

C III CAPITAL MANAGEMENT, LLC
(“C3CM”)

601 Jefferson Street, Suite 3600
Houston, TX 77002
713.751.7577

PART 2A OF FORM ADV: FIRM BROCHURE
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This Brochure provides information about the qualifications and business practices of C3CM. If you have any questions about the contents of this brochure, please contact us at (713) 751-7577. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about C3CM also is available on the SEC’s website at www.adviserinfo.sec.gov. C3CM may refer to itself as a “registered investment adviser” or “RIA”. You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Important Note About This Brochure

This Brochure is not:

- an offer or agreement to provide advisory services to any person;
- an offer to sell interests or a solicitation of an offer to purchase interests in any investment product or vehicle advised by C3CM;
- a complete discussion of the features, risks or conflicts associated with any fund or account advised by C3CM; or
- to be relied on in determining whether to invest in a Private Fund (as defined herein) or establish an advisory relationship with C3CM.

As required by the Investment Advisers Act of 1940, as amended (the “*Advisers Act*”), C3CM provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a Private Fund, together with other relevant offering materials, prior to, or in connection with, such persons’ establishment or consideration of a client relationship or an investment in a Private Fund.

Persons who receive this Brochure (whether or not from C3CM) should be aware that it is designed solely to provide information about C3CM as necessary to respond to certain disclosure obligations under the Advisers Act. Therefore, the information in this Brochure may differ from information provided in the materials that govern an account or investor relationship such as an advisory contract or a Private Fund’s Governing Documents (as defined below).

More complete information about each Private Fund, as well as C3CM’s investment management services in general, is included in relevant Governing Documents. To the extent that there is any conflict between discussions herein and similar or related discussions in any Governing Documents, the relevant Governing Documents shall govern and control.

In no event should this Brochure be considered to be an offer of interests in a Private Fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.

ITEM 2: MATERIAL CHANGES

A summary of the material changes made to this firm brochure since March 2014, the date of our initial filing, is set forth below:

- In Item 4, we added information regarding a new private fund client, LKCM Headwater Investments II, L.P., and have updated assets under management as of December 31, 2014.
- In Item 5, we have added additional detail regarding LKCM HW I and II management fees and clarified that management fee offsets are only related to the fund's invested capital. We have further clarified the nature of C3CM's sub-advisory compensation related to the LKCM HW Funds. Finally we have clarified that related persons of the LKCM HW Funds that are investors in the fund are not subject to carried interest (but are subject to management fees).
- In Item 5, we have also provided additional detail regarding expenses paid by the LKCM HW Funds and Portfolio Companies.
- In Item 6, we have provided additional information regarding potential conflicts between the LKCM HW Funds and how those are mitigated.
- In Item 8, we have updated the summary of the LKCM HW Funds' investment strategy.
- In Item 10, we have clarified that only the percentage of the management fees paid by Buckhorn Energy Services, LLC ("**BES**") to C3CM or an affiliate related to LKCM HW I will offset management fees paid by the fund.
- In Item 11, we provided detail regarding potential warehoused investments in connection with the LKCM HW Funds.
- In Item 15, we have noted the independent public accountant engaged by C3CM to conduct a surprise examination of the funds and securities held by the SPVs.
- In Item 17, we have clarified that C3CM does not currently vote or review proxies on securities held by any Client or any underlying Portfolio Companies owned by Clients and that in the event, C3CM agrees to vote proxies in the future, it will adopt Proxy Voting Policies and Procedures.

The information set forth in this brochure is qualified in its entirety by the applicable offering and/or governing documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable offering and/or governing documents, such documents will control.

We encourage all clients and investors to carefully review this document in its entirety.

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ITEM 4: ADVISORY BUSINESS

Firm Overview

C3CM provides investment advisory services to pooled investment vehicles (“**Private Funds**”) exempt from registration under the U.S. Investment Company Act of 1940 (the “**Investment Company Act**”) or the U.S. Securities Act of 1933 (the “**Securities Act**”). This includes certain special purpose vehicles (“**SPVs**”) established for the purpose of making an investment in a single company. (Private Funds and SPVs are collectively referred to as “**Clients**.”) C3CM was founded in 2000 by Corbin James Robertson, III (“**Robertson III**”) and is wholly-owned by Robertson III, who also serves as the Managing Director.

C3CM is the General Partner, and Robertson III is the majority owner, of Robertson Fund Management, L.P. (“**RFM**”). RFM serves as General Partner and investment manager to a Private Fund. C3CM and RFM are subject to a unified compliance program and hold themselves out to current and potential investors as conducting a single advisory business. C3CM and RFM (a “**Relying Adviser**”) have together filed a single Form ADV. References in this Brochure to C3CM or the “**Company**” include RFM, as appropriate.

As of June 30, 2014, C3CM had approximately \$525,000,000 in discretionary gross assets under management, which includes uncalled capital commitments as of that date. C3CM does not currently manage any assets in a non-discretionary manner.

Nature of Clients and Investors

C3CM acts as sub-adviser to LKCM Headwater Investments I, L.P. (“**LKCM HW I**”), and LKCM Headwater Investments II, L.P. (“**LKCM HW II**”) and together with LKCM HW I, the “**LKCM HW Funds**”) private equity funds that seeks long-term capital appreciation through investments in portfolio companies (“**Portfolio Companies**”). The LKCM HW Funds establish controlling positions primarily in lower middle-market companies. The LKCM HW Funds are Delaware limited partnerships. Luther King Capital Management Corporation (“**LKCM**”) serves as the investment manager to the LKCM HW Funds. LKCM Headwater Investments I, GP, L.P. and LKCM Headwater Investments II, GP, L.P., which are jointly owned by Robertson III and principals of LKCM (together “**LKCM GPs**”), serve as the General Partner to the respective funds. All limited partners (“**Investors**”) in the funds are “accredited investors,” as defined in Regulation D of the Securities Act, and either “qualified purchasers” as defined in the Investment Company Act or “knowledgeable employees.” Investors primarily include institutional investors and high net worth individuals.

RFM acts as General Partner and investment manager to Lion Fund, L.P., (“**Lion Fund**”), a Private Fund that invests primarily in public equity securities. Lion Fund is a Texas limited partnership. Most Investors in the fund are family members or related entities of Robertson III.

C3CM acts as the General Partner to two SPVs, Buckhorn Investment Partners I, LP and Buckhorn Investment Partners II, LP, which were established for the purpose of investing in certain private companies. These SPVs are Private Funds and are included throughout this Brochure in discussions of Private Funds, except where the content would suggest otherwise.

Client Investment Mandates

C3CM manages each Private Fund in accordance with the investment objectives, strategies and guidelines as set forth in the relevant Private Fund’s confidential offering memorandum, organizational documents and other related documents (collectively a Private Fund’s “**Governing Documents**”). Private Funds are not tailored to the individualized needs of any particular Investor, though Private Funds may take into consideration the general characteristics (e.g., tax status) of its Investors when structuring its operations. An

investment in a Private Fund does not, in and of itself, create an advisory relationship between the Investor and C3CM, and C3CM typically does not enter into separate advisory arrangements with any Investor. Therefore, each Investor must consider for itself whether any Private Fund meets the Investor's investment objectives and risk tolerance before investing in a Private Fund. Information about each Private Fund is set forth in its Governing Documents, which are available to current and eligible prospective Investors only through the Fund's General Partner or another authorized party.

ITEM 5: FEES AND COMPENSATION

Private Fund Fees

LKCM HW Funds

The LKCM HW Funds pay a management fee to LKCM equivalent to 2% annually, calculated during the Investment Period based on aggregate capital commitments of each Investor and after the Investment Period generally based on aggregate invested capital (reduced by any write-offs or permanent impairments). Management fees are generally payable quarterly in advance as of the beginning of the quarter. C3CM receives a portion of the management fee paid to LKCM, pursuant to the terms of a subadvisory agreement.

LKCM HW I fees are based on unreturned capital contributions to portfolio investments, while LKCM HW II fees are based on original cost basis and follow-on capital invested in each portfolio company (whether funded by partner capital contributions, LKCM HW II's credit facility or other source).

LKCM, C3CM, the LKCM GPs or their respective affiliates may enter into management consulting or advisory agreements with one or more Portfolio Companies pursuant to which such person provides management consulting and advisory services to such Portfolio Company and such Portfolio Company pays fees to such person. Management fees are generally offset by 80% of any such fees received by C3CM, LKCM, the respective LKCM GP or related persons related from Portfolio Companies or in conjunction with Portfolio Company transactions, which may include commitment, break-up, "topping," management, monitoring, oversight, consulting, director or similar fees, after reimbursement of out-of-pocket expenses. Only such fees received that are related to the relevant LKCM HW Fund's invested capital in any Portfolio Investment are subject to the management fee offset. The offset does not apply to any portion of fees received that are allocable to any non-LKCM HW Fund investors.

The LKCM GPs receive a 20% carried interest based on a percentage of the net profits of the LKCM HW Funds after Investors have received a return of invested capital plus a preferred return (generally 8% per annum) on the net outstanding invested capital contributions calculated from the date of contribution to the date of return. The carried interest is subject to clawback.

LKCM GP may waive or reduce management fees or any portion of carried interest, in its discretion. Thus, different Investors in the LKCM HW Funds may pay different fees based on side letters or other agreements. Additionally, the LKCM GPs and related persons will generally not be subject to carried interest. Except as otherwise agreed, the LKCM GPs are not obligated to waive or reduce fees for any other Investor when offering waivers or reductions to a particular Investor.

C3CM, LKCM and/or LKCM GP may receive management fees, performance incentives and/or other related fees from co-investors, co-investment vehicles and/or with respect to co-investments related to LKCM HW Portfolio Companies. The fees and expenses charged to co-investors and co-investment vehicles may be different than fees and expenses paid by the LKCM HW Funds.

Lion Fund

The Lion Fund pays a management fee equivalent to 1% annually, based on a percentage of each Investor's capital account balance, calculated at the beginning of each calendar quarter. Management fees are generally payable annually. The management fee is calculated separately with respect to each Investor and debited from each Investor's capital account. Capital contributions accepted after the commencement of a calendar quarter will be subject to a prorated management fee. The General Partner may reduce or eliminate the management fee with respect to any Investor at its sole discretion, including, the General Partner and related persons.

The General Partner for the Lion Fund is entitled to a 20% performance allocation, which is calculated and charged separately with respect to each Investor on the basis of net profits. The performance allocation is generally calculated annually as of the end of each fiscal year and for other performance periods as described in the fund's Governing Documents, based on performance for the period and any loss carry-forward from prior periods. The terms of the performance allocation are described in more detail in the Governing Documents for the fund. The General Partner may waive or reduce the performance allocation with respect to any Investor at its sole discretion, including the General Partner and related persons.

SPVs

The SPVs do not pay management fees. However, as General Partner for the Buckhorn Investment Partners I, LP, C3CM is entitled to a 10% profit allocation or "**participation right**" after limited partners have received 150% of their aggregate capital contributions. The General Partner reserves the right to reimburse any limited partner for their pro rata share of the General Partner's 10% participation right or to make a special distribution and allocation to any limited partner to effectively "exempt" (partially or fully) such limited partner from the application of the General Partner's 10% participation right. Buckhorn Investment Partners II, LP does not include a provision for a General Partner participation right.

Other Information With Respect to Private Fund Fees and Expenses

In addition to the management fee, each Private Fund pays its own operating expenses, pursuant to the terms established in the fund's Governing Documents ("**Partnership Expenses**"), which may include, among others: 1) administrative and organizational expenses; 2) expenses involved in evaluating potential portfolio investments, including dead deal expenses; 3) expenses involved in acquiring portfolio investments, including interest, financing expenses, brokerage commissions and transaction costs; 4) expenses related to holding or managing portfolio investments; 5) expenses involved in organizing and maintaining special purpose vehicles or alternative investment vehicles; 6) taxes, insurance, accounting, audit, legal and regulatory expenses; 7) indemnification expenses incurred pursuant to fund Governing Documents or related to any Portfolio Company; and 8) investor reporting and meeting expenses. Each Private Fund may pay such Partnership Expenses directly and/or reimburse the General Partner, or for the LKCM HW Funds, LKCM or C3CM, for such expenses.

Out-of-pocket expenses paid by the LKCM GPs, LKCM and/or C3CM, including without limitation commercial, business class, first class or charter/private travel, meals and entertainment and other expenses that are eligible Partnership Expenses or that are incurred in providing management consulting and advisory services as described above, may be reimbursed by the Fund and/or by Portfolio Companies.

The General Partner for each Private Fund, and for the LKCM HW Funds, LKCM and C3CM, are each generally responsible for their own general overhead and administrative expenses, including salaries and employee compensation and benefits, office space and utilities ("**General Partner Expenses**"). Partnership Expenses are described more fully in the Governing Documents for each Private Fund.

Pursuant to the relevant Fund's Governing Documents, Investors are charged for management fees and Partnership Expenses either through 1) a "capital call" by which the Investor must pay the required amount from its undrawn capital commitment to the fund; 2) a deduction from available cash held by the fund; 3) amounts drawn on the relevant fund's credit facility; or 4) a deduction from each partner's capital account.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted above, the Private Funds and certain SPVs generally pay carried interest or performance-based fees to the General Partner that are tied to the performance of the relevant fund. C3CM's receipt of performance-based fees raises certain conflicts of interest, which are described below.

Investment Selection

Performance-based fees and other arrangements where the incentive to achieve gains may exceed the disincentive to suffer losses may cause C3CM to choose investments that are riskier or more speculative than might otherwise have been chosen.

To mitigate these conflicts, the Investment Committee must approve all investment decisions for the LKCM HW Funds. In addition, C3CM's Managing Director has invested substantial personal funds in the Private Funds, and C3CM's policies and procedures seek to provide that investment decisions are made in accordance with the fiduciary duties owed to the Private Funds and without consideration of C3CM's or its related persons' pecuniary, investment or other financial interests.

Side-by-Side Management

The performance-based fees paid by each of the LKCM HW Funds, Lion Fund and SPVs differ. Such differences in fee structure could theoretically incent C3CM to favor one Private Fund over another in its investment allocations. This potential conflict is mitigated by the following facts. In the event a potential investment may be appropriate for both LKCM HW Funds, LKCM and C3CM will act in a manner that they consider to be fair, reasonable and equitable under the circumstances in allocating such investment opportunity.

LKCM HW and the SPVs may invest in the same portfolio companies. C3CM seeks to mitigate potential conflicts that may exist due to the differences in fees paid by each of these funds by making full disclosure to the Investment Committee and Limited Partner Advisory Committee for LKCM HW regarding the SPVs' interest in such portfolio companies and by fully disclosing such potential conflicts to all investors through disclosures in this Brochure. In addition, C3CM's Managing Director has a substantial personal investment in each fund and is therefore incented to act in the best interest of both LKCM HW and the SPVs.

The investment objective and strategy for the LKCM HW Funds and the Lion Fund are inherently different (as set forth in the Private Fund's Governing Documents). Therefore, investments that are appropriate for one Fund will generally not be appropriate for the other Fund.

ITEM 7: TYPES OF CLIENTS

C3CM provides investment management services solely to Private Funds as described in Item 4 above.

Investors in the Private Funds are generally institutional investors and high net worth investors that are generally "accredited investors" or "qualified purchasers," within the meaning of the Securities Act and the

Investment Company Act, respectively. Investors in the SPVs are typically family members or other close business associates or relationships.

The Private Funds have a specified minimum investment as set forth in their Governing Documents. In general, the minimum investment for the LKCM HW Funds is \$1 million, and for the Lion Fund is \$250,000. The SPVs do not have a specified minimum investment amount. The General Partners for each Private Fund have discretion to permit investments of a smaller amount generally or with respect to any Investor.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Following is a summary of the investment strategies and risks involved in C3CM's investment activities. Investors and potential investors should review the applicable Governing Documents for the particular Private Fund in which they are considering investing for a more comprehensive discussion of the relevant risks associated with investing in that Private Fund. The Private Funds are subject to the following types of risks, as discussed in more detail in the Funds' Governing Documents, as well as risks specific to the Fund's investment strategy and portfolio investments, as discussed below:

- General Economic and Regulatory Risks
- Portfolio Investment Risks
- Risks Related to Leverage and Interest Rate Movements
- Operational and Regulatory Risks
- Risks Relating to Fund Terms and Structure
- Tax Risks

LKCM HW Funds

Methods of Analysis and Investment Strategies

The fund seeks long-term capital appreciate primarily through establishing controlling positions in lower middle-market companies. The Fund may also make other types of portfolio investments, including control positions in publicly-traded companies. The Fund generally will seek to make 10-15 platform investments, typically in the range of \$5 million to \$25 million of equity per investment. The Fund generally will not invest more than 20% of its capital commitments in a single portfolio investment. In addition, the minimum size of each portfolio investment generally will be at least 2% of the aggregate capital commitments.

The Fund will seek to achieve its investment objective primarily by pursuing investment opportunities in the lower tier of the middle-market, which the Fund defines as businesses with revenues between \$5 million and \$150 million ("lower middle-market"). The Fund will generally seek to make portfolio investments in Portfolio Companies in which one or more of the following characteristics are present:

- The business and operations are within LKCM's and C3CM's core knowledge base, experience and relationships;
- The company is headquartered or conducts significant operations in Texas and surrounding states;
- The enterprise value of the company generally ranges from \$25 million to \$75 million;
- The Fund's investment in the company would represent a controlling position in such company, either through voting, board of directors or other governance provisions;
- The company is operating below peak performance levels due to weak management teams, inefficient capital structures, business or product cycles, ownership or incentive structures, or other similar factors;

- Identifiable opportunities are present to increase the company's revenue and/or gross margins, increase the company's operating leverage and/or reduce its overhead, manage the company's working capital more efficiently, and/or implement a capital structure for the company more closely aligning management with shareholders; and
- The company operates in a fragmented industry in which consolidation opportunities are present.

Investment Risks

The LKCM HW Funds' investment activities involve a significant degree of risk. There can be no assurance that the Fund will be able to realize returns on its investments it manages or that the returns will be commensurate with the risks of investing in the type of companies and transactions described in the Fund's Governing Documents. Accordingly, an investment in the Fund should only be considered by persons who can afford a loss of their entire investment. The Fund's portfolio investments involve a number of material risks including (but not limited to) the following:

Financial and Business Risk of Portfolio Companies. Portfolio investments made by the Fund will involve a significant degree of financial and/or business risk. The Fund intends to make Portfolio Investments in lower middle-market companies that are believed to be operating below their potential due to, among other things, underperforming management teams, inefficient capital structures, operational inefficiencies and out of favor business cycles. These companies face unique risks not associated with larger companies with effective management teams and efficient capital and operating structures. Portfolio Companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. The profitability and survival of Portfolio Companies may depend on their ability to access sufficient sources of debt at attractive rates, which may or may not be available at any particular time. Portfolio companies also may face intense competition, changing business or economic conditions or other developments that may adversely impact their performance. Business risks may be more significant in lower middle-market companies or those embarking on a build-up or operating turnaround strategy. Some Portfolio Companies may operate at a loss or have significant variations in operating results, may be engaged in a rapidly changing business or business environment with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, finance expansion or maintain their competitive position, may be in an early stage of development or may otherwise have a weak financial position. If for any of these or other reasons a Portfolio Company is unable to generate cash flow to meet its operating expenses and working capital requirements, make principal or interest payments on its indebtedness, or make other required payments on its commitments, the Portfolio Company's business, financial condition and prospects could be materially adversely affected and the value of the related Portfolio Investment could be significantly reduced or even eliminated.

Reliance on Management of Portfolio Companies. Although LKCM and C3CM will monitor the performance of Portfolio Companies and the related Portfolio Investments, it will rely substantially upon the management teams of such Portfolio Companies to operate such companies on a day-to-day basis. If a Portfolio Company is unable to attract and retain a qualified, competent and effective management team, the business, financial condition and prospects of such Portfolio Company and the value of the related Portfolio Investment could be materially adversely affected.

No Assurance of Profit or Distributions. The marketability and value of the Portfolio Investments will generally depend upon factors beyond the control of the Fund, the General Partner, LKCM and C3CM. There can be no assurance that Portfolio Investments will be profitable or realized or that any distributions will be made to Investors with respect thereto. Distributions will ultimately depend upon the success of the Portfolio Investments made by the Fund. Distributions also will be subject to the terms and provisions of the Partnership Agreement, including, without limitation, the establishment of reserves to pay Fund Expenses and other liabilities of the Fund. The expenses of the Fund or any Portfolio Company may exceed

its income, and Investors could lose the entire amount of their invested capital. The Fund has no prior operating history, and the past performance of other clients of LKCM, C3CM or their respective principals or affiliates provide no assurance of future success or profitability.

Identification of Investment Opportunities. The Fund's success will depend upon the identification and availability of suitable investment opportunities. The business of identifying and structuring private equity investments is highly competitive and involves a high degree of uncertainty and risk. The availability of investment opportunities will be subject to market conditions and certain other factors that will be outside the control of LKCM and C3CM. Investors may never be fully invested if LKCM or C3CM does not identify enough sufficiently attractive Portfolio Investments during the Investment Period. There can be no assurance that LKCM and/or C3CM will be able to identify sufficient attractive investment opportunities to meet the Fund's investment objectives, or that Investors will be able to participate in any such investment opportunities.

Illiquidity of Portfolio Investments. Portfolio Investments typically will be illiquid and will not provide current income. Portfolio Investments may be restricted, at any given time, as to their transferability under U.S. securities laws. Further, in some cases the Fund may be prohibited by contract from selling Portfolio Investments for a period of time or otherwise be restricted from disposing of such Portfolio Investments. In some cases, a substantial length of time may be required in order to liquidate a Portfolio Investment. Consequently, there is a significant risk that the Fund will be unable to sell or otherwise dispose of Portfolio Investments at attractive prices, or will otherwise be unable to complete any exit strategy with respect to Portfolio Investments. These risks can be further exacerbated by changes in the financial condition or business prospects of a Portfolio Company, changes in national or international economic or market conditions and changes in laws, regulations, fiscal policies or political conditions of the United States and other jurisdictions in which the Portfolio Companies are located or in which they may conduct their respective businesses. If the Fund is unable to sell or otherwise dispose of a Portfolio Investment by the end of the Fund's term, Investors may receive an in-kind distribution of their respective *pro rata* share of that Portfolio Investment, which may be illiquid.

Long-Term Nature of Portfolio Investments. Portfolio Investments are not expected to be liquidated or realized for a significant period of time after such Portfolio Investment is initially made. Factors such as overall economic and market conditions, the performance of the applicable Portfolio Company, the competitive environment and the availability of potential acquirers may shorten or lengthen the Fund's holding period with respect to a Portfolio Investment. Accordingly, it is not likely that any significant return from the disposition of a Portfolio Investment will occur for a number of years after the investment is made.

Non-Controlling Interests; Co-Investment Risks. Although the Fund expects to be the lead or sole investor in Portfolio Companies, the Fund may hold non-controlling interests in Portfolio Companies and, therefore, may have a limited ability to protect its interests in such Portfolio Companies, including with respect to the timing and manner of exiting the related Portfolio Investments. In addition, to the extent that the Fund co-invests alongside unaffiliated, lead or sponsor private equity funds, the Fund may be exposed to risks that may not be present in Portfolio Investments Portfolio Companies in which the Fund is the lead or sponsoring private equity fund. In such circumstances, the Fund may not have the opportunity to participate in the structuring of such Portfolio Investments or determine the terms under which such Portfolio Investments will be made. In addition, the Fund may have interests or objectives that are inconsistent with the interests of such unaffiliated funds, and such unaffiliated funds may have a greater degree of control over such Portfolio Companies or otherwise be in a position to take (or block) action in a manner contrary to the Fund's investment objectives.

Control Person Liability. The Fund generally expects to acquire controlling interests in Portfolio Companies and members of the Investment Committee may take an active role in the management of such Portfolio Companies. The Fund may also seek to designate employees, agents or affiliates of the Fund, the

General Partner, LKCM or C3CM to serve on the boards of directors of Portfolio Companies. The designation of directors and other contemplated measures could expose the assets of the Fund to claims by a Portfolio Company, its security holders and its creditors. While LKCM expects to manage the Fund in a way that will minimize exposure to such risks, the possibility of successful claims cannot be precluded.

Need for Additional Capital. The General Partner or LKCM may determine that a Portfolio Company needs follow-on capital for support equity or to finance follow-on acquisitions. There can be no assurance, however, that there will be sufficient unfunded Capital Commitments available for such purpose at such time. If the Fund is not able to make any such follow-on investments, the applicable Portfolio Company could be materially adversely affected or the Fund's ability to influence that Portfolio Company's future development may be diminished.

Valuation Risks. Although the General Partner attempts to value the Fund's investments at fair value, the General Partner's best judgment as to the fair value of any investment may not accurately reflect the prices at which the Fund could actually sell such investments, particularly illiquid investments. In valuing illiquid investments, the General Partner generally determines the fair value of the partnership's investments based on a variety of valuation methodologies, which typically depend on subjective estimates and assumptions.

Lion Fund

Methods of Analysis and Investment Strategies

The Lion Fund's investment objective is to maximize Partner's capital by taking advantage of differences in the market prices of securities and assets and their respective fundamental intrinsic values. The Fund seeks to buy securities with trading values materially lower than their intrinsic values and sell short securities with trading values materially higher than their intrinsic values. The types of positions that meet this criteria include individual long and short positions in securities and merger arbitrage. The Fund seeks to achieve high absolute rates of return while minimizing the risk of capital loss.

RFM believes that capital markets are efficient over the long term but can be inefficient over the short term. As such RFM seeks to recognize temporary inefficiencies and capitalize on dislocations between intrinsic value and trading by analyzing fundamental, technical, psychology and liquidity factors. RFM's investment methodology involves opportunity identification, opportunity analysis, investment strategy and execution, as discussed in greater detail in the Fund's Governing Documents.

RFM's investment strategy is based on the premise that any particular company may be an attractive investment on its own merits, in relation to another security of the same company, or in relation to a security of another company. In each opportunity, RFM seeks positions it believes will "lock in" a specific rate of return, such as a merger arbitrage, or offer a significant risk-adjusted return. The portfolio is generally built from the bottom up, by evaluating each position on its own merits with limited regard to broad section analysis or macroeconomic variables. The fund portfolio generally consists of 10-20 core long positions, short positions and merger arbitrage. However, the portfolio's composition of positions may vary considerably from time-to-time. The target portfolio composition will vary generally depending on RFM's view of the overall direction of the securities markets, with net long exposure ranging from 10%-40% generally. The Fund may employ leverage on a very limited basis through margin accounts at its broker.

Investment Risks

The Fund's profitability depends to a great extent upon correctly assessing future price movements of securities and other investments. There can be no assurance that RFM will be able to accurately predict these price movements or that the investment strategy will be profitable. Accordingly, an investment in the

Fund should only be considered by persons who can afford a loss of their entire investment. The Fund's investments involve a number of material risks including (but not limited to) the following:

General Market and Economic Risk: The value of the Fund's investments may decline due to changes in general economic and market conditions. The value of securities held by the partnership may change in response to developments affecting entire economies, markets or industries, such as inflation, changes in interest rates, political and legal developments, and general market volatility.

Stock Market Risk: The Fund invests in equity securities and is subject to stock market risks and significant fluctuations in value. The Fund's investments in equity securities will typically focus on common stocks. Common stocks generally are subordinate to the issuing company's debt securities, credit obligations and preferred stock upon the liquidation or bankruptcy of the issuing company.

Investment Selection Risk: The performance of the Fund's investment program depends on our ability to select and size investments appropriately and correctly predict future price movements, economic and market conditions, and/or the value of securities and other investments. The value of the Fund's investments could be adversely affected by developments affecting the specific issuer of the security, even if the overall industry or economy is unaffected. These developments may include a variety of factors, such as management issues, political factors, changes in revenues or profitability, a failure to meet earnings expectations, litigation, bankruptcy, an increase in operating or other costs, or an adverse effect on the issuer's competitive position.

Small-Cap and Mid-Cap Risk: The Fund may invest in securities of companies with small and mid capitalizations, which involve higher risks than investments in securities with large capitalizations. For example, securities prices of small and mid capitalization companies are often more volatile than securities prices of large capitalizations companies. Investments in small and mid-cap companies may be illiquid.

Foreign Securities Risk: The Fund may invest in foreign securities, which involve certain factors not associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, (ii) differences in foreign securities markets, including absence of uniform accounting, auditing and financial reporting standards and practices and less government supervision and regulation, (iii) political, social or economic instability, and (iv) extension of credit, especially in the case of sovereign debt.

Concentration Risk: The Fund's investments generally are not required to be diversified, and it is possible that the partnership's investments could be concentrated in only a few industries, companies, geographic regions, asset types, or strategies. This limited diversity could expose the partnership to losses disproportionate to market movements in general.

Illiquid Investments Risk: The Fund may hold investments that are illiquid or have no public trading market, or liquid investments may become illiquid in the future under certain market conditions. Any such investments may be difficult to sell or may be sold only at a substantial discount. If the size of the partnership is reduced through withdrawals, the illiquidity of the partnership's investments could increase, as liquid assets are sold to satisfy withdrawals while illiquid assets are retained.

Short Selling Risk: The Fund's investments may include short sales. Short sales create the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the partnership of buying those securities to cover short positions. The partnership may be unable to cover short positions at or near prices quoted in the market. Purchasing securities to close out short positions can itself cause the price of the securities to rise further, thereby exacerbating losses. In addition, the Fund might have to sell portfolio securities to cover its short obligations at a time when fundamental investment considerations would not favor such sales.

Derivative Investment Risk: The Fund may invest in derivative instruments, such as options, futures, forward contracts, and swaps. Many derivatives provide exposure to potential gain or loss from a change in the market price of a financial instrument in an amount that greatly exceeds the cash or assets required to establish or maintain the derivative. Accordingly, relatively small price movements in the underlying financial instrument may result in immediate and substantial losses to the partnership. Many derivatives are illiquid and involve exposure to the credit risk of the counterparty because they depend on the counterparty's ability to perform under the contract.

Leverage and Borrowing Risks: The Fund has the ability to borrow funds and incur leverage, subject to applicable margin and other limitations. The Fund could potentially create leverage by the use of options and other derivative instruments. The use of leverage can maximize the losses to which the Fund may be subject. The use of margin and short-term borrowings creates other risks for the Fund. Borrowings may be secured by assets of the Fund. If the value of the Fund's securities falls below the margin level required by its prime broker, additional margin deposits would be required. If the Fund is unable to satisfy any margin call by its prime broker, then the prime broker could liquidate some or all of the Fund's investment positions and cause the partnership to incur significant losses. Interest on borrowings is an expense of the Fund.

Counterparty Risks: The Fund may enter into transactions with third parties in which the failure or delay of the third party to perform its obligations could have an adverse effect on the partnership. The Fund's assets will generally be held in the name of its prime broker or its nominee, and the insolvency of the prime broker or its nominee may result in the loss of the partnership's assets.

SPVs

The SPVs were created for the purpose of facilitating an investment in a specific private equity investment opportunity identified by the General Partner. The investment risks of such vehicles are generally the same as those of the LKCM HW Funds as listed above. In addition, because these vehicles are invested in a single portfolio company, they are further subject to concentration risks.

ITEM 9: DISCIPLINARY INFORMATION

C3CM is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of C3CM or the integrity of C3CM's management.

C3CM has no information to disclose in response to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Robertson Fund Management

C3CM is the General Partner of RFM, and Robertson III is the majority owner. RFM is a "Relying Adviser" and the activities of RFM and the persons acting on its behalf are subject to C3CM's supervision and control. The activities of RFM are subject to the Advisers Act, and C3CM and RFM operate under a unified compliance program administered by a single compliance officer in accordance with the Advisers Act. C3CM and RFM use the same office space and personnel.

Quintana Capital Group

Robertson III is an owner of various interests associated with the Robertson family holding company and is an owner and director of QEP Management Co. GP, LLC ("*Quintana*"), a registered investment adviser. Quintana serves as investment adviser to energy focused private equity funds (the "*Quintana Funds*") and

related investment vehicles. Approximately half of Robertson III's time is spent on activities related to the family holding company and Quintana. The Quintana Funds primarily invest in the energy industry, and Quintana affiliates are independently engaged in activities involving the energy industry. Robertson III serves on the board of various Quintana affiliated Portfolio Companies. There may be occasions when C3CM encounters potential conflicts of interest with respect to its activities, particularly with respect to the LKCM HW Funds, and the activities of Quintana. Pursuant to an informal agreement between C3CM and LKCM, investment opportunities within the energy industry are generally first offered to the Quintana Funds. C3CM and its supervised persons will utilize good faith judgment to ensure that it acts in the best interests of its Clients.

LKCM HW Funds

Robertson III is an owner and Managing Partner of LKCM GP, which serve as General Partner to LKCM HW, as described in Item 4 above. LKCM HW may enter into co-investment arrangements with Investors or other third-party investors and make investments with these Investors or other third-party investors in certain special purpose entities or alternative investment vehicles created solely for purposes of the co-investment arrangement.

Robertson III may serve as director, officer or committee member of various Portfolio Companies and could face conflicts of interest between discharging his duties to the Portfolio Companies and acting in the best interest of Clients. Any compensation received in such capacities as director, officer or committee member, where LKCM HW owns the controlling interest in the portfolio company, generally will offset management fees as discussed in Item 5 above.

Buckhorn Energy Service, LLC

Robertson III founded Buckhorn Energy Services, LLC ("**BES**") prior to the formation of the LKCM HW I. Robertson III serves as a Manager of BES and is personally invested in the company. In this capacity, Robertson III receives a management fee from BES. LKCM HW I has a minority ownership of BES. Only the percentage of the management fee paid to Robertson III that is related to LKCM HW I's investment in BES is included as part of the management fee offset described in Item 5 above. Robertson III could face conflicts of interest in discharging his duties to BES, and acting in the best interest of other Clients. These conflicts have been disclosed to the Investment Committee for LKCM HW I.

Outside Investment Activities

Robertson III has various other personal and family investments, which include private equity investments, and may serve in an active or passive capacity with respect to such private equity investments. Such personal investment activity could present conflicts of interest with respect to LKCM HW Fund activities. C3CM employees must obtain prior approval from the Chief Compliance Officer ("**CCO**") for all private investments. Please also refer to Item 11 - Code of Ethics for a discussion on potential conflicts of interest.

Allocation of Time

Approximately half of Robertson III's time is spent on C3CM activities and the remainder on Quintana and personal business activities.

Other Registered Activity

Neither C3CM nor any of its supervised persons or affiliates is registered, nor has an application pending to register as a broker-dealer, registered representative of a broker-dealer, futures commission merchant

(“*FCM*”), commodity pool operator (“*CPO*”), commodity trading advisor (“*CTA*”) or an associated person of an FCM, CPO or CTA.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

C3CM’s has adopted a comprehensive Code of Ethics (“*Code*”) to govern personal transactions by employees and to assure that their interests do not conflict with the interests of Clients or, as applicable, Investors in Private Funds. As such, C3CM’s Code includes: (i) standards of business conduct, requiring that employees comply with relevant provisions of the federal securities laws and the fiduciary duties an investment adviser owes to its clients; (ii) personal securities transaction policies governing personal investment activities and requiring the submission by access persons of reports regarding their personal accounts, holdings and trading activities; and (iii) an insider trading policy. All employees of C3CM are considered to be “access persons” for purposes of the Code. Personnel who fail to observe the Code and related compliance policies risk serious sanctions, including dismissal and personal liability. C3CM’s Code is available to existing and prospective Clients or Investors upon request.

Personal Securities Transactions Policy

C3CM’s Code includes a personal securities transactions policy, which imposes certain requirements and restrictions with respect to personal trading and investment activity by access persons. In particular, the Code requires access persons to obtain the approval of the CCO prior to investing in certain restricted securities, initial public offerings (“*IPOs*”) and private placements, including private equity investments. Employees must identify and disclose potential conflicts and business or other relationships between proposed private investments and Client portfolio investments.

Reporting Requirements under the Code

To assist C3CM in monitoring personal trading activities in order to detect potential conflicts of interest or violations of the Code, fiduciary duty or applicable law, access persons must provide periodic reports with respect to personal securities transactions, holdings and accounts, including annual reports of holdings in certain, reportable securities and quarterly reports of their personal transactions in reportable securities. These reports are submitted through an electronic reporting system and reviewed by the CCO or the CCO’s designee.

Insider Trading Policy

C3CM and its supervised persons may, from time to time, come into possession of material nonpublic and other confidential information, which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, C3CM is generally prohibited from improperly disclosing or using such information for its personal benefit or for the benefit of any other person, regardless of whether that other person is a Client. C3CM’s Code establishes procedures to prevent the misuse of material nonpublic information by C3CM’s supervised persons. Accordingly, should C3CM come into possession of material nonpublic or other confidential information with respect to any company, it may be prohibited from communicating that information to, or using that information for the benefit of its Clients, and has no obligation or responsibility to disclose such information to, nor responsibility to use that information for the benefit of, the Clients when following policies and procedures designed to comply with law.

Gifts and Entertainment

C3CM employees may on occasion give or accept gifts or entertainment. C3CM's Code requires that employees act in the best interest of C3CM and its Clients and avoid giving or receiving any gift or entertainment that might create an actual or perceived conflict of interest or impropriety in the course of the Company's business relationships, or otherwise violate application laws or regulations.

Participation or Interest in Client Transactions; Related Person Investments

Robertson III engages in a broad range of investment activities, for his own account and for family entities or investment vehicles, including private equity and other alternative investments as well as publicly-traded securities. C3CM and its affiliates' proprietary and personal investments may be complementary, competing and, in some cases conflicting, with investments of C3CM and its affiliates' Clients. C3CM and its affiliates may invest directly or indirectly in the same Portfolio Companies in which the LKCM HW Funds invest and in the same securities in which the Lion Fund invests. C3CM and its affiliates may also invest in other private or public companies that have business relationships with Portfolio Companies. Additionally, C3CM and its affiliates may invest or otherwise have an interest, either directly or indirectly, in a Private Fund, which, in turn, may invest, directly or indirectly, in Portfolio Companies or securities held by Clients or private or public companies that have business relationships with Portfolio Companies.

LKCM HW I has invested in the same portfolio company held by the SPVs, and may in the future invest in portfolio companies held by SPVs or other Private Funds for which C3CM serves as General Partner. C3CM will only recommend such a related party transaction if it believes that it is in the best interest of both participating Private Funds and that the economic terms in which each fund participates are fair and equitable. See also the disclosure in Items 6 and 10 above regarding such related party transactions.

C3CM and its affiliates advise Private Funds that employ various investment strategies. In performing its advisory services, C3CM may give advice to, and take action with respect to, Clients that may differ from actions taken by C3CM on behalf of other Clients and proprietary and personal investments. C3CM is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling for any Account any security that C3CM or an affiliate may buy or sell for its or their own accounts or for any other Clients C3CM or its affiliates manage. However, C3CM has implemented policies and procedures relating to personal securities transactions and insider trading, as described above, that are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve and/or disclose conflicts appropriately, if they do occur.

Principal Transactions

Neither C3CM nor any C3CM affiliate may purchase a security from or sell a security to (*i.e.*, engage in any principal transaction with) a Client unless it complies with applicable law and relevant policies and procedures. In order to ensure that it obtains requisite consent required by Section 206(3) of the Advisers Act, C3CM will not engage in any principal transaction: 1) with the LKCM HW Funds without disclosure to and approval of the relevant fund's Limited Partner Advisory Committee; and 2) with the Lion Fund without approval of the fund's General Partner and disclosure to Investors.

Portfolio investments for the LKCM HW Funds identified on or before the initial closing date (each a "**Warehoused Investment**") may have been acquired by the respective LKCM GP or an affiliate and thereafter transferred or sold to or for the benefit of the respective LKCM HW Fund or any subsidiary thereof. In general, Warehoused Investments are transferred or sold the relevant LKCM HW Fund at a price equal to the cost of the Warehoused Investment plus any interest on funds borrowed to acquire such Warehoused Investment, as determined by the respective LKCM GP. The relevant LKCM HW Fund will

also pay or reimburse the LKCM GP or respective affiliates for its share of costs and expenses associated with the transfer or sale of any Warehoused Investment to the LKCM HW Fund.

Co-Investment Opportunities

The LKCM GPs may establish one or more additional limited partnerships or similar investment vehicles (a “**Co-Investment Vehicle**”) to provide one or more persons with the opportunity to directly or indirectly co-invest with the LKCM HW Funds in certain Portfolio Investments. In connection with any portfolio investment, where the transaction requires or permits a larger investment than appropriate for a Private Fund, the General Partner may in its sole discretion (but shall not be required to), offer to certain Limited Partners or other related or unaffiliated parties the opportunity to co-invest with the fund on such terms and conditions as the General Partner determines. Subject to any restrictions contained in the offering or organizational documents of the Fund or any side letter or other terms negotiated with respect to such Fund, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the General Partner of the Fund, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in the Fund, and (iv) certain persons other than Fund Investors (e.g., third parties) may be offered co-investment opportunities, in the sole discretion of the Fund’s General Partner. C3CM and its related persons may participate in Co-Investment Opportunities. All co-investors will generally acquire and divest of the investment at the same time as the Fund and on substantially similar terms to the Fund, or as the General Partner otherwise determines is in the best interest of the Fund. The investment adviser(s) and General Partner may receive management fees and carried interest with respect to any co-investment opportunities. Fees and expenses paid by co-investors may be less than fees and expenses paid by the Fund.

ITEM 12: BROKERAGE PRACTICES

LKCM HW Funds & SPVs

The LKCM HW Funds’ and the SPV transactions are privately negotiated transactions that are not executed by a broker-dealer. However, the LKCM HW Funds may utilize the services of investment bankers in connection with Portfolio Company acquisitions, sales, financing and other transactions. On occasion, the LKCM HW Funds may purchase publicly-traded securities or may receive security positions from a Portfolio Company as part of a distribution or liquidation of that Portfolio Company. In situations where C3CM chooses the broker-dealer to purchase or liquidate these positions, C3CM selects brokers and dealers based upon their reputation, quality of service, and ability to liquidate the particular security, consistent with its duty to seek best execution.

When selecting a broker or dealer, C3CM will take into account factors such as execution capabilities, commission rates, responsiveness and financial responsibility. In applying these factors, C3CM recognizes that different brokers may have different execution capabilities with respect to different types of securities and transactions, and that no one broker will likely be judged the best at every relevant factor as a general matter or with respect to any particular transaction. C3CM currently does not generate soft dollars or pay for Client or Investor referrals through brokerage commissions from LKCM HW Fund transactions.

Lion Fund

The Lion Fund currently utilizes E-Trade Clearing LLC as its prime broker to hold all of the funds’ investments in marketable securities and to execute trades on behalf of the Fund, although the fund may also execute trades with other broker dealers.

Kim Garber 3/26/2015 12:23 PM

Comment [1]: Insert that the information in this section is all still accurate.

C3CM or RFM is responsible for the placement of the portfolio transactions of the Lion Fund and has discretion to select brokers to execute such transactions and negotiate commissions or spreads paid on such transactions. Portfolio transactions normally will be effected through brokers on securities exchanges or directly with the issuer, or through an underwriter, or market maker or other dealer for the investments. Portfolio transactions through brokers involve a commission to the broker. Portfolio transactions with dealers typically are priced to include a spread between the bid and the asked price to compensate the dealer.

In selecting a prime broker or custodian broker and determining which broker-dealer generally provides the best available price and most favorable execution, the Company considers a totality of circumstances, including the broker-dealer's research capabilities and the success of prior research recommendations, ability to efficiently execute difficult trades (such as those in illiquid markets or trades of substantial size), the broker's risk in positioning a block of securities, commitment of capital, nature and frequency of sales coverage, depth of services provided, including economic or political coverage, arbitrage and option operations, back office and processing capabilities, financial strength, stability and responsibility, efficiency, reputation, access to markets, confidentiality, commission rate, responsiveness and the value of research and brokerage and research products and services provided by such brokers. RFM may also execute trades with broker dealers with whom C3CM, RFM or the Private Funds have other business relationships, including investment bankers who introduce potential Portfolio Companies or assist in the acquisition, sale or financing of Portfolio Companies and related transactions.

Soft Dollars

The Company does not currently have any formal soft dollar or commission sharing arrangements pursuant to which it generates soft dollar credits with its prime broker or executing brokers. However, C3CM has historically had soft dollar arrangements and may establish such arrangements with prime brokers or other brokers going forward. Broker-dealers may provide research services, including written, oral or on-line research produced by the broker-dealer (*i.e.*, proprietary research) or third parties such as attorneys, accountants or consultants. Broker-dealers may also provide research products that include software and related support services for use in research and trading, quotation boards, computer databases and quotation equipment, in each case to access research or which provide research directly. Research services may include, among other things, research concerning market, economic and financial data, statistical information, data on pricing and availability of securities, financial publications, attendance at conferences and meetings, electronic market quotations, performance measurement services, analyses and/or due diligence concerning specific securities, companies or sectors, including due diligence on specific aspects of a company's operations or finances, analyses on issues raised in proxy statements and market, economic and financial studies and forecasts. Brokerage products and services may include certain order management system components and order routing.

In selecting broker-dealers on the basis of the foregoing factors, the Company may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction. Research received from brokers will be supplemental to the Company's own research efforts and will be utilized for the benefit of all Clients, not solely the Client whose trades are executed with such broker. While the receipt of research will not reduce the Company's normal research activities, its expenses could increase materially if it attempted to generate such additional research or brokerage services through its own staff, and the management fees will not be reduced as a consequence of the receipt of such research or brokerage services or products or other services. As such, the Company's arrangements for the receipt of research and brokerage services from brokers may create a conflict of interest, in that the Company may have an incentive to choose a broker-dealer that provides research and brokerage services, instead of one that does not but charges a lower commission rate. In some instances, the Company may receive products and services that may be used for both research and non-research purposes.

Brokerage for Client Referrals

The Company does not currently have any arrangements whereby brokers provide capital introduction or other placement services to the Private Funds or otherwise make client referrals.

Directed Brokerage

C3CM does not recommend, request or require that a Client direct trades to a specified broker-dealer. In the event a Client does direct trades to a specified broker-dealer, C3CM may be unable to achieve most favorable execution of Client transactions and thus Clients may pay higher commissions or costs than C3CM may have negotiated or achieved.

Aggregating Orders

C3CM generally does not have multiple Clients transacting in the same securities at the same time. Therefore, C3CM generally does not aggregate the purchase or sale of securities for various clients.

ITEM 13: REVIEW OF ACCOUNTS

Reviews

The Managing Director continuously reviews general economic and market conditions and developments, as well as specific companies, securities and investment ideas. In addition, the Managing Director regularly reviews and monitors the investment portfolio of each Client account. Such review is intended to ensure that the account adheres to the Client's investment objective, strategy and guidelines and meets performance objectives. The Managing Director meets with LKCM staff periodically to evaluate investment opportunities for the LKCM HW Funds and monitor the performance of Portfolio Companies.

Reports

Limited partners of the LKCM HW Funds and the Lion Fund generally receive quarterly written performance reports summarizing portfolio investments and performance, and including financial statements and a capital account statement. Additionally, the Private Funds provide annual audited financial statements to each limited partner within 120 days after the end of the fiscal year. Reports include or are accompanied by information with respect to the performance of the Fund, information about the limited partner's capital account and certain tax-reporting information (e.g., Form K-1). In response to questions and requests in connection with due diligence meetings and other communications the General Partner may provide additional information that is not distributed to other Investors.

Investors in the SPVs generally receive unaudited financial statements quarterly and information about the investor's capital account and certain tax-reporting information (K-1s) annually. In addition, investors in the SPVs receive brokerage statements directly from the broker at least quarterly.

C3CM staff are available for discussions with Clients or Investors at other times as requested.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

C3CM does not currently have any arrangements with third-party solicitors or placement agents to identify potential investors or make client referrals.

Neither C3CM nor any C3CM affiliate generally receives any economic benefit from a non-client for providing investment advice or other advisory services to its Clients, except that C3CM or its affiliates may receive certain fees from the LKCM HW Funds and SPV Portfolio Companies, or in connection with Portfolio Company investments, as described in Items 5 and 10 above. As described more fully in the LKCM HW Funds' Governing Documents, any such fees – after deduction for unreimbursed expenses – generally would offset management fees paid by the LKCM HW Funds. The SPVs do not pay management fees; therefore, there is no corresponding management fee offset for these Funds.

ITEM 15: CUSTODY

Neither C3CM nor its affiliates have physical custody of any client assets. However, due to its affiliation with or role as the General Partner for each Private Fund, C3CM is generally deemed to have custody of Client funds and securities for purposes of Rule 206(4)-2 under the Advisers Act.

In order to comply with Rule 206(4)-2, C3CM utilizes the services of Qualified Custodians (as identified on Section 7.B.(1) of Schedule D of C3CM's Form ADV Part 1A) to hold Private Fund assets, to the extent required by the Rule. C3CM also ensures that each Qualified Custodian maintains these assets in an account that contains only Client assets, under the Client's name. The LKCM HW Funds and the SPVs generally only hold private securities that are purchased in privately negotiated transactions and subject to restrictions on transfer.

In accordance with Rule 206(4)-2, the General Partner for the LKCM HW Funds and the Lion Fund engages an independent public accounting firm that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board to audit each Private Fund at the end of each fiscal year. Audited financial statements are prepared in accordance with generally accepted accounting principles ("**GAAP**") and are distributed to all Investors within 120 days after the end of the fiscal year.

C3CM has engaged an independent PCAOB-registered accounting firm, EEPB, LP, to conduct a surprise examination of C3CM, which covers the funds and securities held by the SPVs. C3CM has provided notice to investors in the SPVs regarding where their funds and securities are held in custody and ensures that the custodians send statements directly to investors at least quarterly. C3CM encourages investors to compare account statements from the custodian with the reports it provides investors.

ITEM 16: INVESTMENT DISCRETION

C3CM provides investment advisory services to each Private Fund on a discretionary basis, subject to the overall supervision of the General Partner. The investment objectives and restrictions of the Private Funds are set forth in the relevant Governing Documents. Investors in the Private Funds do not have authority to impose any restrictions upon C3CM's discretionary authority. However, the General Partner for each Private Fund may, under certain circumstances, enter agreements or side letters with Investors that limit certain fund investments to address specific legal, regulatory, tax or policy restrictions of the Investor.

C3CM does not provide tax advice and does not provide legal advice or represent clients in legal proceedings such as class actions or bankruptcies involving portfolio holdings.

ITEM 17: VOTING CLIENT SECURITIES

C3CM currently does not vote or review proxies on securities held by any Clients or any underlying Portfolio Companies owned by Clients. In the event C3CM agrees to vote proxies in the future, it will adopt Proxy Voting Policies and Procedures that are reasonably designed to ensure that Client securities are voted in the best interest of the Clients.

ITEM 18: FINANCIAL INFORMATION

C3CM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. C3CM is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients.