

Form ADV: Part 2A
Investment Adviser Brochure
SEC File Number 801-64815

RCP Advisors, LLC
RCP Advisors 2, LLC

100 N. Riverside Plaza, Suite 2400
Chicago, Illinois 60606-1519
Telephone: (312) 266-7300
www.rcpadvisors.com

March 31, 2015

This brochure provides information about the qualifications and business practices of RCP Advisors, LLC and RCP Advisors 2, LLC. If you have any questions about the contents of this brochure, please contact us at (312) 266-7300 or rcpinvestor.relations@rcpadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

RCP Advisors, LLC and RCP Advisors 2, LLC are registered investment advisers. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about RCP Advisors, LLC and RCP Advisors 2, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

This brochure does not constitute an offer or a solicitation of an offer to buy shares or interests in any investment fund sponsored, managed or advised by RCP Advisors, LLC or RCP Advisors 2, LLC. An offer of those funds can be made only to qualified investors by way of the approved offering materials for those funds and only in jurisdictions in which such offer will comply with applicable rules and regulations.

Summary of Material Changes

RCP Advisors, LLC and RCP Advisors 2, LLC (together, “RCP”) last filed their annual updating amendment on March 28, 2014. This Item 2 does not describe other modifications to this Brochure, such as updates to dates and numbers, stylistic changes or clarifications.

- RCP has added additional information to Item 10 to describe our newly acquired manager due diligence software solution for certain clients and subscribers, GPScout. These services are not investment advisory services.
- Generally, RCP revised and expanded certain information to help clients better understand our firm and the investment products we offer, the business issues we face, the risks associated with investing and with our investment process. The changes primarily apply to Item 4 (Advisory Business), Item 5 (Fees and Compensation) and Item 6 (Performance-Based Fees and Side-by-Side Management).

TABLE OF CONTENTS

	Page
Advisory Business	4
Fees and Compensation	6
Performance-Based Fees and Side-By-Side Management	9
Types of Clients	11
Methods of Analysis, Investment Strategies and Risk of Loss.....	12
Disciplinary Information.....	16
Other Financial Industry Activities and Affiliations	17
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	20
Brokerage Practices	22
Review of Accounts.....	23
Client Referrals and Other Compensation	24
Custody	25
Investment Discretion	26
Voting Client Securities	27
Financial Information.....	28

Advisory Business

Item 4 Advisory Business

RCP Advisors, LLC (“RCP 1”) and RCP Advisors 2, LLC (“RCP 2”) (together, “RCP”), each a Delaware limited liability company, are investment advisers registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). RCP was founded in 2001 and is headquartered in Chicago with a satellite office in Newport Beach, California. RCP 1 is wholly owned by CLIA Management, LLC. RCP 2 is owned by CLIA Management, LLC and the firm’s managing principals: Thomas Danis, Jr., Jeff Gehl, Charles Huebner, Jon Madorsky and William Fritz Souder. The managing principals of RCP 2 serve as officers of RCP 1 and are responsible for the firm’s day-to-day operations.

RCP provides investment advisory services to private equity funds-of-funds and funds that invest directly in companies alongside private equity sponsors (the “RCP Fund(s)”). Except for RCP Funds launched in 2011 or later, RCP 1 serves as the investment manager and RCP 2 serves as the sub-adviser to the RCP Funds. For RCP Funds launched in 2011 or later, RCP 2 serves as the investment manager. RCP 2 provides the day-to-day investment management services to the RCP Funds. In addition to managing the RCP Funds, RCP 2 also provides non-discretionary advisory services to clients by recommending investments in private equity funds and co-investment opportunities. As used herein, the term “clients” refers to the RCP Funds and any separate accounts (whether discretionary or non-discretionary), unless the context requires otherwise.

The RCP Funds are primarily focused on the lower middle market buyout segment of the private equity market. The RCP Funds fall into four categories (and RCP’s investment advisory services are limited to these four categories) described below. A separately managed account may follow one or more of these strategies.

- **Core Funds** – funds offering pooled investment opportunities in underlying private equity funds (“underlying funds”);
- **Graduate Funds** – funds offering investment opportunities in specific private equity funds whose investment criteria are not consistent with the Core Funds’ investment mandate;
- **Secondary Funds** – funds offering pooled investment opportunities in secondary market purchases of interests in underlying funds; and
- **Direct Funds** – funds offering pooled investment opportunities in direct private equity investments, which are made alongside private equity sponsors leading such investments.

RCP’s advisory services include the identification, evaluation and selection of investment opportunities; performance of due diligence in connection with such potential investments; negotiation of investment terms; and monitoring the performance of each client’s portfolio. RCP manages the RCP Funds on a discretionary basis, in accordance with the terms of each client’s governing documents or advisory agreement. Because RCP provides advisory services to the RCP Funds, RCP does not tailor its advisory services to the needs of individual investors;

however, certain investors may not participate in all investments due to legal, tax, regulatory or other similar reasons.

Unlike the commingled RCP Funds, investors in separately managed accounts may individually negotiate investment objectives and restrictions, fee schedules and other terms. Separately managed accounts are typically subject to significant investment minimums, as described in Item 7, “Types of Clients.”

The RCP Funds are U.S. domiciled limited partnerships. Non-U.S. investors and U.S. non-taxable investors may elect to invest in the RCP Funds through feeder vehicles, which are typically structured as Cayman Islands Exempted Companies or Exempted Limited Partnerships (the “Feeder Funds”). The Feeder Funds invest exclusively in RCP’s U.S. domiciled limited partnerships. While RCP serves as investment manager of the RCP Funds, each RCP Fund has a general partner that is responsible for the daily operations of such RCP Fund, excluding the selection of such RCP Fund’s investments. The general partner for each RCP Fund is an affiliate of RCP. RCP has also formed vehicles to facilitate investments in multiple RCP Funds.

Interests in the RCP Funds are offered on a private placement basis. The interests are not registered under the Securities Act of 1933, as amended (the “Securities Act”) or under state securities laws, and rely on exemptions contained in the Securities Act and in state securities laws for transactions not involving a public offering. The RCP Funds are also exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Prior to investing in an RCP Fund, including any Feeder Fund, the investor must complete a subscription agreement and investor eligibility questionnaire.

RCP has claimed registration exemptions from certain non-U.S. jurisdictions, including Australia and certain Canadian provinces.

With respect to its non-discretionary advisory services, RCP makes recommendations to clients to invest in various private equity and co-investment opportunities using the research techniques RCP employs for its management of the RCP Funds. Non-discretionary clients are not obligated to make any recommended investment.

As of December 31, 2014, RCP managed client assets on a discretionary basis in the amount of \$3,335,800,045 in regulatory assets under management.¹ As of December 31, 2014, RCP managed \$558,297,150 in non-discretionary regulatory assets under management.²

RCP provides certain other services which do not constitute investment advisory services. These services are described in Item 10.

¹ The regulatory assets under management (“RAUM”) managed by RCP on a discretionary basis are calculated as the sum of: (i) the estimated value for such assets as of 12/31/14, plus (ii) the amount of remaining unfunded commitments with respect thereto as of 12/31/14. The values are estimates because, as of the date of this filing, RCP has not received the final 12/31/14 values from all of the underlying funds in which the RCP Funds invest.

² The RAUM managed by RCP on a non-discretionary basis are calculated as the sum of: (i) the reported value for such assets as of 12/31/14, plus (ii) the amount of remaining unfunded commitments with respect thereto as of 12/31/14.

Fees and Compensation

Item 5 Fees and Compensation

While fee structures may vary depending on the type of client (as explained below), the typical fee structure for an RCP Fund consists of (1) a management fee, which is based on a percentage of the RCP Fund's assets ("Management Fee"); (2) carried interest, which is a performance-based allocation ("Carried Interest"), as further described under Item 6, "Performance-Based Fees and Side-by-Side Management;" and (3) with respect to RCP Funds launched prior to 2010, due diligence fees, which are one-time upfront fees ("Due Diligence Fee"). Additionally, certain organizational and ongoing expenses are charged to each RCP Fund (as more fully described in each client's partnership agreement or offering materials), including but not limited to: fundraising-related expenses (including entertainment) and travel, investment related expenses and travel, consulting, brokerage, custody, insurance, taxes, legal, audit, extraordinary expense and other similar fees and expenses. The general partner of an RCP Fund may receive interest income on temporary investments (i.e. short term investments before capital contributions are invested) made by an RCP Fund. Brokerage fees may be incurred in accordance with the practices set forth in Item 12, "Brokerage Practices." For a Feeder Fund or a fund that allocates to multiple RCP Funds, there is no Management Fee, Carried Interest or Due Diligence Fee assessed at the fund level. Any such fees are deducted at the RCP Fund level.

MANAGEMENT FEE

Each RCP Fund generally pays an annual Management Fee to RCP up to a maximum of 1.00% of such RCP Fund's aggregate investor capital commitments, quarterly, in advance, commencing on such RCP Fund's first closing date or effective date and continuing through an anniversary of the first closing date or effective date, as set forth in the RCP Fund's offering materials. After a certain number of years, the Management Fee may be reduced or eliminated. The rates at which RCP's fees are charged and the timing of payments may vary among the RCP Funds.

An RCP Fund's general partner and RCP may agree to reduce RCP's Management Fee with respect to investors committing a minimum amount to such RCP Fund (which may be aggregated with such investors' investments in prior RCP Funds), as set forth in such RCP Fund's offering materials. Investors with commitments meeting such minimums are generally referred to as "Legacy Limited Partners." An RCP Fund's general partner and RCP may also agree to reduce or waive Management Fees for certain employees of RCP, members of an RCP Fund's general partner or affiliates of RCP, or an RCP Fund's general partner, as disclosed in such RCP Fund's offering materials or governing documents. Such employees, members or affiliates are generally referred to as "Affiliated Limited Partners." The general partner of an RCP Fund may in its discretion withhold distributions to pay any Management Fee due or expected to be due in the future.

For RCP Funds launched prior to 2011, RCP 1 pays RCP 2 a portion of the Management Fee for its services as sub-adviser. For RCP Funds launched in 2011 or later, RCP 2 serves as the investment manager and is paid the entire Management Fee. RCP generally deducts the Management Fee directly from a client's assets. Alternatively, clients may be billed separately.

CARRIED INTEREST

An investor in an RCP Fund may pay the RCP Fund's general partner a profit share (or "Carried Interest") after such investor has received distributions equal to the amount of its capital contributions, plus its applicable preferred return. The profit share and preferred return may vary by RCP Fund. In addition, the preferred return may vary across investors in the same RCP Fund, based on the closing at which an investor is admitted to such RCP Fund (or Feeder Fund) or on a minimum commitment amount (as specified in the applicable offering materials or governing documents). At the discretion of an RCP Fund's general partner, the Carried Interest for an investor may be reduced or waived, including for Legacy Limited Partners and Affiliated Limited Partners. Carried Interest with respect to an RCP Fund is paid to the general partner, which in turn distributes it to certain of RCP's members and employees who hold equity in the RCP Fund's general partner.

DUE DILIGENCE FEE

The Due Diligence Fee does not apply to RCP Funds launched in 2010 or later. The Due Diligence Fee is a one-time fee based on a percentage of a particular investor's commitment amount to an RCP Fund, and it is payable to such RCP Fund's general partner from such investor's capital account. The general partner reserves the right to waive this fee with respect to (a) Affiliated Limited Partners and (b) investors or groups of investors from the same referral source who commit a minimum amount to such RCP Fund, as determined by such RCP Fund's general partner and as set forth in such RCP Fund's offering materials or governing documents. The general partner may aggregate investments in prior and/or additional funds sponsored by RCP to count toward this minimum amount.

Below is a chart summarizing the types of compensation RCP or an RCP Fund's general partner typically receives from an RCP Fund. The chart has been provided for convenience only, and investors are urged to carefully review the applicable RCP Fund's offering materials and governing documents to fully understand the compensation paid to RCP and any RCP Fund's general partner.

<u>RCP Funds</u>	<u>Management Fee</u>	<u>Carried Interest</u>	<u>Due Diligence Fee</u>
<u>Core Fund</u>	<u>X</u>	<u>X</u>	<u>Varies by Core Fund</u>
<u>Graduate Fund</u>	<u>X</u>		
<u>Secondary Fund</u>	<u>X</u>	<u>X</u>	<u>Varies by Secondary Fund</u>
<u>Direct Fund</u>	<u>X</u>	<u>X</u>	
<u>Separately Managed Account</u>	<u>Varies by Relationship</u>		

COMPENSATION; WITHDRAWAL RIGHTS

The RCP Funds invest on a long-term basis. Accordingly, fees are paid during the term of the respective client, and withdrawal or redemption of interests is generally not permitted.

THIRD PARTY MANAGEMENT FEES AND EXPENSES

Each private equity investment vehicle or “underlying fund” in which an RCP Fund acquires an interest pays management fees, carried interest and other expenses to a management company and/or general partner that is not affiliated with RCP. Fees paid to RCP or its affiliates for investment advisory services are separate and distinct from the fees and expenses charged by an underlying fund’s independent investment adviser and/or general partner for such underlying fund’s advisory or management services. Direct Funds generally do not pay such third party management fees since the Direct Funds invest directly in equity investments and not in other private equity funds.

NON-DISCRETIONARY ADVISORY SERVICES

Non-discretionary clients pay an annual advisory fee as negotiated between RCP and the client, which fee is generally payable quarterly in advance. RCP bills its non-discretionary clients for its fees. In addition to the annual advisory fee, RCP may be paid a supplemental fee based on a percentage of capital commitments by the client to recommended investments. The percentage of capital commitments on which the supplemental fee is based varies as negotiated between RCP and the client. In some cases, RCP may receive a portion of returns from recommended investments made by non-discretionary clients. Each advisory agreement for RCP’s non-discretionary services generally has a term of multiple years. To the extent a client terminates a contract early, any unearned fees will be returned to the client. Because RCP does not have discretion over such client’s assets, RCP may be unable to secure preferential terms which are applicable to its discretionary clients. This may include differences in the fees and expenses of the underlying fund.

In certain instances, RCP may receive Carried Interest on the non-discretionary client’s portfolio. For structural reasons, members or employees of RCP may be entitled to receive such Carried Interest directly.

ADDITIONAL INFORMATION

Any of the fees set forth above are generally negotiable to the extent permitted by the client’s offering materials or governing documents. For example, RCP or the general partner for a client generally has the right to waive or reduce the Management Fee, Carried Interest or Due Diligence Fee for any client or underlying investor of such client. Any limitations on such waiver or reduction are set forth in the applicable client’s offering materials or governing documents.

Performance-Based Fees and Side-By-Side Management

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

As set forth in Item 5, “Fees and Compensation,” most RCP Funds pay both a Management Fee to RCP and a performance-based allocation (i.e., Carried Interest) to the RCP Fund’s general partner. The Carried Interest percentage varies by RCP Fund and generally does not accrue until after the investor’s capital contributions are returned along with the applicable preferred rate of return. As described in Item 5, investors in the same RCP Fund may have different preferred return rates.

Carried Interest received by an RCP Fund’s general partner is payable to certain of RCP’s members and employees who hold an equity interest in the general partner. For certain non-discretionary clients, the Carried Interest may be paid directly to members or employees of RCP. The Carried Interest amounts directly or indirectly received by RCP’s members and employees may vary by RCP Fund. The possibility of receiving Carried Interest and the variation in the structure of Carried Interest among RCP Funds may create an incentive for RCP to favor one RCP Fund over another or to make more speculative investments on behalf of an RCP Fund than it would otherwise make in the absence of such performance-based compensation. With later vintage RCP Funds, members and employees of RCP are not assessed Carried Interest with respect to their investments in such RCP Funds.

With respect to non-discretionary clients, RCP may be paid a portion of returns from recommended investments made by such clients.

Typically, only one Core Fund, Graduate Fund, Secondary Fund and Direct Fund is available to investors for investment at any one time. However, certain later vintage RCP Funds may have “Side by Side Funds,” or parallel investment entities created by RCP, such RCP Fund’s general partner or an affiliate thereof for the benefit of one or more investors to permit such Side by Side Fund to invest proportionately along with such RCP Fund and on the same terms and conditions in all investments by such RCP Fund made subsequent to the commencement of operations of such Side by Side Fund. Since the Core Funds, Secondary Funds and Direct Funds pursue different investment strategies, the RCP Funds are unlikely to face side-by-side management conflicts with respect to the allocation of investment opportunities among the different strategies. The Graduate Funds generally invest in only one private equity fund that is larger than, or whose investment strategy is otherwise inconsistent with that of the targeted private equity investments for the Core Funds, and therefore conflicts regarding investment opportunities should be minimal.

However, to the extent two or more clients are allocating to underlying funds at the same time (such as where RCP Funds following the same strategy have uncommitted capital or where a separate account is following the strategy of an RCP Fund), a potential conflict of interest exists, and allocations may be influenced by, among other things, investment restrictions, participation in other opportunities and compliance with laws as well as the relative size of the client. RCP follows a disciplined investment selection process and has adopted an investment allocation policy, which is intended to mitigate this risk and to prevent this conflict from influencing investment decisions. Employees of RCP are also subject to its Code of Ethics, which sets forth certain standards of business conduct that govern the personal investment activities of employees and officers of RCP, including the standard that the interests of advisory clients must be placed

first. RCP's processes with regard to clients investing concurrently with other clients is set forth in Item 10, "Other Financial Industry Activities and Affiliations" and Item 11, "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading."

Types of Clients

Item 7 Types of Clients

RCP provides investment advice to RCP Funds, non-discretionary advisory clients and separately managed accounts (which may be discretionary or non-discretionary).

Interests or shares in an RCP Fund or Feeder Fund are offered pursuant to applicable exemptions from registration under the Securities Act or equivalent foreign securities law (as applicable). Investors in an RCP Fund or Feeder Fund are subject to certain investor qualification standards and are required to make certain representations and warranties in the subscription agreement before they can purchase interests or shares in an RCP Fund or Feeder Fund. The investors participating in the RCP Funds may include pension and profit sharing plans, family offices, governmental entities, sovereign wealth funds, charitable organizations, high net worth individuals and other corporations or business entities and may include, directly or indirectly, the Managers or other employees of RCP and its affiliates.

While the general partner of a particular RCP Fund (or the directors of a Feeder Fund) may accept, in its discretion, investments of lesser amounts, the typical minimum investment for an RCP Fund or an investor in a Feeder Fund is as follows:

- Core Funds: \$500,000
- Graduate Funds: \$1,000,000
- Secondary Funds: \$1,000,000
- Direct Funds: \$1,000,000

In order to establish a non-discretionary account or a separate account, a potential investor must enter into a written investment advisory agreement with RCP, or the investor may invest in an entity established for the benefit of the separate account investor by completing a subscription agreement and eligibility questionnaire upon which RCP can rely in completing documentation for private equity investments. The minimum amount of investment required to establish a separate account is considered on a case-by-case basis taking into account a variety of factors including fee structure, investment restrictions and duration of commitment. Non-discretionary or separate account investors may also maintain investments in one or more RCP Funds.

Methods of Analysis, Investment Strategies and Risk of Loss

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

For the RCP Funds, RCP seeks to maintain a consistent investment strategy across the clients with the exception of the Graduate Funds. For the Core Funds and Secondary Funds, RCP invests in private equity buyout funds ranging in size between, generally, \$200 million to \$1 billion that then seek to invest in small-to-middle sized companies, typically with \$10 million to \$250 million in enterprise value. The Direct Funds seek to co-invest alongside these types of private equity buyout funds in small-to-middle sized companies. The Graduate Funds seek to invest in underlying buyout funds whose investment criteria are not consistent with RCP's typical investment mandate (e.g. buyout funds well in excess of \$1 billion in committed capital or buyout funds headquartered outside of North America). A separate account client may follow any of the foregoing investment strategies. The risks described herein with respect to the RCP Funds generally apply to any separate account client.

RCP selects the underlying funds in which the RCP Funds invest pursuant to RCP's Investment Process, key components of which include industry knowledge, awareness and sourcing of investment opportunities. RCP seeks to collect, process and analyze data on substantially all underlying fund managers within the lower middle market buyout universe on an ongoing basis (versus collecting such data only when an underlying fund manager is raising a new fund). Such data is based on numerous sources of information, including underlying fund marketing and due diligence materials, legal documents, portfolio company information, industry news sources, RCP's observations based on consistent contact with underlying fund managers (including face-to-face meetings and on-site visits), information and opinions from knowledgeable third parties, reputational information and reference checks. With respect to a Direct Fund, RCP generally makes co-investments alongside underlying funds that have an existing relationship with RCP, but RCP may make co-investments with underlying funds where no such relationship exists.

Investment in the RCP Funds and in separate accounts involves risk of loss, and such investors should have the ability to sustain the loss of their entire investment. There is no assurance that the performance of RCP or the RCP Funds will equal or exceed any past performance.

While prospective investors or clients should review the risk disclosures set forth in full in the applicable RCP Fund's offering materials or separate account documentation, the following are certain material risks with respect to investments in the RCP Funds or a separate account. These risks are qualified in their entirety for a particular RCP Fund by the risks set forth in such RCP Fund's private placement memorandum, other offering materials or governing documents.

- Long-Term Investment Investments in the RCP Funds are not intended to be short-term investments. Even if the investment strategy of an RCP Fund proves successful, it is unlikely to produce a realized return to its investors for a number of years.
- Reliance on Underlying Fund Management Many of the RCP Funds will be investing in underlying funds. The RCP Funds will not have an active role in the day-to-day management of the underlying funds in which they invest. Moreover, such RCP Funds will not have the opportunity to evaluate the specific investments made by any underlying fund. Accordingly, the returns of an RCP Fund will

primarily depend on the performance and recommendations of these underlying fund managers and could be substantially adversely affected by the unfavorable performance of the underlying funds' managers.

- Reliance on Portfolio Company Management The Direct Funds will be making minority equity investments in portfolio companies. The Direct Funds are not expected to have, or be permitted to have, an active role in the day-to-day management of the portfolio companies in which they invest. Accordingly, the investment performance of a Direct Fund will depend in large part on the performance and recommendations of each portfolio company's management team and the ability of the lead investor to recruit or retain qualified management. Any inability of a portfolio company's management to successfully manage and operate such portfolio company could have a substantial adverse impact on such Direct Fund's performance.
- Illiquidity; Restrictions on Transfer Investments in the RCP Funds represent highly illiquid investments and should only be acquired by investors able to commit capital for an indefinite period of time. Investors will not be permitted to transfer their interests in the RCP Funds without the written consent of the respective general partner, which may be withheld in its sole discretion, and the satisfaction of certain other conditions, including compliance with applicable securities laws.
- Risk of Inadequate Return The returns on a particular RCP Fund's investments, if any, may not be commensurate with the degree of risk of an investment in such RCP Fund. Investors should have the ability to sustain the loss of their entire investment.
- Multiple Fees and Expenses Investors in an RCP Fund will pay certain fees (as described in Item 5, "Fees and Compensation") and expenses of such RCP Fund and, to the extent applicable, will indirectly bear the fees (e.g., management fees to the sponsors of the underlying funds) and expenses of the underlying funds in which such RCP Fund invests. This will result in greater expense and less potential for return on investment than if such fees were not charged or such expenses incurred. Similarly, investors may pay Carried Interest to the RCP Fund's general partner in connection with an underlying fund's investments, and may indirectly pay carried interest to a sponsor of an underlying fund. It is possible that investors will pay Carried Interest to the RCP Fund's general partner in connection with an investment of an underlying fund even though the sponsor of such underlying fund did not receive a carried interest from such investment.
- Capital Calls Each RCP Fund will be required to meet capital calls of underlying funds over an extended period of time. Failure by an investor to meet any capital call by such RCP Fund could result in the failure of such RCP Fund to meet a capital call from an underlying fund, which could have adverse consequences for such RCP Fund and its other investors.
- RCP Funds Not Registered The RCP Funds are not registered under the Investment Company Act or any other U.S. federal or state securities laws or the

laws of any other jurisdiction. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, which will not be applicable to the RCP Funds.

- Currency Exposure and Cash Management The RCP Funds (with the exception of certain Graduate Funds) will be denominated in U.S. dollars and generally will make investments in underlying funds denominated in U.S. dollars. However, an RCP Fund may invest in an underlying fund that is denominated in another currency. The investment performance of a non-U.S. denominated investment will be affected by the currency exchange rate movements over the life of such investment, and investment returns of such RCP Fund may be adversely impacted. The liquidity of such RCP Fund may be affected by currency exchange rate movements to the extent such movement results in an RCP Fund committing more or less capital to the underlying funds in such RCP Fund's portfolio than the aggregate capital commitments such RCP Fund has from its investors. In addition, distribution claw backs by an underlying fund may result in an RCP Fund contributing more than the original distribution to the RCP Fund to the extent of any currency exchange rate fluctuations. Finally, non-U.S. investors will bear the risk of any currency fluctuations between each such investor's commitments denominated in U.S. dollars and such investor's domestic currency, which fluctuations may result in increased draw down obligations relative to such investor's domestic currency.
- Annual Tax Information It is expected that annual federal tax information from the underlying funds will not be received in sufficient time to permit the RCP Funds to incorporate such information into their respective annual federal tax information and to distribute such information to investors prior to April 15 of each year. As a result, investors in the RCP Funds will likely be required to obtain extensions for filing federal, state and local income tax returns each year.
- Tax Risks An investment in an RCP Fund involves complex tax considerations that will differ for each investor. In addition, the U.S. federal income tax treatment of an investment in an RCP Fund may be changed at any time by legislative, judicial or administrative action. Any such changes may have retroactive effect with respect to existing transactions and investments and may adversely affect such RCP Fund, its underlying funds and its investors. Each investor in an RCP Fund, including any Feeder Fund, should consult its own tax advisers with reference to its specific tax situation, including any applicable U.S. federal, state, local and non-U.S. taxes.
- Partner Giveback An investor in a particular RCP Fund may be required to return distributions it has received from the RCP Fund if such RCP Fund is obligated to return distributions it has received from an underlying fund or underlying investment because of an indemnification obligation of the RCP Fund to an underlying fund or underlying investment. In this event, the investor would be required to give back to the RCP Fund its pro rata share of the amount the RCP Fund is required to return to the underlying fund or underlying investment, subject to certain limitations as set forth in such RCP Fund's partnership agreement or other governing documents. Accordingly, an investor in such RCP

Fund may be required to return amounts previously distributed to it by such RCP Fund (subject to certain limitations as set forth in such RCP Fund's partnership agreement or other governing documents), even though such investor already paid taxes attributed to such amounts, and at a time when such investor may not have sufficient cash to satisfy such giveback obligation.

- Contingent Liabilities of the Secondary Funds In connection with the purchase of a secondary interest in an underlying fund, a Secondary Fund may acquire contingent liabilities of the seller of such interest. In particular, where the seller of such interest has received distributions from such underlying fund and, subsequently, such underlying fund recalls one or more of such distributions, such Secondary Fund (as purchaser of the interest to which such distributions are attributable) may be obligated to return cash equivalent to such distributions to the underlying fund. While such Secondary Fund may, in turn, have the right to make a claim against the seller of such interest for any such amounts so paid to the underlying fund, there can be no assurances that the Secondary Fund will be able to collect on such claim.
- Side Letters In accordance with common industry practice, the general partners of RCP Funds have entered and may enter into "side letters" or similar agreements with certain investors pursuant to which a general partner grants such investor in an RCP Fund specific rights, benefits or privileges that are not made available generally to other investors in such RCP Fund. Such side letters are not generally subject to the approval of other investors. The side letters have included and may include most favored nations provisions and grant investors more favorable fees, reporting, transparency or other rights.

Disciplinary Information

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client or prospective client's evaluation of RCP's advisory business or the integrity of RCP's management. RCP has no information to disclose applicable to this Item 9.

Other Financial Industry Activities and Affiliations

Item 10 Other Financial Industry Activities and Affiliations

RCP is not affiliated with any other investment advisers or broker-dealers.

Each RCP Fund has a general partner, which is responsible for the daily operations of such RCP Fund, excluding the selection of such RCP Fund's investments. None of the general partners of the RCP Funds has employees or other persons acting on such general partner's behalf other than officers and employees of RCP. Either RCP 1 or RCP 2 is the sole voting member of each of the general partners and, accordingly, has the ability to control the day-to-day operations of the RCP Funds.

Certain members and employees of RCP may spend substantially all of their business time and attention on multiple RCP Funds (as required pursuant to the terms of the RCP Funds' partnership agreements). As a result, the performance by these individuals of their obligations to one client could conflict with their responsibilities to other clients.

RCP and its affiliates may begin organizing and accepting capital commitments for other funds or other clients with investment objectives that are similar to those of the RCP Funds at any time. Unless otherwise prohibited by an RCP Fund's offering materials or other agreement, these additional clients may invest concurrently with existing clients and may be allocated investment opportunities that are not allocated to existing clients. A client may make an investment in an underlying fund in which another client has already invested or intends to invest. RCP may have a conflict of interest as to the investment allocation among such clients.

Situations may arise in which accounts managed by RCP have made investments that would have been suitable for investment by one client but, for various reasons, were not pursued by, or available to, another client. This could arise with respect to an underlying fund that, for example, places stringent restrictions on the number of investors whose money it will manage or their aggregate assets under management. As a result, certain underlying funds to which RCP would like to allocate assets may limit, or be unable or unwilling to accept, an allocation of such client's assets. To the extent that entities affiliated with RCP invest in underlying funds, the ability of a client to invest in the same underlying fund may be adversely affected by any limitation on availability of the investment.

There may be instances when allocating investments among clients where some clients may participate in certain opportunities made available to RCP while other clients may not. Where accounts have competing interests in a limited investment opportunity, RCP does not typically allocate investment opportunities pro rata among clients but rather allocates investment opportunities on the basis of numerous other considerations, including, without limitation, the percentage of committed capital already allocated to investment opportunities, investment objectives and restrictions, participation in other opportunities, appropriate design and balancing of investment portfolios of such account, compliance with applicable laws, and tax concerns as well as the relative size of different accounts' same or comparable portfolio holdings.

As a general matter, RCP will allocate its investment opportunities to its discretionary clients based on each client's target allocation prior to making allocations to non-discretionary clients.

However, where sufficient manager capacity exists, RCP will seek to allocate based on each client's target allocation.

RCP may organize for the benefit of a separate account client(s) a fund to invest on a proportional basis with an RCP Fund in underlying funds. RCP refers to such funds as side by side funds or parallel funds. Because such funds generally invest on a proportional basis with the RCP Fund, the funds are not typically subject to the allocation restrictions set forth below.

Notwithstanding the foregoing, certain limitations generally apply with respect to RCP's ability to make investments on behalf of a newly established RCP Fund, if such newly established RCP Fund has investment objectives that are substantially similar to those of an existing RCP Fund, including until such existing RCP Fund has invested (or reserved) at least 75% of its capital commitments. For a full explanation of these limitations that may or may not apply to a particular RCP Fund, investors should refer to the governing documents or offering materials of the relevant RCP Fund(s). These limitations are intended to help alleviate the conflicts, with respect to the allocation of investment opportunities between an existing RCP Fund and a newly established RCP Fund. Such limitations do not completely alleviate allocation conflicts, and RCP Fund investors should understand that, to the extent RCP Funds have uncommitted capital, the potential for a conflict exists.

Non-discretionary clients generally are required to acknowledge that they are subject to actual and potential conflicts of interest with RCP with respect to the allocation of investment opportunities. In particular, clients are required to acknowledge that RCP will first make recommendations to clients over which it exercises investment discretion prior to making any recommendations to non-discretionary clients. Accordingly, non-discretionary clients may be disadvantaged to the extent that investment opportunities are not offered to the client or are otherwise limited. In addition, RCP may negotiate preferential terms for its discretionary clients which may not be available to a non-discretionary client. Finally, it is possible that one non-discretionary client may also be subordinate to another non-discretionary client.

An investor in an RCP Fund (which may be a separate account client) may invest in an underlying fund or participate in a direct equity investment in which an RCP Fund is invested. In certain instances, RCP may notify an investor of an investment opportunity if such opportunity is not appropriate for the RCP Funds or if sufficient investment capacity exists such that an RCP Fund would not be disadvantaged if the investor participated in such investment opportunity.

RCP maintains an advisory board for its RCP Funds (the "Funds' Board"), excluding the Direct Funds which maintain distinct boards for each Direct Fund. Members of the Funds' Board are not limited to investors in the RCP Funds and may include an investor's investment adviser. To the extent an investment adviser is on the Funds' Board, the investment adviser may be more likely to recommend to its clients an investment in an RCP Fund. Members of the Funds' Board have no authority to act on behalf of any RCP Fund and receive no compensation (other than reimbursement of reasonable out-of-pocket expenses in connection with their service).

RCP also maintains a management company advisory board (the "Advisory Board"). Members of this Advisory Board may also be investors in the RCP Funds. Further, such persons may own or be affiliated with third party investment advisers and, in this capacity, may cause or recommend that the clients of such third party investment adviser invest in the RCP Funds.

An investor in an RCP Fund may be affiliated with or related to an underlying fund in which RCP causes an RCP Fund to invest.

NON-ADVISORY SERVICES

Separate and apart from its advisory business, RCP 2 offers its subscribers access to its GPScout manager research platform (the “Service”). The Service provides subscribers with independent research and due diligence tools to assist in the identification and evaluation of private fund opportunities. GPScout, a web-based platform, allows subscribers access to RCP’s library of research and analyses. Subscribers can pay either an annual or monthly fee to subscribe to the Service.

The Service does not constitute investment advice or an offer to invest or provide management services. An investor in an RCP Fund or an advisory client of RCP may subscribe to GPScout; however, the Service does not constitute investment advice notwithstanding other advisory services RCP may provide such investor (if any) or advisory client. RCP 2 does not represent the managers in the database, their affiliates or any of their investment funds or products, and manager reports are not a recommendation of the manager’s services or any investment fund managed by the manager. RCP 2 will not disclose on the Site whether it maintains an investment with any such manager. All manager performance and other information has been obtained from the manager, public sources or a third party. RCP 2 makes no representations or warranties with respect to the accuracy of any such information.

RCP may have entered into a confidentiality agreement with the manager that restricts its ability to share information with third parties, including the recipient of the Service. Due to such confidentiality restrictions, RCP may be unable to include certain information on the Site. In addition, RCP may maintain a separate research file for its discretionary and non-discretionary advisory clients. Such files may contain information which is not included in the GPScout database and could be deemed material to a subscriber. Accordingly, when material differences between the information provided to RCP’s advisory clients and the information provided to a subscriber exist, RCP will have a conflict of interest with such subscriber. Please note that any conflicts will be resolved in favor of RCP’s advisory clients and not the subscriber.

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

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

CODE OF ETHICS

RCP has implemented a Code of Ethics as required by Rule 204A-1 under the Advisers Act, which is incorporated in RCP's Investment Advisory Compliance Manual. RCP's Code of Ethics sets forth certain standards of business conduct that govern the personal investment activities of employees and officers of RCP, including the standard that the interests of advisory clients must be placed first at all times.

RCP's Code of Ethics requires "access persons" (officers and supervised persons with access to client information) of RCP to report their personal securities transactions to RCP on a quarterly basis and their securities holdings upon commencement of employment (or upon becoming an access person) and annually thereafter. Access persons also must obtain approval from RCP's Chief Compliance Officer before they acquire any ownership interest in any security in an initial public offering or limited offering. The Code of Ethics requires all employees and officers of RCP to comply with applicable federal securities laws and to promptly report any violation of the Code of Ethics to RCP's Chief Compliance Officer.

A copy of RCP's Code of Ethics will be provided upon request to any investor or prospective investor in the RCP Funds and to any separate account client or prospective separate account client. A copy of the Code of Ethics may also be obtained by writing to: RCP Advisors, LLC, Attn: Chief Compliance Officer, 100 N. Riverside Plaza, Suite 2400, Chicago, Illinois 60606-1519.

RCP and its investment committee seek to ensure that RCP and its members, employees and affiliates do not personally benefit from underlying fund investment recommendations. Pursuant to the respective partnership agreements of the RCP Funds, each RCP Fund's general partner is required to cause each of its members who are actively involved in its business to present to the respective RCP Fund all buyout fund investment opportunities (and direct investment opportunities in the case of a Direct Fund) that come to the attention of such members during the respective client's investment period. Furthermore, as mentioned above, access persons must obtain approval from RCP's Chief Compliance Officer before they acquire any ownership interest in any underlying fund or other limited offering.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Certain related persons (i.e., members and some employees) of RCP will indirectly receive a portion of the Carried Interest paid to the general partners of the RCP Funds or a separate account by being or becoming members of RCP or of such general partners. The Carried Interest allocation may vary among clients. While RCP intends to allocate investment opportunities among clients in a manner that it believes is fair and equitable, the possibility of receiving Carried Interest and the variation of the structure of Carried Interest among clients may create an incentive for RCP to favor one client over another and to recommend more speculative investments on behalf of a client. As detailed in Item 6, "Performance-Based Fees and Side-by-

Side Management” and Item 10, “Other Financial Industry Activities and Affiliations,” RCP’s disciplined investment selection process is intended to mitigate this risk.

Brokerage Practices

Item 12 Brokerage Practices

RCP, as the investment manager of the RCP Funds, has the discretion to determine the underlying funds (and direct equity investments in the case of a Direct Fund) in which the respective RCP Funds invest. Investments in underlying funds (and direct equity investments in the case of a Direct Fund) are negotiated on a private placement basis by RCP. RCP typically does not utilize broker-dealers in connection with such investments; however, RCP may pay a “finder’s fee” to a broker for introducing a Secondary Fund to a prospective seller whose interest in an underlying fund is ultimately acquired by such Secondary Fund.

To the extent a client receives an in-kind distribution of securities that may be publicly traded or private, RCP will generally seek to liquidate the securities as quickly as possible. Such liquidation may be through a privately negotiated transaction, which may not utilize a broker, or to the extent publicly traded, through a broker. In liquidating publicly traded securities and if delegated the authority to do so, RCP will select the broker to effectuate the liquidation. In selecting a broker, RCP may consider a variety of factors, including: (i) the reliability, integrity, financial condition and execution capability of the firm being considered for effecting the transactions in light of the size and difficulty of executing the order, and (ii) the reasonableness of the commissions in light of the services being provided.

RCP’s allocation of investment opportunities among clients is described in Item 6, “Performance-Based Fees and Side-By-Side Management,” Item 10, “Other Financial Industry Activities and Affiliations” and Item 11, “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.”

Review of Accounts

Item 13 Review of Accounts

RCP continuously monitors the portfolios of the RCP Funds and clients over which it exercises investment discretion. RCP's investment committee, supported by RCP's investment team, is responsible for such monitoring. Members of RCP's investment committee are:

- William F. Souder, Senior Managing Principal;
- Thomas P. Danis, Jr., Managing Principal;
- Jeff P. Gehl, Managing Principal;
- Charles K. Huebner, Managing Principal;
- Jon I. Madorsky, Managing Principal; and
- David M. McCoy, Principal.

Monitoring activities include but are not limited to: participation in underlying funds' annual meetings; membership on the advisory boards of the underlying funds (to the extent such membership is granted by the underlying funds); consistent contact with the managers of the underlying funds in an effort to remain apprised of all developments in the underlying funds' portfolios; and ongoing evaluation of the state of the market generally.

Internally, RCP's investment team endeavors to circulate a Portfolio Monitoring Report for each underlying fund on a semi-annual basis (shortly after receipt of the respective underlying fund's quarterly report). The Portfolio Monitoring Report provides a high level summary of such underlying fund's performance, including the current valuation as reported by the underlying fund's manager. For direct investments, the investment team endeavors to create quarterly updates with financial information for each direct investment from the deal sponsor. These updates are presented to the portfolio manager for review and approval. Any performance issues or concerns are highlighted in the Portfolio Monitoring Report and/or direct investment quarterly update (as applicable) and discussed with RCP's investment committee.

Each RCP Fund provides to its investors the following written reports: annual audited financial statements of the RCP Fund; quarterly unaudited account statements specific to each investor; and quarterly portfolio reports. U.S. income tax information is furnished annually. With the exception of U.S. income tax information, the Feeder Fund investors generally receive the same reports. In addition, RCP hosts an annual meeting for investors in the RCP Funds. RCP may provide non-discretionary clients with certain unaudited quarterly and annual reports as set forth in the applicable advisory agreement.

Client Referrals and Other Compensation

Item 14 Client Referrals and Other Compensation

While no firms or other persons solicit advisory clients on behalf of RCP, RCP has entered into agreements with various entities to act as placement agents on behalf of one or more of the RCP Funds (or a Feeder Fund) for the purpose of referring eligible investors for investment in such RCP Funds. Pursuant to these written agreements, RCP typically pays such placement agents a percentage of the capital invested in an RCP Fund by investors referred to such RCP Fund by such placement agent. Such agreements also require that RCP agree to indemnify the placement agent for certain losses, claims or damages to which the placement agent may be subject in connection with its engagement by RCP. These agreements require the placement agent to meet the disclosure and other requirements of Rule 206(4)-3 under the Advisers Act. Furthermore, these agreements require the referred investor to execute a fee disclosure statement, which discloses the existence of the relationship between RCP and the placement agent as well as the fact that the placement agent will earn a fee in connection with such referred investor's investment in such RCP Fund. The terms of the agreements may vary depending upon the circumstances. Management Fees and Due Diligence Fees (as described in Item 5, "Fees and Compensation") may be used to pay such placement agents, at the discretion of the general partner of the respective RCP Fund, but investors in the RCP Funds do not pay greater fees (Management Fees, Due Diligence Fees or any other fees) to RCP or its affiliates as a result of such agreements.

RCP endeavors at all times to put first the interests of the RCP Funds and those of the investors in the RCP Funds as part of RCP's fiduciary duty to its clients. Nevertheless, the receipt of compensation by the placement agents as described above creates a conflict of interest, and may affect the judgment of such placement agents when referring eligible investors to RCP and the RCP Funds.

Custody

Item 15 Custody

RCP or the respective general partner of an RCP Fund may be deemed to have custody of an RCP Fund's (or Feeder Fund's) assets. Custody of the RCP Funds' assets is maintained in compliance with applicable rules and regulations set forth in the Advisers Act. Where required, cash and securities are maintained at a financial institution meeting the definition of "qualified custodian" under the Advisers Act. In addition, the financial statements of each RCP Fund are audited annually and distributed to investors within 180 days of the applicable fiscal year-end of the respective RCP Fund.

RCP has implemented written policies and procedures to ensure compliance with the Advisers Act custody requirements. RCP periodically reviews the effectiveness of its custody controls.

Investment Discretion

Item 16 Investment Discretion

Subject to the investment objectives and limitations of each RCP Fund, as set forth in such RCP Fund's offering materials and governing documents or separate account governing documents, RCP has the discretion to determine the underlying funds (or co-investments, in the case of a Direct Fund) in which such client invests and the amounts of such investments. With respect to a Secondary Fund, RCP also has the discretion to determine the price at which such Secondary Fund acquires interests in underlying funds.

RCP's investment decisions are made in accordance with RCP's investment policy, which takes into account multiple criteria, including the investment objectives and strategy of the client; such client's size and amount of capital available for investment; such client's diversification requirements; available investment opportunities appropriate for such client; and current and anticipated market conditions.

By subscribing for an investment in an RCP Fund and executing the applicable subscription agreement, each investor agrees that such RCP Fund is formed for the object and purpose of, and the nature of the business to be conducted and promoted by such RCP Fund is, operating generally as a fund-of-funds (or fund organized to invest in direct equity investments, in the case of a Direct Fund) in the manner described in such RCP Fund's offering materials, including, without limitation, (i) making, holding and disposing of investments in private equity funds or entities selected by RCP that offer the potential for capital appreciation and investment returns, and (ii) engaging in all activities and transactions on behalf of such RCP Fund as the general partner of such RCP Fund may deem reasonably necessary, advisable, convenient or incidental in connection therewith.

RCP has entered and may enter into side letters with investors in an RCP Fund in which RCP's investment discretion is altered or varied. Such terms may include, in some cases, the investor's right to opt out of certain investments for legal, tax, regulatory or other similar reasons.

Voting Client Securities

Item 17 Voting Client Securities

Clients invest in private equity funds (and, with respect to the Direct Funds, in private companies). With respect to non-discretionary services, RCP generally will not have the ability to vote with respect to an underlying fund investment. In these circumstances, non-discretionary clients will receive their proxies directly from the applicable underlying fund or company. With respect to each RCP Fund or client over which RCP exercises discretion, either RCP or the general partner has the authority to vote securities. RCP will evaluate issues that may have an impact on the economic value of a client's underlying investment (or, in the case of a Direct Fund, company) and will seek to ensure that such client votes with a view toward maximizing the economic value of the investment at the time of the decision or by determining that a particular vote is in the best interest of the client. All amendments to partnership agreements with respect to private equity investments are recorded by RCP as proxy votes.

Neither RCP nor a client typically receives distributions of public securities or otherwise holds public securities. In the event any RCP Fund were to receive a distribution of securities in-kind, such client would expect to immediately sell such securities for cash pursuant to the terms of such client's offering materials or governing documents. Thus, proxy voting for in-kind distributions is not generally applicable to RCP's business. In the event a client's general partner did need to vote a security, RCP would seek to ensure that such general partner generally votes to maximize the position's economic value or by determining whether a particular vote was in the best interest of the RCP Fund.

Clients may obtain a copy of RCP's proxy voting procedures or information about how RCP voted by writing to: RCP Advisors, LLC, Attn: Chief Compliance Officer, 100 N. Riverside Plaza, Suite 2400, Chicago, Illinois 60606-1519.

Financial Information

Item 18 Financial Information

Registered investment advisers are required in this Item 18 to provide certain financial information or disclosures about their financial condition. RCP does not require the prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item.