-Possession Loans

From time to time, a Fund may invest in or extend loans to companies that have filed for protection under Chapter 11 of the United States Bankruptcy Code. These debtor-in-possession (“DIP”) loans are most often revolving working-capital facilities put into place at the outset of a Chapter 11 case to provide the debtor with both immediate cash and the ongoing working capital that will be required during the reorganization process. While such loans are generally less risky than many other types of loans as a result of their seniority in the debtor’s capital structure and because their terms have been approved by a federal bankruptcy court order, it is possible that the debtor’s reorganization efforts may fail and the proceeds of the ensuing liquidation of the DIP lender’s collateral might be insufficient to repay in full the DIP loan.

Bankruptcies

Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of a Fund. Furthermore, there are instances in which creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor. Additionally, the debt of companies in financial reorganization will in most cases not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer’s fundamental values. Such investments can result in a total loss of principal.

Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

A Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Special Situation Financings

A Fund may make investments in special situation financings, including event-driven situations such as recapitalizations, debtor-in-possession and other financings, corporate and financial restructurings, acquisitions, divestitures, reorganizations or other situations in public or private companies that may provide a Fund with an opportunity to provide debt and/or equity financing. Such investments may be originated by a Fund and will typically be made on a negotiated basis. These investments are complicated and an incorrect assessment of the downside risk associated with an investment could result in significant losses to a Fund.

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Investments in Restructurings

A Fund may invest in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. Those financial difficulties may never be overcome and may cause the portfolio companies to become subject to bankruptcy proceedings. Investments in restructurings may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or recharacterize investments made in the form of debt as equity contributions. Such investments could, in certain circumstances, subject a Fund to certain additional potential liabilities that may exceed the value of its original investment.

Investments in Operating Turnarounds

In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of Ampersand to restructure and effect improvements in the operations of a portfolio company, and there can be no assurance that Ampersand will be able to successfully identify and implement such restructuring programs and improvements.

Foreign Investments

A Fund may invest in portfolio companies that are organized and operating outside the United States. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations and the application of complex tax rules to cross-border investments. In addition, the Funds do not typically hedge currency risks.

Changes in Environment

The Ampersand Funds' investment programs are intended to extend over a period of years, during which the business, economic (micro and macro), political, regulatory, and technology environment within which each Fund operates may undergo substantial changes, some of which may be adverse to the Fund. The General Partner of each Fund has the exclusive right and authority (within limitations set forth in that Fund's limited partnership agreement) to determine the manner in which the Fund will respond to such changes, and investors in that Fund will generally have no right to withdraw from the Fund or to demand specific modifications to the Fund's operations in consequence thereof.

General economic conditions beyond our control may affect the performance of our Funds. Interest rates, general levels of economic activity, availability and terms of credit, inflation rates, economic uncertainty, commodity prices, trade barriers, performance of the public capital markets and participation by other investors in the financial markets may affect the value of the portfolio companies or companies being considered for prospective investments. Legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect the Fund and its investors.

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In particular, global financial markets may experience considerable declines in the valuations of equity and debt securities, an acute contraction in the availability of credit and the failure of a number of leading financial institutions. These events could lead to a significantly diminished availability of credit and an increase in the cost of financing, which could materially hinder the initiation of new leveraged transactions and, together with declines in valuations of equity and debt securities, have adverse affects on the private equity sector. To the extent these conditions occur, they may adversely affect the investments of a Fund.

A Fund may be materially adversely affected by the foregoing events, or by similar or other events in the future. In the long term, there may be significant new regulations that could limit the activities of Ampersand and the investment opportunities it pursues or change the functioning of capital markets, and there is the possibility that a severe worldwide economic downturn could occur or abate and then return for a period of years. Consequently, Ampersand may not be capable of, or successful at, preserving the value of Fund assets, generating positive investment returns or effectively managing Fund risks.

The extensive government regulation of certain industries in which a Fund may invest creates additional uncertainty and risks for the Fund. Obtaining regulatory approval may be a lengthy and expensive process with an uncertain outcome, and portfolio companies may be unable to obtain necessary regulatory approvals on a timely basis, if at all, which could materially and adversely affect portfolio company success.

Investments in Leveraged Portfolio Companies; Bridge Loans

Our Funds may make equity investments in leveraged portfolio companies. Leverage, or debt, generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. In addition, this portfolio company leverage could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. It is possible that a leveraged portfolio company in which a Fund invests will not have sufficient cash flow to pay its current debt service obligations as they become due or will not be able to refinance its outstanding indebtedness on favorable terms, or at all, upon maturity. It is anticipated that certain portfolio companies of one or more of our Funds will have outstanding variable rate debt. An increase in interest rates could adversely affect such portfolio companies' ability to meet current debt service obligations. If a portfolio company is unable to timely meet its payment obligations or fails to satisfy applicable financial covenants, the portfolio company's lenders typically will have the ability to exercise a variety of remedies under the relevant credit documents, including foreclosing on the assets of the portfolio company that are used to secure the underlying debt. Any rights of our Funds as an equity holder will be junior to the rights of the portfolio company's lenders, whether the underlying debt is secured or not. If a portfolio company is liquidated or sold, there may be no assets remaining for equity holders after the portfolio company's creditors are paid. In addition, our Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate and security, if any, on such loans may not adequately reflect the risk associated with the unsecured position taken by the Fund.

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Competition for Investments

The Funds expect to encounter competition from entities having similar investment objectives. Potential competitors include other investment funds, strategic investors and other financial investors investing directly or through affiliates. Certain of these entities may possess competitive advantages over a Fund in pursuing investment opportunities, including greater financial, technical, marketing and other resources, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital and access to funding sources unavailable to a Fund.

Reliance on Management

Decisions with respect to the management of each Ampersand Fund will be made by the principals and other investment professionals of Ampersand Management. The success of a Fund will depend on the ability of these individuals to identify and consummate investments, to improve the operating performance of portfolio companies and to dispose of investments of such Fund at a profit. The loss of the services of one or more principals of Ampersand Management could have an adverse impact on the Fund's ability to realize its investment objective. In addition, it is expected that all of the personnel responsible for managing a particular Fund will continue to have responsibilities with respect to other Ampersand Funds. Thus, such persons will have demands made on their time for the investment, monitoring, exit strategy and other functions of other Funds and accounts.

The ability to recruit, retain and motivate such professionals is dependent on the ability of Ampersand Management to offer attractive incentive opportunities. If legislation were to be enacted to treat carried interest as ordinary income rather than capital gain, the amount of taxes that such professionals would be required to pay with respect to their carried interest would materially increase, thereby adversely affecting the ability of Ampersand Management to offer such attractive incentive opportunities. Should any of these professionals join or form a competing firm, become incapacitated or in some other way cease to participate in investment activities of a Fund, its performance could be adversely affected.

Reliance on the Management of Portfolio Companies

Although it is Ampersand's intention to ensure that Fund portfolio companies have strong management teams, there can be no assurance that any portfolio company's management team will be able to operate successfully.

Uncertainty Regarding Investments

Although Ampersand will make every effort to conduct appropriate due diligence prior to making an investment, the due diligence process may be subjective at times, may be required to be undertaken on an expedited basis in order to take advantage of available investment opportunities and may require Ampersand to rely on limited resources available to it, including information provided by the target of the investment and third-party consultants, legal advisers, accountants and investment banks. As a result, it is uncertain whether the due diligence investigation will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Ampersand also cannot be certain that the due diligence investigation will result in investments being successful.

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Increased Regulatory Scrutiny

The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight. Such scrutiny may increase Ampersand Management's and the Funds' exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may impose administrative burdens on Ampersand Management, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert Ampersand Management's time, attention and resources from portfolio management activities. It is anticipated that, in the normal course of business, Ampersand Management's officers will have contact with governmental authorities and/or be subjected to responding to inquiries or examinations. Funds may also be subject to regulatory inquiries concerning their securities positions and trading.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") aims to reform various aspects of the U.S. financial markets. In connection with the Dodd-Frank Act, there has been and will continue to be extensive rulemaking and regulatory changes that will affect private fund managers, the funds that they manage and the financial industry as a whole. Included in those changes are new recordkeeping and reporting requirements that add costs to the legal, operations and compliance obligations of Ampersand Management and increase the amount of time that Ampersand Management spends on non-investment related activities. The Dodd-Frank Act also affects a broad range of market participants with whom the Funds interact or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, lenders and broker-dealers. Regulatory changes that affect other market participants may change the way in which Ampersand conducts business with counterparties. It may take years to understand the full effect of the Dodd-Frank Act on the financial industry as a whole, and therefore, the continued uncertainty may make markets more volatile, and it may be more difficult for Ampersand to execute the investment strategy of the Funds.

The European Union's Alternative Investment Fund Managers Directive (the "AIFM Directive") collectively consists of a directive, regulations and guidelines governing the management, marketing and sale of an Alternative Investment Fund ("AIF") in any of the 28 member states of the EU, Iceland, Liechtenstein, and Norway (collectively, the European Economic Area, or "EEA"), effective July 22, 2013. The AIFM Directive required each member state in the EEA to draft and adopt laws that are sufficient to implement the AIFM Directive in its jurisdiction by July 22, 2013, but gave member states the discretion to implement the AIFM Directive or revise their private placement regimes in a manner that is stricter and more extensive than the minimum requirements of AIFM Directive. The AIFM Directive is still being clarified during the implementation and rule-making process. The continued implementation of AIFM Directive, related national legislation and interpretive rules comprehensively impacts Ampersand Management's marketing and sale of interests in Funds in the EEA and, therefore, could have an adverse effect on Ampersand Management and/or the Funds.

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Third Party Involvement

A Fund may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-investor may have financial, legal or regulatory difficulties, resulting in a negative effect on such investment, may have economic or business interests or goals which are inconsistent with those of a Fund or may be in a position to take (or block) action in a manner contrary to a Fund's investment objectives. In addition, a Fund may in certain circumstances be liable for the actions of its third-party co-investors. In circumstances in which third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Uncertainty of Financial Projections

Ampersand generally establishes the capital structure of companies in which a Fund invests on the basis of financial projections for such companies, which normally are based primarily on management judgments. Projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed, there can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections.

Controlling Interests

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

Non-Controlling Investments

At times, Funds may hold less than 50% of the outstanding voting interests of a portfolio company, and may hold investments in securities that do not entitle a Fund to voting rights, and, therefore, may have a limited ability to protect their investments in a portfolio company.

Business and Market Risks

The investments made by a Fund may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks. The possibility of partial or total loss of capital will exist, and investors should not invest unless they can readily bear the consequences of such loss.

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Force Majeure

The operations of portfolio company assets are exposed to potential unplanned interruptions caused by significant catastrophic or force majeure events, including, without limitation, wars, labor strikes, cyclones, earthquakes, landslides, floods, tsunamis, explosions, fires, terrorist attacks, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, toll rates, social instability, and competition from other forms of infrastructure. These risks could, among other effects, adversely impact the cash flows available from portfolio company assets, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged service interruptions may result in permanent loss of customers, substantial litigation, or penalties for regulatory or contractual non-compliance. Force majeure events that are incapable of, or too costly to, cure may also have a permanent adverse effect on a portfolio company.

Item 9 – Disciplinary Information

Ampersand is not aware of any legal or disciplinary events that would be material to investors' and prospective investors' evaluation of Ampersand or the integrity of our personnel.

Item 10 – Other Financial Industry Activities and Affiliations

Ampersand has no financial industry activities or affiliations for which disclosure is required.

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

Ampersand seeks to foster a reputation for openness, integrity, honesty, and trust with the highest standards of professionalism. To further this goal, Ampersand has adopted a Code of Ethics, which sets out the standards of business conduct required of Ampersand personnel, reflecting our and their fiduciary obligations and requiring them to comply with applicable federal securities laws. The Code includes an insider trading policy designed to deter the misuse of material non-public information and other procedures intended to avoid conflicts of interest between clients and Ampersand personnel in connection with personal securities transactions. Except to the extent they are investors in a Fund, employees are not permitted to invest in portfolio companies of the Funds. Ampersand's senior investment professionals must disclose personal securities transactions to the firm. Our employees must certify annually their receipt, understanding and compliance with our Code of Ethics. A copy of the Code of Ethics will be provided upon request to any Limited Partner. Such a request can be made by contacting info@ampersandcapital.com or 781.239.0700.

By reason of their responsibilities in connection with their investing and management activities, Ampersand's personnel may acquire material non-public information about a company or may otherwise be restricted from initiating transactions in certain securities. The Code of Ethics and applicable law prevent Ampersand Management from acting upon any such information even if that would be financially beneficial to a Fund. Due to these restrictions, any Fund may not be able to initiate transactions that it may otherwise have initiated, including being prevented from selling an investment that it otherwise might have sold.

Ampersand Management LLC – Firm Brochure

From time to time, Ampersand encounters situations where there is an opportunity for more than one of the Funds to invest in a single portfolio company (“co-investments”). Because of the Funds’ differing situations, this may create the potential for a conflict between the interests of the respective Funds. Each Fund addresses this possibility through a formal, written co-investment policy that is approved by the Fund’s advisory board of Limited Partner representatives and is available to any Limited Partner upon request.

Item 12 – Brokerage Practices

The investments made by our Funds generally do not require the use of a broker-dealer. On certain occasions, however, an investment by a Fund or disposition of securities held by a Fund will require that we select a broker-dealer to execute a transaction. In that case, we will use a broker-dealer whom we have determined will provide the best execution for the transaction. Ampersand engages in no soft dollar transactions and receives no other benefit from client brokerage.

Item 13 – Review of Accounts

Ampersand reviews the performance of the investments of each Fund on a continuous basis. The Funds provide the following written financial reports to their investors:

- annual audited financial statements;
- annual tax information necessary for the completion of tax returns; and
- quarterly unaudited financial reports.

Item 14 – Client Referrals and Other Compensation

No third party provides economic benefit to Ampersand in connection with Ampersand’s investment advisory services to its clients. Ampersand does not compensate any person who is not a supervised person for client referrals.

Item 15 – Custody

Ampersand is deemed to have “custody” (as defined in SEC rules) of the funds and securities of the Ampersand Funds as a result of its and the related General Partners’ role with and authority over the Funds.

It is Ampersand’s policy to cause each Fund to be audited annually by a PCAOB-registered independent accounting firm in accordance with Rule 206(4)-2 under the Investment Advisers Act of 1940 and distribute audited financial statements prepared in accordance with U.S. generally accepted accounting principles to investors no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any such Fund, Ampersand will obtain a final audit and distribute audited financial statements with respect to such Fund to all investors promptly after completion of the audit.

Ampersand Management LLC – Firm Brochure

Item 16 – Investment Discretion

Ampersand Management provides investment advisory services to each of the Funds pursuant to its respective management agreement. Ampersand Management does not have discretion to make investments on behalf of any Fund without the approval of the respective General Partner. Any restrictions on investments in certain types of securities are established by the General Partner of the respective Fund and are set forth in the Fund documents received by each investor before investment in the Fund.

Item 17 – Voting Client Securities

Ampersand Management does not have authority to vote securities held by the respective Funds.

Item 18 – Financial Information

Ampersand Management is not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to the Funds.