

**Item - 1**

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

**Trive Capital Management, LLC**

**200 Crescent Court, Suite 1040  
Dallas, TX 75201**

**June 30, 2014**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Trive Capital Management, LLC (“Trive”). If you have any questions about the contents of this Brochure, please contact us at (214) 499-9715. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

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

Additional information regarding Trive is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item – 2

### MATERIAL CHANGES

On July 28, 2010, the United States Securities and Exchange Commission (“**SEC**”) published “Amendments to Form ADV” which amends the disclosure document that Trive Capital Management, LLC (“Trive” or the “Adviser”) provides to clients as required by SEC rules. This is the initial “brochure” (as the same may be amended from time to time, the “**Brochure**”) prepared by Trive pursuant to such rules.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. Trive will also reference in this Item the date of the last annual update of this Brochure.

Pursuant to applicable regulations, Trive will deliver to each of its clients a summary of any material changes to this and subsequent Brochures within 120 days of the close of each fiscal year. The Adviser may also provide additional disclosures or other information about material changes as necessary.

From time to time, without charge, Trive will also provide clients with a new Brochure as necessary to reflect material changes or new information.

A copy of this Brochure may be obtained at any time by contacting Trive’s Chief Compliance Officer, Daniel Bruggeman, by telephone at (214) 499-9806 or via email at [Daniel.bruggeman@trivecapital.com](mailto:Daniel.bruggeman@trivecapital.com).

Additional information about Trive is also available via the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This website also provides information about any persons affiliated with Trive who are registered as investment adviser representatives of Trive, as well as persons with significant ownership stakes or management roles which require them to be registered.

### ITEM – 3

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## **ITEM – 4**

### **ADVISORY BUSINESS**

- A.** Trive Capital Management, LLC is a Delaware limited liability company formed on April 9, 2012 with office headquarters in Dallas, Texas. The principal owner of the Adviser is Trive Management Holdings, LLC with Trive Capital Holdings, LLC acting as a managing member.
- B.** Trive generally has full discretionary authority with respect to investing client assets. Currently, Trive advises only private funds<sup>1</sup> (each a “Fund” or, collectively the “Funds”). In providing investment advice, Trive follows each Fund’s investment objectives and guidelines set forth in each Fund’s governing documents.
- C.** Trive provides discretionary investment advisory services to the Funds. Trive does not act as a general partner to any of the Funds. Rather, certain affiliates of Trive serve as general partners of one or more of the Funds and have delegated exclusive investment advisory authority with respect to the Funds to Trive. Trive seeks to invest in deep value, lower middle-market private equity opportunities in North America. The Adviser’s services consist of managing each of the Fund’s portfolios, including sourcing, selecting, determining investments in, and monitoring investments of the Funds and the execution of transactions on behalf of the Funds. Trive is responsible for investing the assets of each Fund in accordance with the investment objectives, policies, and guidelines set forth in its offering and governing documents. Funds may not impose specific investing restrictions on Trive, though the Trive seeks to take into consideration the specific needs of each Fund.
- D.** Trive does not participate in wrap fee programs.
- E.** As of December 31, 2013, Trive had regulatory assets under management of \$300,100,000.

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<sup>1</sup> Private funds are entities which would be considered an “investment company” within the meaning of the Investment Company Act of 1940 but for 3(c)(1) or 3(c)(7) exemption.

## ITEM – 5

### FEES AND COMPENSATION

- A. The Advisor charges each Fund a management fee (“Management Fee”) for its investment advisory services. The Management Fee accrues at an annual rate equal to two percent (2.0%) of the aggregate capital commitments of the investors of the Funds. Fund investors pay the Management Fee in advance, quarterly, at the rate of 1/4 of the annual Management Fee, on each January 1, April 1, July 1 and October 1. The Management Fee is prorated for any applicable period less than a full quarter. Trive also receives performance-based fee compensation through one of its affiliates equal to 20% of all net profits for the applicable performance period. Trive has discretion to reduce or waive management and/or performance-based fees with respect to one or more investors.
- B. The Advisor directly deducts all applicable fees from client’s assets.
- C. The Adviser and its Affiliates may also collect transaction fees, directors’ fees and portfolio company management fees relating to a portfolio company or any potential portfolio company. However, eighty percent (80%) of such fees paid in one calendar year is allocated among the Funds on a pro rata basis according to their respective Aggregate Capital Commitments, and such portion allocated to the Funds is credited against the Management Fee described above. In cases when any fees required to be credited against the Management Fee for any period exceed the Management Fee payable to the Adviser, then such excess amount is carried forward and credited against Management Fee in the future.

Trive and its affiliates pay all of their own operating and overhead costs and expenses, including salaries, benefits and rent. The Funds pay (or reimburse Trive and its affiliates for) the costs and expenses related to its operations, including, without limitation: (i) expenses incurred in connection with the evaluation, acquisition and disposition of investments (including transactions not consummated); (ii) expenses incurred in connection with the carrying or management of investments, including custodial, trustee, record keeping and other administrative fees; (iii) expenses incurred in connection with the preparation and audit of the Fund’s financial statements, tax returns and Schedule K-1s; (iv) attorneys’, administrators’, accountants’ and consultants’ fees and disbursements; (v) taxes and other governmental charges levied against the Funds; (vi) insurance (including insurance covering Trive and affiliates acting as the general partner of the Funds), regulatory or litigation expenses (and damages), including regulatory expenses of the General Partner and the Manager relating to the activities of the Fund; (vii) expenses incurred in connection with the winding up or liquidation of the Funds or Fund related entities; (viii) expenses not otherwise reimbursed relating to defaults by investors in the payment of any capital contributions; (ix) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Funds and

related entities, including the general partner and Trive if requested by investors; (x) expenses incurred in connection with distributions to the investors; (xi) expenses incurred in connection with any reports to and meetings of the advisory committee and the investors, including counsel and other advisors to the advisory committee; (xii) expenses relating to the Funds' indemnification obligations and (xiii) all other annual organizational and operating expenses related to the Funds' activities. An organizational and operating expense of any feeder fund is borne solely by the investors therein.

Clients do not incur any other fees except those disclosed in this Brochure.

- D.** The Adviser charges Management Fees quarterly in advance. Clients pay Performance Fees, if any, only upon the end of the fiscal year. In case of termination of its advisory relationship with a client, the Adviser reimburses such client's pro-rata share of all pre-charged fees, retaining share of the fees for a period of time for which services were rendered.
- E.** Neither the Adviser nor its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charge or service fees from the sale of mutual funds.

## **ITEM – 6**

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

One of Trive's affiliates receives performance-based fee of 20% of net profits each year. This fee may be calculated on a basis that includes both realized and unrealized appreciation in portfolios based upon values assigned by Trive. Certain Clients may not be subject to performance-based fees. The Adviser addresses these potential conflicts of interest through appropriate disclosures to its potential investors in applicable governing documents as well as in this Brochure.

## **ITEM – 7**

### **TYPES OF CLIENTS**

Currently, Trive provides investment advisory services to three private funds—entities that are investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment companies under the Investment Company Act of 1940, as amended.

The minimum investment requirement for the Funds is \$3,000,000.



## **ITEM – 8**

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

#### **Investment Strategy and Process**

- A. Trive's investment approach is highly selective, targeting (i) corporate careveouts; (ii) private or family owned businesses; (iii) operationally or financially challenged companies; and (iv) underperforming public companies. In addition to requiring capital, these companies are often under-resourced and unable to improve profitability without a partner like Trive, who has an analytically-driven, operationally-oriented partnership approach. Trive seeks to acquire control positions in lower middle-market North American companies that are underperforming or distressed, with revenue of \$30 million to \$500 million in complex or special situations. Trive expects to have each client invest in 7-12 portfolio companies, targeting equity investments between \$7 million and \$60 million. Trive focuses on asset-intensive industries, in companies that have defensible market niches and are at an inflection point with identifiable potential for significant change and growth in profitability. A core focus of Trive's approach is downside protection. With limited competition at the lower end of the middle market, and few groups that can transaction in complex situations, Trive is able to acquire its target companies at attractive purchase price multiples using limited leverage. Trive targets businesses that have a combination of sustainable market positions and significant liquidation value. Key features of such businesses include long term contractual cash flows, high switching costs for customers, limited and rational competition, few substitution alternatives, and asset-intensive industries. Finally, despite operational underperformance or distress, these companies must be EBITDA positive or breakeven (with exception of add-on acquisitions that can have a negative EBITDA), providing Trive and the management team greater flexibility to implement both short term and long term initiatives.

Using an analytically intensive roadmap for profit improvement, Trive leverages its extensive background in operations and special situations to develop clear operational goals and performance metrics to drive value creation and transformational change. Trive works closely with management of portfolio companies to implement and continually update value creation initiatives, which drive significant EBITDA growth through clearly identifiable business improvements. More information on the Adviser's investment strategy and processes can be found in the governing and offering documents.

- B. Prospective investors should be aware that investing in funds managed by the Adviser involve significant risks, including a possibility of a complete loss of an investment.

#### **General Risks**

Private equity involves a high degree of business and financial risk that may result in substantial losses. In order for the Funds to succeed, it must be able to accurately identify potentially successful enterprises, a process that is difficult even for those with extensive experience in the private equity field. Portfolio companies may be operating at a loss or with substantial variations in operating results from period to period and may need substantial amounts of additional capital to support expansion or to achieve or maintain a competitive position. Investment in the Funds is highly speculative, involves a high degree of risk and could result in the loss of part or all of an investor's capital contribution. Therefore, prospective investors should not invest unless they can bear such a loss.

Moreover, there can be no assurance that the Funds' investment objectives will be achieved and investment results may vary materially from one reporting period to the next. Consequently, an investment in the Funds is suitable only for sophisticated investors who are capable of making an informed and independent decision as to the risks involved in an investment in the Funds.

### **Reliance on Key Man**

The Adviser and Funds rely on certain key personnel in identifying, structuring, and implementing investments consistent with the Fund's investment objective and policies. The success of the Fund will depend on the ability of such personnel to identify and consummate suitable investments, to improve the operating performance of portfolio companies and to dispose of investments of the Funds at a profit. The success of the Funds depends in substantial part upon the leadership, skill and expertise of the Trive management. The loss of one or more of these individuals could have a material adverse effect on the performance of the Funds.

### **Difficulty Locating Suitable Investments**

Investors in any Funds must rely upon the ability of Trive and its management to identify, structure and implement portfolio investments consistent with the Funds' investment objectives and policies. Investors in the Funds will not have the opportunity to evaluate the business, financial and other information that will be used by the Adviser in its analysis, selection, and monitoring of portfolio company investments for the Funds. There can be no assurance that Trive will be able to identify a sufficient number of attractive investment opportunities to invest fully the Funds' committed capital in opportunities that satisfy the Funds' investment objectives, or that such investment opportunities will lead to completed investments by the Funds. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate.

### **No Right to Control Operations**

Investors have no right or powers to take part in the management of their assets once committed to the Funds, nor will they receive detailed financial information issued by portfolio companies that is available to the Adviser. No person should invest in the Funds if such person is unwilling to entrust all aspects of management to Trive.

### **Control Investments and Directorships**

The Funds will acquire control positions in certain companies in which they invest. Additionally, officers and employees of Trive may serve as directors of portfolio companies in which the Funds invest. The exercise of control over a company through a control position, or the service of an officer or employee of Trive as a director of such company, could (i) expose the assets of the Funds to claims by such company, its security holders and creditors or (ii) impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which general limited liability protections are ignored. If these liabilities were to occur, then the Funds, directly, and the Funds' investors, indirectly, would likely suffer losses with respect to their investments.

### **Illiquid Nature of Investments**

The Funds will make investments in securities that have limited liquidity. It is anticipated there will be a significant period of time before the Funds have completed investments in Portfolio Companies. Such investments typically take from 2 to 7 years from the date of initial investment to reach a state of maturity when partial or complete realization of the investment can be achieved. Transaction structures typically will not provide for liquidity of the Funds' investment prior to that time. Generally, there will be no readily available market for a substantial amount of the Funds' portfolio investments. Most investments held by the Funds may not be able to be sold except pursuant to a registration statement filed under the Securities Act of 1933, as amended (the "**Securities Act**") or in accordance with Rule 144, Regulation D or another exemption under the Securities Act. The market prices, if any, of such investments tend to be volatile, and the Funds may not be able to sell such investments when they desire, or, upon sale, to realize what they perceives to be their fair value. Further, companies whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements applicable to publicly traded companies. In light of the foregoing, it is likely that no return from the disposition of the Funds' investments will occur until a significant period of time has passed. Furthermore, disposition of such investments may result in distributions in-kind to investors.

### **Borrowing**

Funds may consider borrowing funds to finance investments. Although the Adviser would seek to borrow funds in a manner it believes prudent, and while Fund borrowing

may not exceed 20% of the Aggregate capital commitments, the use of borrowed funds may involve a high degree of financial risk. In addition, borrowings by any Fund will expose them to interest rate risk, and the Fund may be less profitable if interest rates increase. If Funds do not receive sufficient cash flow from investments to meet principal and interest payments on any such borrowing, then the Funds may need to dispose of the investments sooner or at a lower price than it otherwise would have in order to pay any debt.

### **Use of Leverage**

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. The Funds' investments may involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Moreover, rising interest rates may increase portfolio company interest expense. If a portfolio company cannot generate adequate cash flow to meet debt service, then the Funds may suffer a partial or total loss of capital invested in a portfolio company. The use of leverage will have the effect of increasing the volatility of the Funds' investments. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions (e.g., due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) may materially impair the Funds' ability to consummate portfolio investments, to make leveraged distributions or to sell investments to buyers who utilize similar leverage strategies.

### **Investments in Distressed Securities and Restructurings**

Funds may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties. These financial difficulties may never be overcome and may cause such portfolio company to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities that may exceed the value of the Funds' original investment therein.

### **Subordination**

To the extent Funds make any debt investments, such investments will typically be subordinated to the senior obligations of an issuer, either contractually or structurally. Such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer, general economic conditions, or both may impair the ability of such issuer to make payments on the subordinated securities and result in defaults on such securities more quickly than in the case of the senior obligations of such issuer.

### **Debt Securities and Obligations**

The Funds' investment in debt securities and obligations (if any) will entail normal credit risks (i.e. the risk of non-payment of interest and principal). A debt security or obligation may be subject to redemption at the option of the issuer. If a debt security or obligation held by the Funds is called for redemption, then the Funds will be required to permit the issuer to redeem such security or obligation, which would have an adverse effect on the Funds' cash-on-cash return objective.

### **Foreign Investments**

To the extent the Funds invest in companies organized or with substantial operations outside the United States, those investments will be subject to risks associated with foreign investment. These risks may include, but are not limited to, potential material adverse effects caused by inflation, currency devaluation, less developed entity and finance laws and regulations, exchange rate fluctuations, repatriation or exchange control regulation, withholding or other taxes, changes in government policies (including foreign investment policy and taxation), social instability and other political, economic or diplomatic developments in such countries.

### **Restrictions on Transfer and Withdrawal**

Investment in the Funds requires the financial ability and willingness to accept significant risk and illiquidity. An investment in the Funds requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to investors. The Interests have not been registered under the Securities Act or any other applicable securities laws. There is no public market for the interests and none is expected to develop. In addition, the interests are not transferable except with the consent of an affiliate of Trive, which generally may be withheld by the affiliate in its sole discretion and are subject to the terms of Fund governing documents.

### **Risk Related to Carried Interest**

The fact that Trive and certain affiliates are entitled to distributions based on the performance of the Funds may create an incentive for Trive to cause the Fund to make investments that are more speculative than would be the case in the absence of performance-based distribution. However, this incentive may be tempered somewhat by the fact that losses will reduce the Funds' performance and thus the distributions to the Adviser and any respective affiliate. Additionally, the principals of Trive have committed substantial money to the Fund personally, and are incentivized to protect their investment.

### **Risks Upon Disposition of Certain Investments**

In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of the

portfolio company typical of those made in connection with the sale of any business. The Funds may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by investors to the extent of their capital commitments or previous distributions made to them.

### **Failure to Make Capital Contributions**

If an investor of a Fund fails to pay its capital commitment to a Fund when its due, and the contributions made by non-defaulting investors of a Fund and borrowings by a Fund are inadequate to cover the defaulted capital contribution, a Fund may be unable to pay its obligations when due. As a result, a Fund may be subjected to significant penalties that could materially adversely affect the returns to the investors of a Fund (including non-defaulting investors). If an investor of any Fund defaults, that Fund may be required to sell its Interests at a significant discount to fair market value payable with an interest-free promissory note due upon termination of the Fund.

### **Bankruptcy of Investments**

Funds may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. federal and state laws in connection with such bankruptcy proceedings could operate to the detriment of the Fund. There is also a risk that a court may subordinate the Fund's investment to other creditors or require the Fund to return amounts previously paid to it by a portfolio company that became insolvent or files for bankruptcy, a risk that could increase if the Fund has management rights in such portfolio company.

### **Legal, Tax and Regulatory Risk**

Legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the Funds and their portfolio companies or partners. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of, or a lessening of the attractiveness of the terms of, senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions.

### **Absence of Regulatory Oversight**

While Funds may be considered to be similar to an investment company, they are not registered and do not intend to register as investment companies under the Investment Company Act of 1940, or the laws of any other country or jurisdiction and accordingly, the provisions of the Investment Company Act will not be applicable to any Fund. Trive nor any affiliate of Trive is registered as a broker-dealer under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), or with FINRA, and consequently they are not subject to the record-keeping requirements and specific business practice provisions of the Exchange Act or rules of FINRA.

**Item – 9****DISCIPLINARY INFORMATION**

Neither the Adviser, nor any of its partners, officers or principals has been involved in any investment-related criminal or civil actions in a domestic, foreign or military court.

Neither the Adviser, nor any of its partners, officers or principals has been involved in any administrative proceedings before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority.

Neither the Adviser, nor any of its partners, officers or principals has been involved in any self-regulatory organization proceedings.

## **ITEM – 10**

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

- A. Neither the Adviser nor its affiliates are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Adviser nor its affiliates are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading operator or an associated person of the foregoing entities.
- C. As described in “Advisory Business” above, Trive is affiliated with general partners and other entities. These general partners and other entities operate as a single advisory business together with Trive and serve as general partners, as applicable, of the Funds and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.
- D. The Adviser together with its employees and affiliates do not recommend or select other investment advisers for its clients.



## Item – 11

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

- A. Pursuant to SEC Rule 204A-1, the Adviser has adopted a Code of Ethics and Securities Trading Policy (the “Code”) which sets forth standards of conduct that are expected of Trive principals and employees. A copy of the Code will be provided to any Client or prospective Client upon request to Trive’s Chief Compliance Officer at (214) 499 - 9715.

The Code requires Trive personnel to:

- Report their personal securities transactions;
- Pre-clear any proposed purchase of any initial public offering or limited offering; and
- Comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

Personal securities transactions by Trive personnel are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

Trive and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, Trive and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Trive. Accordingly, should Trive or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, Trive would be prohibited from communicating such information to clients, and Trive will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Trive personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of Trive and its affiliates may directly or indirectly own an interest in the Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio funds as the Funds.

Trive will allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with its fiduciary obligations, the governing documents for the relevant Fund or other Client and the Trive investment allocation policy.

Trive and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities to vehicles that may differ from advice given to, or securities recommended or bought for, the Funds or other Clients, even though their investment objectives may be the same or similar.

- B. The Adviser and its related persons do not recommend to clients, or buy or sell for client accounts, securities in which they hold a material financial interest.
- C. Not applicable.
- D. The Adviser and its related persons do not buy or sell securities from their own accounts at the same time such securities bought for client accounts.

## ITEM – 12

### **BROKERAGE PRACTICES**

- A. Due to the nature of its investments, Trive does not regularly generate a substantial volume of trades through broker-dealers in order to conduct its investment transactions. Often if a broker-dealer is involved, the seller or target company will be compensating the broker-dealer on terms previously agreed and Trive will not be making a broker-dealer selection. When more readily available securities are the subject of a trade and there is a broker selection opportunity, Trive will consider the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker; (iv) the broker's risk in positioning a block of securities; and (v) the competitiveness of commission rates in comparison with other brokers satisfying the our other selection criteria. Similarly, Trive does not use "soft dollars" to receive research or other products or services.
- B. The Adviser does not practice aggregate purchase or sale of securities. Trive does not engage in directed brokerage.

## **ITEM – 13**

### **REVIEW OF ACCOUNTS**

- A. Trive's officers and employees will actively participate on the boards of directors (or equivalent governing body) of the Funds' portfolio companies. Trive will monitor the financial and operating progress of the business on a current basis against plans and budgets, with more formal reviews as necessary. Such reviews will be conducted by one or more of the Advisor's officers. Funds are audited on a yearly basis by an independent registered public accounting firm.
- B. Certain events may require other than a periodic review. Such events include a transfer or withdrawal of an investor of the Fund or a material change in the business of a portfolio investment.
- C. Investors in the Funds receive periodic reports (typically quarterly and annually) consistent with the requirements of the Funds' governing documents, advisory agreements and industry customs and practices. Each of the Funds' investors will receive annual audited financial statements and unaudited quarterly statements of the Funds.

## **ITEM – 14**

### **CLIENT REFERRALS AND OTHER COMPENSATION**

- A. Trive does not, nor do any of its principals or employees, receive any economic benefit from non-clients for providing advisory services to its client.
- B. Trive retained a placement group, MVision Private Equity Advisers USA, LLC to market its funds to qualified investors. Trive compensates the marketing group by sharing a certain percentage of management and performance fees charged to individual investors introduced by the placement agent. Also, Trive and/or its affiliates may pay fees to third party agents for locating potential investment opportunities and sharing such information with Trive. Adviser and its affiliates pay these marketing related fees and do not pass them along to individual investors in a form of higher fees to underlying Funds.

## **Item – 15**

### **CUSTODY**

While it is the Adviser's practice not to accept or maintain physical possession of any client assets, the Adviser is deemed to have custody of the Funds' assets under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, because the Adviser has the authority to deduct fees from clients' accounts and its affiliates act as general partners of the Funds. The Funds receive quarterly account statements from the fund administrator.

In order to comply with Rule 206(4)-2, Adviser utilizes the services of a bank or qualified custodian (as defined under Rule 206(4)-2) to hold all of clients' assets. In accordance with Rule 206(4)-2, Adviser also (1) engages an outside auditor to audit our clients at the end of each fiscal year and (2) distributes the results of the audit in audited financial statements that are prepared in accordance with United States generally accepted accounting principles to all investors in our clients within 120 days after the end of the fiscal year.

## ITEM – 16

### INVESTMENT DISCRETION

- A. Trive accepts discretionary authority to manage clients' accounts. Essentially, this means that Trive has the authority to determine, without obtaining specific client consent, which portfolio companies to buy or sell and the duration of the holding period prior to exiting investments. Despite this broad authority, Trive is committed to adhering to the applicable investment strategy and program set forth in Funds' offering documents.

Before accepting investors' subscriptions for interests in one of Trive's managed Funds, the Adviser provides all investors with a Private Placement Memorandum that sets forth, in detail, Trive's investment strategy and program and the terms of investment for investors. By completing subscription documents to acquire an interest in the Fund, investors give the Adviser complete authority to manage their investments in accordance with the Private Placement Memorandum they each received.

## ITEM – 17

### VOTING CLIENT SECURITIES

- A. From time to time the Adviser accepts authority to vote client securities. Pursuant to SEC rule 206(4)-6, the Advisor has established policies and procedures to address voting procedures and any conflicts of interests involved in a proxy vote between the Adviser and clients. Trive's proxy voting procedures are designed to ensure that proxies are voted in a manner that is in the best interest of the clients. Trive will generally vote in favor of matters that follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management's accountability to shareholders and/or present compensation plans that are commensurate with enhanced manager performance and market practices. The Adviser addresses conflicts of interest involved in a proxy vote through the following three-step process of identifying all potential conflicts of interest, determining material conflicts and establishing procedures to address material conflicts. By following this procedure, the Adviser determines the course of action that is in clients' best interest. The Adviser maintains the records of its proxy voting and it is available for review upon client requests.



**ITEM – 18**

**FINANCIAL INFORMATION**

- A. Trive does not require prepayment of Management Fees more than six months in advance.
- B. Currently, the Adviser and its affiliates are not aware of any financial condition that is likely to impair Trive's ability to meet its contractual obligations and commitments to clients.
- C. The Adviser was not subject of a bankruptcy petition at any time during the past ten years.