



**PART 2A OF FORM ADV:  
INFORMATIONAL BROCHURE**

**HAMILTON ROBINSON LLC**

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**This brochure provides information about the qualifications and business practices of Hamilton Robinson LLC. If you have any questions about the contents of this brochure, please contact us at (203) 602-0011 or via email at [admin@hrco.com](mailto:admin@hrco.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Hamilton Robinson LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Hamilton Robinson LLC is registered with the Securities and Exchange Commission. Registration with the Securities and Exchange Commission does not imply a certain level of skill or training.**

## **Item 2: Statement of Material Changes**

In this Item, Hamilton Robinson LLC is required to discuss any material changes which have been made to the brochure. Since the last update to this Form ADV, there are not material changes to report.

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## Item 4: Advisory Business

Hamilton Robinson LLC was formed in 1999 (“Hamilton Robinson”), and is the management company providing investment advisory services to private equity funds. Its principals are Scott I. Oakford, Phillip J. Cagnassola, and Christian E. Lund. Hamilton Robinson has entered into an agreement with Hamilton Robinson Capital Partners L.P. III (“Fund III”), and anticipates entering into an agreement with Hamilton Robinson Capital Partners L.P. IV (“Fund IV”) (each, a “Fund”, and together, the “Funds”). Fund III is still in its investment period. Fund IV is expected to have its first closing in 2014. The Funds are both private equity funds offered to qualified investors. Investors and potential investors in the Funds should consult the Funds’ offering documents, including the Limited Partnership Agreements and Private Placement Memorandums, for a complete discussion of the Funds and the risk factors associated with each Fund.

The Funds pursue privately held manufacturing, distribution, and service based businesses with revenues typically between \$25 million and \$200 million in the North American private company universe.

As of March 31, 2014, the most recent figures available, Hamilton Robinson LLC had \$155,200,000 in regulatory assets under management, all of which are managed on a discretionary basis.

*For additional discussion of the Funds, and their investment objectives and risks, please see response to Item 8.*

## Item 5: Fees and Compensation

### **General**

Generally, Hamilton Robinson receives a management fee, and if applicable under the terms of the applicable Fund’s Limited Partnership Agreement, a performance based fee known as a “carry”.

### **Management Fee**

Fund III is still in its investment period and is charged management fees as described below. Fund IV is anticipated to become active in 2014. Their Partnership Agreements provide a Management Fee of 2% of capital commitments subject to a reduction to 2% of Net Invested Capital upon the conclusion of the Fund’s investment period, or at such time as Hamilton Robinson closes its next fund, whichever is earlier.

### **Performance Based**

Generally, the Funds (and therefore each investor in these Funds) pay a 20% performance based fee to Hamilton Robinson according to terms as described in their respective Limited Partnership Agreements and Private Placement Memorandums. Terms generally require that prior to the general partner earning any performance fee for a particular investment, investors must first receive their invested capital and an allocable amount of fees and expenses, plus an 8% priority return. Any payment of a performance based fee is subject to a “clawback”, meaning that if subsequent investments do not meet the thresholds for a performance based fee, the general partner may be required to return a portion of the paid performance based fee.

*For a more detailed discussion of the terms of the performance based fee, investors should consult their Fund's governing documents.*

### **Co-Investments**

From time to time, investors in one of the Funds, or investors outside of the Funds, may elect to participate in one or more investments along with a Fund. Existing limited partners are generally the predominant investors in co-investment opportunities, but co-investments may be offered to third parties. These co-investments can allow Hamilton Robinson to increase the overall investment in such portfolio company. Fees for these co-investment vehicles may be varied and are negotiated by Hamilton Robinson.

### **Fees Paid By Portfolio Companies**

In some instances, portfolio companies may pay to Hamilton Robinson, certain monitoring fees (including reimbursement of expenses), fees related to deal costs and deal due diligence, break up fees for broken deals, and other fees. These fees may be used to offset the Management Fee, in accordance with each Fund's governing documents.

*Fee Payment.* In accordance with each Fund's governing documents, Management Fees are paid quarterly, in advance. Management Fees may be paid out of distribution proceeds of the Funds or by capital calls from the investors.

*Other Fees.* The Funds bear acquisition, holding, restructuring, recapitalization and disposition thereof or related to investments (whether or not consummated), travel and due diligence expenses incurred in connection with prospective Partnership investments, whether or not consummated, expenses related to organizing entities through or in which investments will be made, , taxes or other governmental charges, legal, custodial, auditing, accounting, due diligence, appraisal, valuation and consulting expenses (including any such expenses associated with the preparation of the Partnership's financial statements, tax returns, and other similar reports), out-of-pocket expenses of the Advisory Committee, the Management Fees, costs of reporting to investors and investor meetings, reasonable premiums for insurance protecting the Partnership, the General Partner, the Manager and their respective directors, officers and employees, costs of winding up and liquidating the Partnership, expenses incurred in connection with a Limited Partner that defaults in respect of a Commitment, and other expenses associated with the Partnership, including extraordinary expenses such as litigation and restructuring and indemnification expenses, if any.

Hamilton Robinson will reimburse a Fund for any fees paid to any placement agent, by offsetting those amounts against the Management Fee.

The Funds also are responsible for the costs related to the respective Fund's offering, organizational and startup expenses, including legal, accounting, consulting, filing and other organizational expenses, not to exceed \$500,000. Organizational expenses over \$500,000 will be borne by Hamilton Robinson.

*Please refer to the respective offering documents for each Fund for additional discussion of fees and expenses paid by investors in the Fund.*

Pro-rata Fees. Due to the nature of the Funds, investors will be committed to investing a specified amount into a Fund at designated times. Investors will not generally be permitted to withdraw from a Fund or become an investor in a Fund after a Fund closes. Accordingly, there should be no need to calculate *pro-rata* fees.

Compensation for the Sale of Securities. None of the employees of Hamilton Robinson is a registered representative of a broker-dealer. None of the employees of Hamilton Robinson will receive any compensation for executing trades on behalf of the Fund aside from Hamilton Robinson's receipt of fees described above.

## **Item 6: Performance Based Fees**

*Please see response to Item 5.*

## **Item 7: Types of Clients**

Hamilton Robinson's only clients are Funds and the co-investment vehicles.

Investors in Hamilton Robinson's funds and co-investors are of varied backgrounds. They may include endowments, retirement plans, corporations, fund of funds, high net-worth individuals, investment partnerships and banks. All investors in the Funds must be "accredited investors" as defined by Regulation D of the 1933 Act and meet other eligibility requirements as set forth in the investment documents.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

Hamilton Robinson has an Investment Committee, which is comprised of senior firm professionals. Full biographies of each member are contained in each Fund's offering documents.

Hamilton Robinson is an operationally focused private equity firm that pursues controlled investments in privately held manufacturing, distribution, and services businesses in the US. Hamilton Robinson makes a concentrated number of control investments where it can provide active, operational oversight to each business.

### **Proactive Investment Sourcing**

Hamilton Robinson will focus its efforts on proactively sourcing potential transactions through a combination of proprietary analysis and an extensive network of contacts. This frequently permits Hamilton Robinson to avoid a structured auction process, allowing for private sale situations that are typically less efficient than a broad market auction and therefore can lead to a lower purchase price. Sellers who choose to forgo an auction are motivated by factors other than price and are looking for a firm that can offer more than just capital. Hamilton Robinson seeks private company investments.

**Execution**

Given the nature of the transactions pursued by the Funds, Hamilton Robinson spends a significant amount of time and resources undertaking thorough due diligence on each investment opportunity. Each potential target's diligence is led by a senior professional. Hamilton Robinson utilizes a rigorous process to analyze, structure, document and approve potential transactions.

Once the initial diligence is completed, the Investment Committee reviews the findings and decides whether to proceed or withdraw. If they elect to proceed, additional diligence is performed. Hamilton Robinson's diligence process involves the engagement of experienced third parties with specialties in areas that may include market studies, industry analysis, legal, accounting, environmental, and investigative consultants.

The entire professional staff at Hamilton Robinson is updated on the progress of each potential transaction by the deal team throughout the diligence process. All investment professionals can provide input, express concerns and question assumptions throughout the process, but the ultimate investment decision rests with the Investment Committee.

**Value Creation**

Hamilton Robinson's approach to private equity investment is to have an interactive, hands-on relationship with its portfolio company management teams, deploying a combination of operating, strategic and financial expertise in each of its portfolio companies. This approach is meant to give Hamilton Robinson the ability to proactively influence the trajectory of a portfolio company's earnings performance, through professionalizing its manufacturing and commercial operations.

Hamilton Robinson's active collaboration with management begins during the due diligence phase with the establishment of a formal plan for the investment and then progresses to routine interaction aimed at improving operations through Lean initiatives, developing systems and metrics to measure company performance, optimizing both manufacturing efficiencies and marketing efforts, with selective executive recruitment when necessary, developing an add-on acquisition strategy and addressing competitive issues as they arise. The Firm's goal is to generate superior returns derived from earnings growth, cash flow (debt reduction) and multiple expansion, while employing conservative amounts of financial leverage.

*Executive Affiliates.* Hamilton Robinson has developed a network of Executive Affiliates, who provide expertise with regard to specific industries or portfolio companies. These Executive Affiliates may bring ideas or specific portfolio company targets to our attention, and in many cases act as consultants to portfolio companies, furthering the interests of both the portfolio company and Hamilton Robinson investors. Hamilton Robinson's Executive Affiliates may have a place on a company's board of directors or occupy another senior level position. Executive Affiliates may be compensated by the portfolio companies for their efforts, or Hamilton Robinson, depending on the specific engagement.

**Exit**

The final element of the investment process is to exit investments in a value maximizing manner. Hamilton Robinson considers macro factors such as the overall economy and the status of the mergers and acquisition market and the credit environment. Professionals also collaborate with portfolio company management teams

to evaluate company specific issues such as growth strategy, industry dynamics, market trends, expected financial performance and growth, and management strength. When it deems the timing to be appropriate, Hamilton Robinson engages investment banking firms to conduct professional sales processes aimed at maximizing exit value. The selection of investment banks to lead sale processes is a competitive process, in which the criteria for selecting an investment bank includes industry experience, valuation, certainty to close, senior banker attention, creative ideas, and fees.

### **Risk Factors**

*Please see the Funds' or applicable co-investment's offering documents with regard to risks associated with investing in the Funds or through a co-investment.*

All investments risk the loss of capital. No guarantee or representation is made that a Fund will achieve its investment objective or that an investor will receive a return of its capital. In addition, there will be occasions when Hamilton Robinson and its affiliates may encounter potential conflicts of interest in connection with a Fund. In evaluating whether to make an investment in a Fund, potential investors should consider all information contained in the offering documents. The following discussion is not a complete list of all potential risks. For a more complete discussion, investors should thoroughly review their respective Fund's or co-investment's offering documents.

*Private Equity Investments.* The Funds are subject to numerous risks generally related to investing in securities and the additional risks associated with investing in non-marketable securities and nonpublic companies. The securities or other interests acquired by the Funds will have restrictions on resale and, even in the absence of such restrictions, may not be marketable. The ability of the Funds to profit from investments will be highly dependent upon the ability of the portfolio companies to progress in their development to the point where they can become an attractive merger or acquisition candidate or affect a public offering. Numerous factors may impede or prevent a company from reaching this point, including inadequate capital, unfavorable competitive developments, inadequate management, loss of key persons, technology obsolescence and lack of market acceptance. Companies may face significant capital shortfalls for a wide variety of reasons. Product development, modernization of technology or acquisition and integration of a new unit or subsidiary may prove more expensive or take more time than projected and the growth in revenues may be slower than expected. In any such event, the Fund invested with that portfolio company may be asked to provide additional capital. If the Fund is unable or refuses to provide the additional capital, the portfolio company may obtain the needed funds from another source, thereby diluting the earlier investment by the Fund. Alternatively, the inability of a portfolio company to obtain the needed financing may result in the failure of that portfolio company and a partial or total loss of the investment in such portfolio company.

*Projections are Only Estimates.* Hamilton Robinson will generally determine the appropriate capital structure of each portfolio company in which the Funds invest based upon historical and projected financial information for that company. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results based upon assumptions made at the time 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. Also,



general economic conditions, which are not predictable, can have a material adverse impact on the accuracy of projections.

*Operating and Financial Risks of Portfolio Companies.* Companies in which the Funds invest could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, or an economic downturn. As a result, companies which were expected to be stable may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

*Financial Market Fluctuations.* General fluctuations in the interest rates and market prices of securities may adversely affect the value of the portfolio companies in which the Funds invest. Instability in interest rates and the securities markets may also increase the risks inherent in the Funds' investments. The ability of a particular portfolio company to refinance debt securities may depend on its ability to sell new securities in the debt and equity markets, to borrow from banks or otherwise.

*Illiquidity of Portfolio Investments.* The Funds' investments in portfolio companies generally will be illiquid and not readily marketable, and the transferability of such investments generally will be restricted under the terms of the documents governing such investments. There can be no assurance that the Funds will be able to liquidate a particular interest in any portfolio company at the time and upon the terms it desires. Less marketable or illiquid investment positions may be more difficult to value than more marketable assets, due to the unavailability of reliable market quotations and other factors. The ability of the Funds to successfully exit and achieve liquidity on its investments is dependent in large part on the condition of and valuations available in the public equity markets and valuations available in private negotiated transactions at the time, neither of which can be projected with any certainty. The sale of less marketable securities or other assets may require more time and result in lower prices, due to higher brokerage charges or dealer discounts and other selling expenses, than the sale of more marketable assets. The disposition of illiquid assets may involve distributions in kind to the investors.

*Use of Leverage.* Typically, the Funds will invest in portfolio companies that employ significant debt. While investments in leveraged companies offer the opportunity to improve rates of investment return and/or reduce the overall cost of capital for such companies, leverage generally magnifies both the opportunities for gain and the risks of loss from investments. The Funds' investments are expected to include portfolio companies whose capital structures may have a significant degree of leverage. Leverage often imposes restrictive financial and operating covenants on portfolio companies in addition to the burden of debt service, and may impair a portfolio company's ability to finance future operations and capital needs. As a result, recessions, operating problems, competitive pressures, or a general deterioration in business and industry conditions may have a more pronounced effect on the profitability or survival of such portfolio companies. Moreover, any rise in interest rates may significantly increase portfolio company interest expense, causing losses and/or the inability to service

debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the Fund invested in that portfolio company may suffer a partial or total loss of capital invested in the portfolio company.

### **Risks Related To An Investment In The Funds**

*Past Performance; No Assurance of Investment Return.* The past investment performance of Hamilton Robinson's prior investments is not necessarily indicative of future results for any Fund. While the Funds intend to make investments which have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted IRR for each Fund will be achieved. On any given investment, total loss of principal is possible. There is no assurance that the Funds will be able to generate returns for its investors or that returns will be commensurate with the risks of investing in the type of companies and transactions described herein. An investment in any of the Funds should only be considered by persons who can afford a loss of their entire investment. An investment in any of the Funds requires a long-term commitment, with no certainty that a Fund will realize its rate of return objectives or that capital loss will not occur. There can be no assurance that investment objectives will be achieved, or that an investor will receive a return of its capital.

*Companies with Mid-Sized Market Capitalizations.* The Funds expect generally to invest in companies with market capitalizations less than \$100 million. While the General Partner believes such companies often provide significant potential for appreciation, investing in such companies involves a higher degree of risk than investing in large companies. Mid-sized companies are likely to be less able to weather business or cyclical downturns than larger companies and are more likely to be substantially hurt by the loss of a few key personnel.

*Insufficient Investment Opportunities.* A Fund may be unable to find a sufficient number of attractive opportunities at appropriate prices to meet its investment objectives. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, investors will be required to pay annual management fees during the Commitment Period based on the entire amount of their Capital Commitments.

### **Conflicts of Interest**

*Performance Allocation.* The existence of Hamilton Robinson's performance-based fee may create an incentive for Hamilton Robinson to make more speculative investments on behalf of the Funds. The capital commitments of Hamilton Robinson and its professionals should tend to reduce this incentive.

## **Item 9: Disciplinary Information**

None to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

As discussed above, the Firm provides investment advice to the Funds and the co-investment vehicles. The general partners of the Funds, and in some cases an entity holding a similar position within a co-investment, are affiliated with Hamilton Robinson by common ownership. However, employees of Hamilton Robinson provide all such investment advisory services to all Funds and co-investment vehicles. As discussed, none of the general partners or similar entities for co-investments has its own employees.

Hamilton Robinson serves as investment manager to the Funds, which are each pooled investment vehicles. The existence of multiple Funds can create a material conflict of interest with respect to Hamilton Robinson's allocating investment opportunities among Funds. Generally, under the Funds' governing documents, control equity investments that are suitable for more than one Fund are allocated pro rata to the Fund(s) that are in their investment periods at the time of the allocation, although follow-on investments in existing portfolio companies are generally made by the Fund(s) that made the initial investment. When Hamilton Robinson deems investment opportunities to be suitable for more than one Fund, Hamilton Robinson will allocate the investment opportunity between such Funds on a basis Hamilton Robinson considers to be fair and reasonable taking into consideration such factors as the capital available to such Funds, any investment restrictions included in the governing documents of such Funds, the size of the transaction, the amount of potential follow-on investing that may be required for such investment and the other portfolio investments of such Funds, the relation of such opportunity to the investment strategy of such Funds, considerations involving the portfolio balances of such Funds, the sourcing of the transaction, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals of Hamilton Robinson, and any other considerations Hamilton Robinson deems relevant in good faith.

In addition, conflicts of interest would arise if different Funds were to invest at different times or in different securities of or in different levels of the capital structure of a single company (for example, by one Fund investing in the equity of an issuer, and another Fund investing in debt securities of such issuer). Accordingly, when more than one Fund invests in the same company, they will generally do so at the same time and on the substantially the same economic terms. In addition, Funds are generally prohibited from selling securities to other Funds.

In order to manage potential conflicts of interest arising from the different investment objectives of the Funds, Hamilton Robinson has developed a conflicts of interest policy which provides certain guidelines for investments.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics and Personal Trading**

A copy of Hamilton Robinson's Code of Ethics is available upon request. Hamilton Robinson's Code of Ethics includes discussions of its employees' fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

Due to the nature of Hamilton Robinson's business and investment strategy, it is unlikely, if not impossible, that an employee could place a trade in a recommended security before or at the same time as a client. However, Hamilton Robinson requires that all self-managed employee securities holdings be reviewed by the Chief Compliance Officer at least quarterly so that the Chief Compliance Officer may ensure that each employee's trading activity does not present a conflict of interest.

## **Item 12: Brokerage Practices**

Hamilton Robinson's only clients are the Funds and the investors of the Funds. There are no day-to-day brokerage trades placed on behalf of clients.

## **Item 13: Review of Accounts**

The portfolio is reviewed by the Investment Committee at least quarterly.

## **Item 14: Client Referrals and Other Compensation**

Hamilton Robinson does not currently compensate any person for the referral of clients. If this ever were to change, any client who was referred by a person receiving compensation from us would be made aware of the compensation, and any additional registration requirements would be addressed.

## **Item 15: Custody**

The General Partners of the Funds are related persons to Hamilton Robinson. As the General Partners have access to the assets of the Funds, the General Partners, and through them, Hamilton Robinson, have custody of client funds. The Funds are audited at least annually by a PCAOB registered accounting firm.

## **Item 16: Investment Discretion**

Please see Item 4 for a discussion of investment discretion.

## **Item 17: Voting Client Securities**

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Hamilton Robinson has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that Hamilton Robinson receives will be treated in accordance with these policies and procedures. A copy of Hamilton Robinson's written proxy voting policies and procedures, as well as a record of how Hamilton

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Robinson has voted in the past, will be maintained and available for review upon written request.

The Funds are primarily invested in privately-held portfolio company investments which typically do not issue proxies; therefore, the traditional concept of voting of proxies and participation in class actions is not currently applicable to Hamilton Robinson. The investment opportunities that Hamilton Robinson seeks allows the Funds to have influence on the management, operations and strategic direction of the portfolio companies in which it invests; through its majority interest and/or through its employees who sit as officers and directors on portfolio company boards. The exercise of control and/or significant influence over a portfolio company imposes additional risks of liability for product defects, environmental damage, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could also expose the assets of the Funds to claims by such portfolio company, its security holders and its creditors. While Hamilton Robinson intends to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Hamilton Robinson will seek to avoid material conflicts of interest between its own interests on the one hand, and the interests of its Funds on the other. However, as is typical with private equity investing, Hamilton Robinson seeks and accepts the election of one or more of Hamilton Robinson's representatives to serve on the board of directors on behalf of its Funds and will typically, but not always, vote in favor of board recommendations. In situations where Hamilton Robinson is required to vote the proxy for a company in which employees of Hamilton Robinson serve on the board of directors, Hamilton Robinson has determined that this does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on the Funds' investment in such portfolio company. Accordingly, while Hamilton Robinson is generally, but not automatically, fully supportive of recommendations made by a portfolio company's board of directors with respect to proxy votes related to that issuer, it will review all proxies in accordance with its proxy voting guidelines and may or may not vote in favor of the board's recommendation.

All conflicts of interest will be resolved in the interests of the Funds. In situations where Hamilton Robinson perceives a material conflict of interest, Hamilton Robinson may defer to the voting recommendation of a Fund's Advisory Committee, where applicable, or take such other action in good faith which would protect the interests of such Fund.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: Attn: Chief Compliance Officer, Hamilton Robinson Capital Partners, LLC, 281 Tresser Boulevard, Suite 1000, Stamford, CT 06901.

## **Item 18: Financial Information**

Hamilton Robinson does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

Hamilton Robinson has discretion over the Fund's investments. There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.