

**PART 2A OF FORM ADV**

**FIRM BROCHURE**

**REDBIRD CAPITAL PARTNERS MANAGEMENT LLC**

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**This Brochure provides information about the qualifications and business practices of RedBird Capital Partners Management LLC (“RedBird”). If you have any questions about the contents of this Brochure, please contact Adrian Maizey at 212-301-2832 or by email at [amaizey@redbirdcap.com](mailto:amaizey@redbirdcap.com). 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 securities authority, and references in this Brochure to RedBird as a “registered investment adviser” are not intended to imply a certain level of skill or training.**

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

## **ITEM 2 – MATERIAL CHANGES**

RedBird registered with the SEC as a newly formed adviser effective November 25, 2013, and is updating this Brochure as of March 25, 2014 in connection with the receipt of executed limited partner capital commitments in the Fund (as defined below in Item 4).

In the future, when RedBird amends its Brochure for its annual update and the amended version contains material changes from the last annual update, RedBird will identify and discuss those changes either on this page or as a separate document accompanying the Brochure. For documentation purposes, RedBird will provide the date of the last annual update of its Brochure.

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## ITEM 4 – ADVISORY BUSINESS

### **Overview of RedBird Capital Partners Management, LLC**

RedBird Capital Partners Management LLC (“**RedBird**”) is a Delaware limited liability company that was formed in July 2013. As of the date of this Brochure, RedBird is wholly owned by RedBird Capital Partners LLC, which is majority owned by Gerald J. Cardinale (the “**Managing Member**”).

RedBird will provide discretionary investment advisory services to RedBird Capital Partners Fund I LP, RedBird’s advisory client, a pooled investment vehicle which will operate as a private equity fund (the “**Fund**” or the “**Advisory Client**”), organized as a Delaware limited partnership. Redbird Capital Partners GenPar I LLC, a Delaware limited liability company, will serve as the general partner (the “**GP**”) to the Fund. The GP is a related person of RedBird and is under common control with RedBird.

### **Advisory Services**

Redbird will serve as investment adviser to the Fund and invest the Fund’s assets on a discretionary basis. Specifically, the Managing Member, who will also serve as RedBird’s Chief Investment Officer, will be responsible for the development and execution of the Fund’s investment activities, in consultation with RedBird’s investment team.

The Fund will make control and joint control investments in closely held, growth-oriented private companies (“**Portfolio Companies**”) in partnership with business founders and entrepreneurs. The Fund will target \$30-\$80 million equity and structured equity investments comprised of both Fund capital and limited partner co-investments. Refer to Item 8 of this Brochure for further details regarding the Fund’s investment strategy.

In addition, the GP may offer the opportunity to some or all of the Fund’s investors (the “**Investors**”) and/or any other persons (including investors in future funds managed by RedBird, employees and affiliates of RedBird and the GP, and any other person at the GP’s sole discretion), the right to co-invest with the Fund in any of its investments. Such investors and other persons may make such co-investments on terms and conditions that are material different from each other and the investment by the Fund. Such co-investment vehicles may or may not be subject to the fees described below in Item 5. The GP is not obligated to provide co-investment opportunities to investors in the Fund and any such co-investment opportunities may be offered to some Investors and not others. Investors should review the detailed disclosure regarding co-investment vehicles in the Fund’s private placement memorandum, including any amendments or supplements thereto (the “**PPM**”), and in Item 11 herein.

RedBird will tailor its investment advice to the Fund in accordance with the Fund’s investment objectives and strategy as set forth in the governing documents (the “**Governing Documents**”), which include the Fund’s limited partnership agreement and the investment management agreement between the Fund and RedBird. Investors are provided with offering materials, including the Fund’s PPM, prior to making capital commitments to the Fund. RedBird (together with the GP) will have complete discretion to manage the investment program of the Fund, subject to the investment guidelines and restrictions set forth in the Governing Documents.

The GP may enter into side agreements with individual Investors, which may include, among other things, provisions permitting an Investor to opt out of particular investments, discounting an Investor's Management Fee and/or Carried Interest, or granting an Investor preferential rights with respect to co-investment opportunities.

It should be noted that an Investor with whom RedBird maintains a strategic relationship (the "**Strategic Investor**") will provide the initial working capital to assist in the Fund's establishment, and will own a minority, non-controlling percentage of the GP and will receive a portion of the net Management Fee and Carried Interest (if any) paid by the Fund to RedBird. The Managing Member was previously a Partner and Executive Vice President of the Strategic Investor.

It should also be noted that the Fund will have an Advisory Board (the "**Advisory Board**") that will be comprised of a select group of Investors who will provide ongoing advice and oversight of the Fund's investment activities and building of the overall business. It is anticipated that members of the Advisory Board will meet regularly to (i) oversee Fund development, investment mandate and evolution of business model; (ii) help develop sourcing network and generate proprietary deal flow; and (iii) serve as a "sounding board" as the Fund looks to evolve its investment mandate and scope of activities over time. Refer to Item 10 and Item 11 of this Brochure for further details regarding the Advisory Board.

RedBird does not participate in wrap fee programs.

### **Assets Under Management**

RedBird anticipates receiving capital commitments of approximately \$150 million by the first close of the Fund, all of which will be managed on a discretionary basis. As of March 24, 2014, RedBird has received executed limited partner capital commitments of approximately \$45 million (excluding general partner commitments, which are in the process of being executed), which represents the amount of RedBird's regulatory assets.

## ITEM 5 – FEES AND COMPENSATION

### Fees

As further described below, RedBird and the GP will be compensated through the payment of management fees and performance fees by the Fund. The specific terms relating to the fees paid by the Fund, summarized below, were negotiated by the Investors in the Fund at the time of its formation.

Investors in the Fund will generally be required to be “accredited investors” within the meaning of Regulation D of the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and “qualified purchasers” within the meaning of Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

RedBird will receive a management fee (the “**Management Fee**”) from the Fund that is paid quarterly in advance. During the “**Commitment Period**” (as defined in the Fund’s Governing Documents), the annual amount of the Management Fee will be based on a percentage of the aggregate capital commitments to the Fund. Following the end of the Fund’s Commitment Period, the Management Fee will transition to a percentage of invested capital contributions. The Management Fee will begin to accrue upon the Initial Closing Date (as defined in the Fund’s Governing Documents), regardless of when an Investor is actually admitted to the Fund.

Additionally, the GP may be eligible to receive a performance allocation based on a percentage of investment proceeds on distributions (the “**Carried Interest**”). Distributions will be split between Investors and the GP as set forth in the Fund’s Governing Documents. The Carried Interest will be generally equal to a percentage of Fund profits, which applies once an Investor in the Fund has received an annual rate of return (the “**Preferred Return**”). Proceeds from dispositions are expected to be distributed within 45 days of receipt, and current income is expected to be distributed quarterly.

RedBird or the GP (as applicable) may elect to waive or reduce the management fees and/or performance-based compensation for any Investor, including Investors that are affiliates of RedBird.

RedBird or the GP (as applicable) deducts fees directly from the Fund’s assets. Investors do not have the ability to choose to be billed directly for fees incurred.

In addition, RedBird may receive financial consulting fees, directors’ fees, monitoring fees and other deal fees and break-up fees earned in respect of the Fund’s investments, which will reduce the Management Fee as set forth in the Fund’s Governing Documents. Any such fees received in connection with an investment that is shared between the Fund and one or more other RedBird-sponsored investment vehicles (including co-investment vehicles) will be allocated among the participating vehicles pro rata based on the amount contributed to the investment.

From time to time, a RedBird affiliate may provide financial advisory and transaction execution services to certain of the Fund’s Portfolio Companies or otherwise be involved in providing

financial advisory and other services. These activities do not need to be approved by the Investors or the Advisory Board, and compensation received in connection with these activities will not be shared with the Fund or reduce the Management Fees payable by the Investors.

**It is critical that Investors and prospective Investors refer to the Fund's PPM and Governing Documents for a complete understanding of how RedBird and the GP are compensated for advisory services. The information contained herein is a summary only and is qualified in its entirety by the Fund's PPM and Governing Documents.**

### **Fund Expenses**

The Fund will bear legal and other organizational expenses up to \$1.5 million. The Fund will bear all expenses incurred in connection with its operations, meetings and liquidation, including expenses incurred in connection with pursuing investment opportunities and making, monitoring and disposing of investments; audit, accounting, legal, brokerage, insurance, indemnification, litigation and custodian expenses; expenses relating to compliance with regulatory requirements applicable to the Fund; and taxes, fees and other governmental charges levied against the Fund or its subsidiaries.

Except as set forth above, RedBird will be responsible for routine overhead expenses of RedBird and the GP, including rent, utilities, secretarial expenses and compensation and benefits of the employees of RedBird or its affiliates.

Investors will indirectly incur brokerage and other transaction costs (as applicable) related to their investment in the Fund. Refer to Item 12 of this Brochure for information regarding RedBird's brokerage practices.

### **Pre-payment of Fees and Investor Clawback**

As explained above, the Management Fee will be paid quarterly in advance to RedBird pursuant to the Fund's Governing Documents.

Generally, Investors may not withdraw from the Fund prior to dissolution, and may not transfer any of their interests in the Fund without the prior written consent of the GP.

The Fund will have a 10-year term, and two 1-year extension options with the approval of the Advisory Board. Any additional extensions will require the consent of a majority in interest of the Investors. Generally, the management fee obligation of the Fund may be terminated only in connection with the dissolution of the Fund.

It should be noted that Investors may be required to return distributions previously received from the Fund in an amount up to 15% of their capital commitments (the "Investor Clawback"). No distribution will be subject to the Investor Clawback after the second anniversary of the dissolution of the Fund.

## **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described in Item 5 above, the GP will receive performance-based compensation from the Fund in the form of Carried Interest. It should be noted that the GP's right to receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for RedBird to make investments that are riskier or more speculative than in the absence of such performance-based fees.

Investors were provided with clear disclosure in the Fund's PPM and Governing Documents as to how performance-based compensation is charged with respect to the Fund, and the risks associated with such performance-based compensation, prior to making capital commitments to the Fund.

It should also be noted that conflicts regarding performance-based compensation may arise to the degree that RedBird brings in additional advisory clients, or forms additional funds or co-investment vehicles . RedBird recognizes its fiduciary status and its obligation to treat all advisory clients in a fair and equitable manner.

RedBird or the GP may elect to waive or reduce the management fees and/or performance-based compensation for any Investor, including Investors that are affiliates of RedBird.

## ITEM 7 – TYPES OF CLIENTS

As described in Item 4 above, RedBird expects to provide discretionary investment advisory services to the Fund, which is a pooled investment vehicle and will operate as a private equity fund. Each Investor in the Fund must meet certain eligibility provisions. Specifically, each Investor in the Fund was required to represent that it is an “accredited investor” within the meaning of Regulation D of the Securities Act, a “qualified client” under Rule 205-3 of the U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), and a “qualified purchaser” as defined in section 2(a)(51)(A) of the Investment Company Act.

In addition, the Fund generally requires a minimum capital commitment of \$10 million. RedBird or the GP may waive or reduce the minimum capital commitment for any Investor, and has reduced such minimum commitment for Investors that are affiliates of RedBird, and certain non-affiliates as well.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Investment Strategy and Methods of Analysis**

The following summarizes the Fund's investment strategy and RedBird's methods of analysis used in formulating investment advice for the Fund. An investment in the Fund involves a risk of loss that Investors should be willing to bear.

The Fund will primarily make control and joint control investments in closely held, growth-oriented private Portfolio Companies in partnership with business founders and entrepreneurs. The Fund will seek to create unique opportunities with a fundamental value-investing orientation supplemented by a differentiated investment strategy to optimize risk-adjusted equity returns over the investment holding period.

The Fund's investment process will involve careful review and due diligence, including an analysis of the competitive industry landscape, assessment of the management team and ownership structure, financial, accounting and tax review, legal and insurance due diligence and financial analysis. Prior to entering into any definitive agreement, and earlier as appropriate, transactions will be thoroughly reviewed by RedBird's investment team prior to evaluation and approval. RedBird anticipates that the Fund's investment portfolio will be comprised of private investments across a range of equity securities that position each investment for the most attractive risk-adjusted return specific to that opportunity.

**It is critical that Investors and prospective Investors refer to the Fund's PPM and Governing Documents for a complete overview of the Fund's investment strategy and RedBird's methods of analysis. The information contained herein is a summary only and is qualified in its entirety by the Fund's PPM and Governing Documents.**

### **Risk Factors**

An investment in the Fund involves a significant degree of risk. There can be no assurance that the Funds' targeted rate of return will be achieved or that there will be any return of capital. An Investor should only invest in the Fund if the Investor can withstand the liquidity constraints of such investment and a total loss of its investment. No guarantee or representation is made that the Fund's investment program will be successful.

The following are some of the additional material risks associated with an investment in the Fund:

1. **Nature of The Fund's Investments.** Investment in the Fund is speculative and volatile, requiring a long-term commitment, with no certainty of return. The Fund may invest in companies that are experiencing or are expected to experience severe financial difficulties, which difficulties may never be overcome. The Fund may also make investments in companies in a conceptual or early stage of development which may not have a proven operating history on which to judge future performance. Such investments are considered highly speculative and may result in the loss of the Fund's entire investment. Since the Fund may only make a limited number of investments

and since many of the Fund's investments may involve a high degree of risk, poor performance by a few of the Fund's investments could significantly reduce the total returns to Investors. No assurances can be given that the Fund's investment objectives will be achieved or that investors will receive a return of their capital.

2. **General Cash Flow Risks.** The principal investment objective of the Fund will be to make control and joint control investments in closely held, growth-oriented private companies in partnership with business founders and entrepreneurs. Certain of the entities in which the Fund will invest may be leveraged and will likely not provide the Fund with any significant cash distributions until the underlying property is sold or refinanced. Accordingly, the Fund will likely not be able to make any significant cash distributions to the Investors other than in connection with the disposition of its investments.
3. **Illiquidity; Market for Fund Investments.** There will be no public market for certain of the Fund's investments in privately held entities, and the Fund's ability to dispose of any investment will in many cases be further limited by the agreements entered into by the Fund in connection with such investments. The ability of the Fund to sell or distribute securities and to realize investment gains will depend, in large part, upon favorable market conditions, including receptiveness to initial public offerings for the portfolio companies in which the Fund invests and an active mergers and acquisitions market. Initial public offering and merger and acquisition opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of such limitations on liquidity, which are illustrative and not exhaustive, the Fund will generally not be able to realize on an investment in a privately held entity until the disposition of such investment. There can be no assurance that the Fund will be able to dispose of its investments at the price and at the time it wishes to do so. Furthermore, such illiquidity may continue even if the underlying entities obtain listings on securities exchanges.
4. **Unspecified Investments.** The Fund has not identified the particular investments it will make. Accordingly, an Investor must rely upon the ability of RedBird/the GP to make investments consistent with the Fund's investment objectives and policies. Although RedBird's founding partners (including the Managing Member) (the "**Founding Partners**") have been successful in locating investments in the past, the Fund may be unable to find a sufficient number of attractive opportunities to invest its committed capital or meet its investment objectives.
5. **Limited Number of Investments; Lack of Diversity.** Except as set forth in the Governing Documents, the Fund is under no obligation to diversify its investments, whether by reference to the amount invested or the industries or geographical areas in which the investments are made. Accordingly, the Fund will participate in a limited number of investments and, as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavorable performance of even a single investment, although generally no single investment will total more than 20% of

capital commitments (“**Commitments**”) to the Fund, subject to certain stipulations set forth in the PPM of the Fund. On any given investment, loss of all or a portion of the original amount of the investment is possible. Investors have no assurance as to the degree of diversification in the Fund’s investments, whether by geographic region, industry, asset or transaction type. To the extent the Fund concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. In addition, the Fund expects to make a number of investments for which third party financing will be desirable but not necessarily available at the time of investment. There is significant risk that such financing may never become available, or that a refinancing will not be able to be completed on desirable terms. This could result in the Fund having a variety of unintended long-term investments and/or reduced diversification.

6. **Diversification.** While diversification is an objective of the Fund, there is no assurance as to the degree of diversification that will actually be achieved in the Fund’s investments. Because as much as 20% of the Fund’s total commitments may be invested in a single portfolio company (or more in certain circumstances), a loss with respect to such a portfolio company could have a significant adverse impact on the Fund’s returns as described above.

Furthermore, if the Fund co-invests with other private equity funds, an Investor may have exposure to a portfolio company through more than one fund. Therefore, an investor should only invest in the Fund as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment.

7. **Non-Controlling Investments.** The Fund may hold less than 50% of the outstanding voting interests of any Portfolio Company, or may hold investments in debt instruments or other securities that do not entitle the Fund to voting rights, and, therefore, may have a limited ability to protect its investments in any such Portfolio Company. However, as a condition of investment, the GP may negotiate representation on the board of directors of each such Portfolio Company or appropriate minority shareholder and supervisory rights to protect the Fund’s investments.
8. **Risks Associated with Publicly Traded Securities.** The Fund may invest a portion of its capital commitments in publicly traded securities and may hold publicly traded securities following a partial exit from an investment. The Fund’s investments in securities of publicly traded companies may be sensitive to movements in the stock market and trends in the overall economy. Moreover, the ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.
9. **Investments in Early-Stage and New Companies.** The Fund may invest a portion of its assets in the securities of early stage companies or entirely new companies established around the purchase of a significant asset or assets. Investments in such

early stage or newly formed companies may involve greater risks than generally are associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of the Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on the Fund's other investments.

10. **Additional Capital Requirements of Portfolio Companies.** Certain of the Fund's portfolio companies, especially those in a development or "platform" phase, may require additional financing to satisfy their working capital requirements or acquisition strategies. The amount of such additional financing will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the Fund or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to the existing investors, including the Fund. In addition, the Fund may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the Fund's proportionate ownership when a subsequent financing is planned, or to protect the Fund's investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Fund or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.
11. **Risk of Dilution.** Partners admitted or increasing their Commitments at subsequent closings will participate in existing investments of the Fund, diluting the interest of previously admitted Partners. Although such additional Partners (or existing Partners increasing their Commitments) will contribute their pro rata share of previously made Fund draws, together with interest as described herein, there can be no assurance that these payments will reflect the fair value of their pro rata share of the Fund's existing investments at the time such additional Partners are admitted or such existing Partners are permitted to increase their Commitments.
12. **Material Non-Public Information.** By reason of their responsibilities in connection with their other activities, the Founding Partners and other key investment professionals may acquire confidential or material non-public information or be otherwise restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

13. **Recycling; Reinvestment.** The GP has the right to recall certain distributions, including proceeds received from an investment within 18 months from the date the investment was made, up to the amount of capital contributed in respect of such investment. Accordingly, during the term of the Fund, an Investor may be required to make capital contributions in excess of its Commitment, and to the extent such recalled amounts are reinvested in investments, an Investor will remain subject to investment and other risks associated with such investments.
14. **Reliance on the Management of Portfolio Companies.** Although it is the intention of the Fund to ensure that portfolio companies have strong management teams, there can be no assurance that any portfolio company's management team will be able to operate successfully. Instances of fraud and other deceptive practices committed by the management team of portfolio companies in which the Fund has an investment may undermine the GP's due diligence efforts with respect to such companies. If such fraud is discovered, it could adversely affect the valuation of the Fund's investments and may contribute to overall market volatility that can negatively impact the Fund's investment portfolio.
15. **Third Party Involvement.** The 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-venturer may have financial, legal or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take (or block) action in a manner contrary to the Fund's investment objectives. In addition, the Fund may in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.
16. **Uncertainty Regarding Investments.** Although the Fund 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 the Fund 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. The Fund also cannot be certain that the due diligence investigation will result in investments being successful.
17. **Consequences of Default.** In the event that an Investor fails to fund any of its capital commitment when required, such Investor's interest in the Fund and its investments will be reduced, and such Investor may be precluded from further investment in the Fund. If an Investor fails to pay any of its capital commitment when due, and the

capital contributions and unfunded commitments of non-defaulting Investors and borrowing by the Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially adversely affect the returns to the Investors (including non-defaulting Investors). In addition, the non-defaulting Investors may be required to increase their contributions to the investment resulting in the defaulted capital contribution and in respect of subsequent Fund investments which, in turn, will reduce the degree of diversification of such Investors' investment in the Fund and increase such Investors' risk of loss.

18. **Bridge Financings.** From time to time, the Fund may lend to portfolio companies on a short term, unsecured basis in anticipation of a future issuance of equity or long term debt securities. 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 be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Fund.
19. **Risk of Leverage.** The Fund, or any special purpose vehicle established by it, may borrow funds to pay partnership expenses, to make new or follow-on investments, or to make payments under guarantee, surety or hedging transactions. The use of borrowed funds creates the opportunity for greater total returns, but at the same time involves certain risks. Since the Fund, or any such special purpose vehicle, generally will pay principal of, and interest on, its borrowings prior to making any distributions to the Partners, an increase or decrease in capital or income of the Fund or any such special purpose vehicle will have an increased effect on the returns to the Partners. Because any decline in the value of the Fund's investments would be borne entirely by the Partners, the effect of leverage in a declining market would result in a greater decrease in capital than if the Fund were not leveraged.

The Fund's investments may be in portfolio companies whose capital structures have significant leverage. Although the GP will seek to use leverage in a prudent manner, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio companies or their industries. The incurrence of significant indebtedness could also subject such portfolio companies to restrictive covenants, terms and conditions the violation of which would be viewed by creditors as an event of default and which could require the prepayment of debt using excess cash flow and limit such portfolio companies' ability to respond to changing industry conditions, make necessary capital expenditures, obtain additional financing, take advantage of growth opportunities or engage in strategic acquisitions.

20. **Availability of Financing.** The Fund's ability to invest in portfolio companies may depend on the availability and terms of any borrowings that are required or desirable with respect to such investments. For example, recently the market for private equity

transactions has been adversely affected by a decrease in the availability of senior or subordinated financings for transactions. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, could impair the Fund's ability to consummate these transactions and could adversely affect the Fund's returns.

**Hedging Policies and Risks; Synthetic Investments.** In connection with the financing of certain investments, the Fund may employ hedging techniques designed to reduce the risks of such investments, including, without limitation, adverse movements in interest rates, securities prices and currency exchange rates. However, the Fund is not required to employ such hedging techniques in connection with its investments, and may be unable to anticipate all risks against which such hedges could be employed. In addition, such transactions have inherent risks associated with them, including the possible default by the counter-party to the transaction and the illiquidity of the instrument acquired by the Fund relating thereto. Although such transactions may reduce the Fund's exposure to, among other things, currency fluctuations or decreases in the value of investments, the costs and risks associated with these arrangements may reduce the returns that the Fund would have otherwise achieved if these transactions were not entered into by the Fund. In addition, although such hedging transactions may hedge economic risks, they may not be effective hedges for tax purposes. For example, the tax character of the gain or loss on the hedging transaction may differ from the character of the gain or loss on the investment or the timing of the gain or loss for tax purposes may differ between the hedging transaction and the investment.

With respect to any investments in synthetic instruments, the Fund will have a contractual relationship only with the synthetic instrument counterparty, and no direct rights with respect to the underlying asset. The Fund may not have any voting, information, or other rights of ownership with respect to the underlying asset. In addition, the Fund will be subject to the credit risk of the synthetic instrument counterparty, and, in the event of the insolvency of such counterparty, the Fund generally will be treated as a general creditor of such counterparty, and will not have any claim of title with respect to the underlying asset.

21. **Controlling Interests.** Because of its equity ownership, representation on the board of directors and/or contractual rights, the 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, the Fund may suffer a significant loss, exposing the assets of the Fund to claims by a portfolio company, its other security holders, its creditors or governmental agencies, which may exceed the value of the Fund's initial investment in that portfolio company.

**22. Repayment of Certain Distributions.** In the event the Fund is otherwise unable to meet its obligations, the Investors may be required to repay to the Fund or to pay to creditors of the Fund distributions previously received by them. In addition, Investors may be required to pay to the Fund amounts that are required to be withheld by the Fund for tax purposes.

**23. Relationship with Strategic Investor.** RedBird has entered into a preferred relationship with the Strategic Investor. The Fund intends to leverage this relationship to create and source potential investment opportunities; however, there can be no assurance that the Strategic Investor will continue to provide the Fund with investment opportunities, which could impact the ability of the Fund to source suitable investments and meet its investment objectives.

**It is critical that Investors and prospective Investors refer to the Fund's PPM for a detailed description of the material risks related to an investment in the Fund. The information contained herein is a summary only, and Investors and prospective Investors are advised to carefully review all risk factors set forth in the relevant PPM.**

## **ITEM 9 – DISCIPLINARY INFORMATION**

RedBird is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of RedBird or the integrity of RedBird's management. RedBird has no legal or disciplinary information to disclose at this time.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

As described above in Item 4, the GP is a related person of RedBird and will serve as general partner to the Fund, and in connection therewith, will maintain an investment in the Fund and (together with RedBird) provide investment management and administrative services to the Fund. RedBird and the GP are under common control. As described in Item 6, the GP is entitled to receive performance compensation from the Fund, which creates a potential conflict of interest in that it may create an incentive for RedBird to make investments that are riskier or more speculative than in the absence of such performance-based fees.

It should be noted that the GP has filed with the National Futures Association (the “NFA”) a notice of exemption from registration with the U.S. Commodity Futures Trading Commission (the “CFTC”) as a commodity pool operator (“CPO”) with respect to the Fund pursuant to CFTC Rule 4.13(a)(3). RedBird does not believe that the GP’s status as an exempt CPO creates any conflicts of interest with the Fund or Investors.

As described elsewhere in this Brochure, RedBird generally seeks to make significant investments in Portfolio Companies. RedBird will seek control or substantial minority positions in Portfolio Companies, with board representation and customary shareholder rights. As such, RedBird’s management persons and/or related persons may have management roles with Portfolio Companies.

Further, RedBird’s management persons and/or related persons may, and have, worked on other projects (other than for RedBird), including projects for their personal benefit, which may be investment advisory in nature. Such personnel will also serve as members of the boards of directors of various companies other than Portfolio Companies. The possibility exists that such companies could engage in transactions which would be suitable for the Fund, but in which the Fund might be unable to invest. RedBird’s key investment professionals may also enter into strategic alliances or form other investment vehicles in the future that are independent of the Fund. Conflicts may arise in the allocation of management resources as a result of such other activities.

Although not a related person, the Strategic Investor referenced in Item 4, will own a minority, non-controlling percentage of the GP and will receive a portion of the Management Fee and Carried Interest (if any). The Managing Member was previously a Partner and Executive Vice President of the Strategic Investor. The Strategic Investor will invest in the Fund and will work with the Managing Member to secure investments which will help anchor the Fund’s first closing. The Fund’s relationship with the Strategic Investor will be a function of its role as the Fund’s anchor investor as well as sharing of proprietary deal sourcing between the two firms. Specifically, the Fund and the Strategic Investor will have an exclusive deal sourcing arrangement which will broaden the Fund’s respective sourcing and relationship network. Notwithstanding the foregoing, the Strategic Investor does not control the GP or RedBird, and does not have individual discretionary authority over the actual investments of the Fund. The Managing Member, who also serves as RedBird’s Chief Investment Officer, is responsible for the development and execution of the Fund’s investment activities.

As referenced in Item 4, the Fund will have an Advisory Board that will be comprised of a select group of Investors who will provide ongoing advice and oversight of the Fund's investment activities and building of the overall business. Members of the Advisory Board will meet regularly to (i) oversee Fund development, investment mandate and evolution of business model; (ii) help develop sourcing network and generate proprietary deal flow; and (iii) serve as a "sounding board" as the Fund looks to evolve its investment mandate and scope of activities over time. The Advisory Board will also be asked to review and approve certain potential conflicts of interest and certain other matters. The Advisory Board will be led by the Fund's Non-Executive Chairman.

RedBird will maintain internal compliance policies that are intended to minimize the negative effects of such conflicts if they arise; however, there can be no assurance that permitting the board membership of RedBird's management persons and/or related persons will not result in less favorable results for the Fund than if the such personnel were not permitted to serve in such capacity. Finally, it should be noted that Investors are provided with disclosure with respect to these conflicts in the Fund's PPM and Governing Documents.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

RedBird is in the process of finalizing and adopting a Code of Ethics (the “**Code**”) designed to meet the requirements of Advisers Act Rule 204A-1. The Code will apply to RedBird’s “Access Persons.” Access Persons include, generally, any member, officer or director of RedBird and employees (as applicable) of RedBird who, in relation to the Fund: (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All RedBird employees are deemed to be Access Persons.

The Code will set forth a standard of business conduct that takes into account RedBird’s status as a fiduciary to the Fund and requires Access Persons to place the interests of Fund above their own interests. The Code will require Access Persons to comply with applicable federal securities laws. Further, Access Persons will be required to promptly bring violations of the Code to the attention of RedBird’s Chief Compliance Officer. All Access Persons will be provided with a copy of the Code and will be required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code will set forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Each Access Person will be required to provide RedBird’s Chief Compliance Officer with a list of their personal accounts and an initial holdings report listing the holdings of such personal accounts within 10 days of becoming an Access Person. In addition, RedBird’s Access Persons will be required to provide annual holdings reports and quarterly transaction reports detailing, respectively, the securities holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1.

The Code will also describe RedBird’s duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) advisory clients, such as the Fund.

Investors or prospective Investors may obtain a copy of the Code by contacting RedBird.

### **Conflicts of Interest**

RedBird will serve as adviser to the Fund and receive compensation for such services. Additionally, as explained in Item 10 above, the GP, which is a related person of RedBird, will serve as the general partner to the Fund. The GP, and other related persons of RedBird, will also commit capital to the Fund, and as a result every investment made by the Fund will involve a purchase of securities whereby related persons of RedBird indirectly acquire an indirect interest in such securities. These transactions have the potential to present conflicts of interest as described below.

- RedBird and/or its related persons (including RedBird’s employees), including the GP, will have a financial ownership interest in the Fund. RedBird will receive a management fee, and the GP may be eligible to receive a performance-based allocation, for their services to the Fund (as disclosed in Item 5 of this Brochure). The fact that RedBird and/or its related persons will have a financial ownership interest in the Fund creates a potential conflict in that it could cause RedBird to make different investment decisions than if such parties did not have such a financial ownership interest. Further, as noted in Item 6, the possibility that the GP could receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for RedBird to make more speculative investments than it might otherwise make. However, RedBird believes that these financial interests align RedBird’s and the GP’s interests and incentives with other investors in the Fund. It should also be noted that conflicts regarding performance-based compensation may arise to the degree that RedBird brings in additional advisory clients, or forms additional funds or co-investment vehicles. RedBird recognizes its fiduciary status and its obligation to treat all advisory clients in a fair and equitable manner.
- As referenced below, the Code will place restrictions on the ability of RedBird employees to hold interests in Fund Portfolio Companies outside of their indirect interests through their investment in the Fund (or another investment vehicle managed by RedBird) and/or the GP. RedBird will maintain a “watch list” containing securities/companies in which Access Persons are prohibited from investing without appropriate preclearance from the Chief Compliance Officer. Further, pursuant to Advisers Act Rule 204A-1, RedBird will require its Access Persons to obtain the Chief Compliance Officer’s approval before they directly or indirectly acquire beneficial ownership in any security in an initial public offering (if permissible) or in a limited offering (such as a private fund, including a hedge fund, private equity fund, etc.).
- As described in Item 5 of this Brochure, RedBird may receive financial consulting fees, directors’ fees, monitoring fees and other deal fees and break-up fees earned in respect of the Fund’s investments. Any such fees received in connection with an investment that is shared between the Fund and one or more other RedBird-sponsored investment vehicles (including co-investment vehicles) will be allocated among the participating vehicles pro rata based on the amount contributed to the investment.
- As described in Item 5 of this Brochure, from time to time, a RedBird affiliate may provide financial advisory and transaction execution services to certain of the Fund’s Portfolio Companies or otherwise be involved in providing financial advisory and other services. These activities do not need to be approved by the Investors or the Advisory Board, and compensation received in connection with these activities may be shared with the Fund or reduce the Management Fees payable by the Investors. Payment of such fees presents a potential conflict of interest because it could create an incentive for RedBird or the GP to cause the Fund to invest its capital in a company that will pay such a fee to RedBird or its affiliate. RedBird will make efforts to mitigate this conflict of interest by generally seeking to ensure that such fees are, in the good faith opinion of RedBird, in accordance with prevailing market rates in the relevant industry. RedBird does not take into consideration whether a Portfolio Company will pay RedBird or its affiliate a services fee when making an investment determination.

- RedBird and/or its affiliates and RedBird's key investment professionals intend to devote such time as shall be necessary to conduct the business affairs of the Fund in an active and appropriate manner. However, Investors should be aware that many of the key investment professionals may have significant other responsibilities to RedBird and/or its affiliates, including, without limitation, any advisory or other financial services business in which Redbird may engage. Such investment professionals may also form other investment vehicles in the future that are independent of the Fund.
- RedBird and/or its affiliates, may engage in the future, in a broad spectrum of activities including investment banking, lending, principal investing, financial and merger and acquisition advisory services, underwriting, investment management activities, sponsoring and managing private investment funds, brokerage, trustee and similar activities on a global basis. In the ordinary course of business, RedBird and/or its affiliates may engage in activities where its interests or the interests of its Advisory Clients may conflict with the interests of the Fund, the Portfolio Companies, the Investors or the General Partner. Conflicts of interest may also arise between RedBird and/or certain of its affiliates, on the one hand, and the Fund, on the other hand.
- Where appropriate and feasible, RedBird/the GP may offer some or all of the Investors and/or any other persons (which may include, among others, Investors in other funds advised by RedBird in the future) opportunities to co-invest in Portfolio Companies in which the Fund is investing. Such Investors and/or other persons may make such co-investments on terms and conditions that are materially different from each other and the investment by the Fund, and these terms may be more or less favorable to such Investors and/or other persons, including with respect to fees, expenses, carried interest, exit rights and other material terms. Some or all of the Investors or other persons participating in a co-investment opportunity may be charged carried interest, management fees or other fees in connection therewith.
- The GP is under no obligation to provide co-investment opportunities to Investors, and any such co-investment opportunity may be offered to some and not other Investors. Co-investment opportunities will be allocated among any Investors, investors in other funds advised by RedBird, and/or other persons as determined by the GP in its sole discretion, and any such allocations as between Investors may not correspond to their pro rata interests in the Fund. In determining such allocations, the GP may take into account any facts or circumstances it deems appropriate, including the size of the prospective co-investor's investment in the Fund and/or other funds advised by RedBird; the GP's evaluation of the financial resources, sophistication, experience and expertise of the potential co-investor generally, with respect to the execution of co-investment transactions, and with respect to the geographic location or business activities of the applicable portfolio company; RedBird's perception of its past experiences and relationships with each prospective co-investor, including whether or not such person has co-invested with RedBird previously and the ability of any such Investor to respond promptly to potential investment opportunities; RedBird's perception of the legal, regulatory, reporting, public relations, competitive, confidentiality or other issues that may arise with respect to any prospective co-investor; and any strategic or economic value or other benefit to the Fund or RedBird resulting from offering such co-investment opportunity to a prospective co-investor.

- The GP or its affiliates may enter into contractual arrangement with Investors and/or third parties providing preferential rights to co-invest in the Portfolio Companies, and the GP and/or its affiliates may receive economic, strategic or other benefits from such arrangements. Such arrangements may create an incentive for the GP to allocate co-investment opportunities differently than it would in the absence of such arrangements and may reduce the co-investment opportunities available for other Investors. The participation by one or more co-investors in an investment has the potential to present conflicts as a result of differing interests as between the Fund and such co-investors. In addition, the Fund's interest in an investment has the potential to be negatively impacted by the actions of a participating co-investor, including as a result of such co-investor's failure to fund any portion of its investment.

As explained in Item 10, the Strategic Investor, in which the Managing Member previously served as Partner and Executive Vice President, will own a minority, non-controlling percentage of the GP and will receive a portion of the Management Fee and Carried Interest (if any). The Fund's relationship with the Strategic Investor will be a function of its role as the Fund's anchor investor as well as sharing of proprietary deal sourcing between the two firms. Specifically, the Fund and the Strategic Investor will have an exclusive deal sourcing arrangement which will broaden the Fund's respective sourcing and relationship network. Notwithstanding the foregoing, the Strategic Investor does not control the GP or RedBird, and does not have individual discretionary authority over the actual investments of the Fund. The Managing Member, who also serves as RedBird's Chief Investment Officer, is responsible for the development and execution of the Fund's investment activities.

RedBird will primarily address the potential conflicts noted above by enforcing a robust Code of Ethics that (i) requires Access Persons to place the interests of the Fund over their own, (ii) requires all Access Persons to acknowledge their receipt and understanding of the Code, upon hire and annually thereafter, and (iii) prohibits Access Persons from making investments in certain securities/companies without appropriate preclearance from the Chief Compliance Officer.

Additionally, as explained in Item 10, Members of the Fund's Advisory Board will be asked to review and approve certain potential conflicts of interest and certain other matters. The Advisory Board is led by the Fund's Non-Executive Chairman.

**It is critical that Investors and prospective Investors refer to the Fund's PPM for a detailed description of potential conflicts of interest related to an investment in the Fund. The information contained herein is a summary only, and Investors and prospective Investors are advised to carefully review all conflicts of interest set forth in the relevant PPM.**

## **ITEM 12 – BROKERAGE PRACTICES**

The private company securities which are the primary investments by the Fund are generally purchased in private placement transactions, without the assistance of a broker-dealer and without the payment of brokerage commissions or dealer mark-ups.

RedBird does not utilize “soft dollars.”

### **ITEM 13 – REVIEW OF ACCOUNTS**

The Fund's portfolio will be under continuous review by the Managing Member and other members of the Fund's investment team. Such reviews will include a review of investment policy, the suitability of the investments used to meet policy objectives, and investment objectives. RedBird will consider, among other things, investment performance, the portfolio's sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return.

Additionally, as described elsewhere in this Brochure, members of the Fund's Advisory Board will meet regularly to (i) oversee Fund development, investment mandate and evolution of business model; (ii) help develop sourcing network and generate proprietary deal flow; and (iii) serve as a "sounding board" as the Fund looks to evolve its investment mandate and scope of activities over time.

Each Investor in a Fund will receive: (i) quarterly unaudited financial statements of the Fund with a brief summary about quarterly overall Fund activity; (ii) an annual financial report audited by a nationally recognized accounting firm; (iii) and tax information regarding the Fund necessary for the completion of each Investor's tax return.

#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

RedBird does not directly or indirectly compensate any person for Fund referrals. Notwithstanding the above, RedBird may work with non-affiliated companies to receive the names of potential investors.

## ITEM 15 – CUSTODY

RedBird or the GP is deemed to have custody of the Fund’s assets pursuant to Advisers Act Rule 206(4)-2 (the “**Custody Rule**”).

As RedBird’s investment program will primarily involve investments in private companies, RedBird generally will be exempt from the requirement that securities be maintained with a “qualified custodian,” as defined in the Custody Rule, which generally includes a bank or broker-dealer.

RedBird anticipates that the majority of its investments in private companies will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, to the extent ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer. Such securities are not required to be maintained by a qualified custodian. Further, certain certificated, privately offered securities, in which the Fund may invest, are also not required to be maintained by a qualified custodian, provided that: (i) the Fund is subject to an annual audit as explained below; (ii) the certificate can be used only to effect a transfer or to otherwise facilitate a change in beneficial ownership of the security with the prior consent of the issuer or holders of the outstanding securities of the issuer; (iii) ownership of the security is recorded on the books of the issuer or its transfer agent in the name of the client; (iv) the certificate contains a legend restricting transfer; and (v) the certificate is appropriately safeguarded by RedBird and can be replaced upon loss or destruction.

It should be noted that RedBird maintains the cash assets of the Fund with qualified custodians. To the extent that RedBird makes an investment in a publicly-traded security, or RedBird’s investments in private companies involve securities that are certificated, and do not satisfy the conditions referenced above, RedBird will maintain such securities/certificates with a qualified custodian.

RedBird is exempt from the quarterly account statement delivery obligations and surprise audit requirement of the Custody Rule because the Fund will be audited each calendar year by an independent public accountant, registered with and subject to inspection by the Public Company Accounting Oversight Board (PCAOB), and RedBird will distribute audited financial statements (“**AFS**”) to Investors annually within 120 days of the Fund’s fiscal year-end. The Fund’s auditor is identified in RedBird’s Form ADV Part 1.

## **ITEM 16 – INVESTMENT DISCRETION**

As explained in Item 4 above, pursuant to the Fund's PPM and Governing Documents, RedBird has discretionary authority to manage securities accounts on behalf of the Fund. RedBird is authorized to make transaction recommendations for the Fund. Individual Investors do not have the ability to impose limitations on RedBird's discretionary authority other than what has been negotiated in the relevant Governing Documents. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, Investors execute a limited partnership agreement and/or subscription agreement which include a power of attorney clause.

## **ITEM 17 – VOTING CLIENT SECURITIES**

RedBird has authority to vote Fund securities. However, based upon RedBird's business as a private equity fund manager (and general lack of involvement in publicly-traded securities), it is not anticipated that much proxy voting, if any, will occur. However, there are situations where private companies could have proxy issues (i.e., a private Portfolio Company needs approval of investors to make changes to board of directors, auditors, etc.). In such situations, RedBird (or the GP) may have authority to vote proxies on behalf of Funds.

RedBird will adopt and implement policies and procedures reasonably designed to ensure that public company proxies (if applicable), as well as Portfolio Company solicitations received by RedBird on behalf of the Fund (together, "proxies"), are voted in the best interests of the Fund and Investors, and to recognize and resolve any material conflicts of interest that may arise in the course of such voting.

RedBird and/or its personnel may have business or personal relationships with the proponents of proxy voting proposals, participants in proxy voting contests, corporate directors and officers, or candidates for directorships. If a conflict is identified, such individuals will then make a determination as to whether the conflict is material or not. If no material conflict is identified pursuant to these procedures, the proxy will be voted in accordance with the best interest of the relevant Fund. If a material conflict is identified, such individuals will determine what course of action is in the best interests of the Fund (which may include utilizing an independent third party to vote such proxies). Further, RedBird will determine whether it is appropriate to disclose the conflict to Investors and give such Investors the opportunity to vote the proxies in question themselves.

The Chief Compliance Officer (or his designee) will deliver proxies in accordance with instructions related to such proxy. In the event proxy voting procedures were ever to be utilized, RedBird would keep a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions, and each Investor request for proxy voting records and RedBird's response for the previous five years.

Investors or prospective Investors may obtain additional information regarding how RedBird voted proxies (if any) and may obtain a copy of RedBird's proxy voting policies and procedures by contacting RedBird.

## **ITEM 18 – FINANCIAL INFORMATION**

RedBird and its affiliates do not require or solicit prepayment of fees longer than six months in advance. RedBird is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Funds or Investors.