

Item 1. Cover Page

Form ADV Part 2A

Hicks, Muse & Co. Partners, L.P.

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This brochure provides information about the qualifications and business practices of Hicks, Muse & Co. Partners, L.P. If you have any questions about the contents of this brochure, please contact William G. Neisel at 214-740-7350. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about us is available on the SEC's website at www.adviserinfo.sec.gov.

We are a registered investment adviser. Registration does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Item 2. Material Changes

There have been no material changes since Hicks, Muse & Co. Partners, L.P.'s last annual Brochure, dated March 25, 2014. We did file an other-than-annual amendment on September 10, 2014, to reflect changes made as a result of the sale of all of the assets managed by the relying advisor HM Capital Partners I, L.P. and the distribution of all of the resulting cash proceeds. Accordingly, the September 10, 2014 Brochure update reflected the following changes in Items 1 and 10, as appropriate:

1. HM Capital Partners I LP has been deleted as a relying advisor.
2. The related general partners of funds that have liquidated are no longer listed.

Item 3. Table of Contents

Item 1. Cover Page.....	1
Item 2. Material Changes	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation	4
Item 6. Performance-Based Fees and Side-By-Side Management	5
Item 7. Types of Clients	5
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9. Disciplinary Information	9
Item 10. Other Financial Industry Activities and Affiliations	11
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Item 12. Brokerage Practices	16
Item 13. Review of Accounts.....	19
Item 14. Client Referrals and Other Compensation.....	19
Item 15. Custody	19
Item 16. Investment Discretion.....	19
Item 17. Voting Client Securities.....	17
Item 18. Financial Information	18
Item 19. Requirements For State Registered Investment Advisers	18

Item 4. Advisory Business

Hicks, Muse & Co. Partners, L.P. (“HMC,” “us,” “we,” and “our”), based in Dallas, Texas, was formed as a Texas limited partnership in December 1993. HMC is (i) owned by Thomas O. Hicks, John R. Muse, Jack D. Furst, Dan H. Blanks, Eric C. Neuman, Joseph V. Colonna, Peter S. Brodsky, and Andrew S. Rosen and (ii) managed by John R. Muse and Andrew S. Rosen (our “Partners”).

We provide discretionary investment advice solely to private equity funds that sought substantial long-term capital appreciation by making privately negotiated equity investments in lower to middle-market sized companies primarily headquartered in the United States and Latin America. We sought to invest in buyouts and recapitalizations of privately-held companies and non-core subsidiaries of larger companies, companies requiring growth capital, and control or other positions under which significant influence could be exercised over a company’s management and strategic direction. The private equity funds are referred to in this brochure as the “Funds” or our “Clients.” Investors in the Funds are referred to in this brochure as “investors” or “limited partners.”

Our private equity funds no longer have committed capital available to make new investments.

Wrap Fee Programs

We do not participate in wrap fee programs.

Assets Under Management

As of December 31, 2014, we managed \$759,914,783 of Client assets on a discretionary basis. We do not manage Client assets on a non-discretionary basis.

Item 5. Fees and Compensation

Management Fees

Our Funds no longer pay management fees.

Other Fees

We may receive directors’ and other similar fees and financing or other transaction fees in connection with the activities of the Funds (“Other Fees”). In addition, we may be reimbursed by the Funds’ portfolio companies for expenses we incur in connection with

our performance of the services that give rise to Other Fees. The financing or other transaction fees that we receive with respect to a portfolio investment are generally determined with reference to a Financial Advisory Agreement with the portfolio company and are typically agreed to at the closing of the Fund's investment in the portfolio company. Additional fees may be due upon the early termination of a Financial Advisory Agreement. Any such fees are not subject to offset against management fees, since the Funds no longer pay management fees.

Each Fund will typically pay all costs and expenses relating to its operations, including, but not limited to: legal, auditing, consulting and accounting fees and expenses (which may include third party expenses associated with gathering information for and preparing Form PF); expenses of third party administrators and custodians; expenses of meetings of its advisory committee and of or with its limited partners; insurance, indemnification and other expenses associated with the acquisition, holding and disposition of portfolio investments; all extraordinary expenses, such as litigation; interest on and fees and expenses arising out of all permitted borrowings made by the Fund; all third-party expenses relating to unconsummated transactions; all expenses of liquidating the Fund; and any taxes, fees or other government charges levied against the Fund and expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund. Neither we nor any of our "supervised persons" accepts compensation for the sale of securities or other investment products.

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

The general partner of each Fund (in each case our affiliate) was generally entitled to a "carried interest" on such Fund's profits in accordance with the provisions of such Fund's limited partnership agreement. The "carried interest" was generally equal to a percentage of the investment proceeds distributable by a Fund in excess of the capital invested by such Fund's limited partners, and often was subject to a preferred return. The general partner of each Fund was also generally subject to a "clawback" of "carried interest" previously received to the extent that it had received cumulative distributions in excess of amounts otherwise distributable to the general partner by such Fund as "carried interest", applied on an aggregate basis covering all transactions of the applicable Fund.

None of our remaining Clients are expected to be subject to or pay a carried interest.

Item 7. Types of Clients

We provide discretionary investment advice solely to private equity funds. Investment advice is provided directly to the Clients (subject to the direction and control of the General Partner of each such Fund, if applicable) and not individually to investors in such vehicle.

We did not have a minimum size for a Fund, but minimum investment commitments were established for investors in the Fund as set forth in each Fund's Governing Documents. In their sole discretion, the General Partners of the Funds permitted investments below the minimum amounts set forth in the offering documents of such Fund.

Client investors are sophisticated, private investors, consisting of high net worth individuals and family office vehicles, corporations, fund of funds vehicles, foundations and trusts, and public and private pension plans. The requirements for investing in a Fund vary among the Funds and are set forth in the Governing Documents of each Fund. All Funds impose requirements that investors qualify as "accredited investors" and "qualified clients," and some Fund require that investors also qualify as "qualified purchasers" under the Investment Company Act of 1940, as amended.

In certain circumstances, we may also serve as investment manager to various co-investors who may invest alongside the Funds in certain portfolio companies. Certain limited partners of the Funds may be permitted to co-invest directly in a particular portfolio company. Co-investor limited partners do not pay a management fee or carried interest with respect to the co-investments, but may bear certain expenses (e.g., legal and other expenses associated with a portfolio company investment). We select and selected which limited partners are/were permitted to co-invest in a particular portfolio company based on various factors, including the sophistication of the investor, the ability of the investor to fund and complete the investment on a timely basis and for strategic or other reasons as more fully described in the applicable Fund's limited partnership agreement.

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

Investment Strategies and Methods of Analysis

We generally sought investment opportunities in buyouts and recapitalizations of privately-held companies and non-core subsidiaries of larger companies, as well as in other companies requiring growth capital, primarily headquartered in the United States and Latin America. We generally sought to make equity investments in companies with enterprise values (generally equity value plus debt) ranging between \$200 million and

\$500 million, and we typically sought majority control or the ability to exercise influence over a company's management and strategic direction.

Our investment strategy does not include short selling or frequent trading. Our private equity funds no longer have committed capital available to make new investments.

Investment Focus

Lower to Middle-Market Companies

We generally sought to make equity investments in companies with enterprise values ranging between \$200 million and \$500 million. We were attracted to companies of this size because we believed they were typically small enough for us to acquire effective control and implement strategic change, but still of sufficient scale to be market leaders in their sectors. Furthermore, we believed that focusing on companies in this range offered a broader array of possible exit opportunities after they were transformed.

Change Capital

We sought to emphasize a change capital strategy for our investments, whereby we attempted to pursue opportunities with under-managed, under-capitalized or under-appreciated assets and transform them into strategically relevant companies that may command a premium price. We sought to leverage our sector expertise and management relationships to pursue attractive change capital candidates that would otherwise be unattractive, unavailable or unknown to other buyers.

We generally focused on buyouts, leveraged recapitalizations and growth investments.

Company Characteristics

We generally sought to invest in companies in our sectors of expertise that:

- Were cash flow generative with proven business models.
- Possessed a franchise, brand or market position that is difficult to duplicate.
- Derived the majority of their revenue from mature, developed world economies.
- Were market leaders in their sub-sectors, or had the capacity to become so.
- Were resistant to economic cycle fluctuations.
- Were of a size permitting control of or significant influence on the company.

Investment Process

Our private equity funds no longer have committed capital available to make new investments.

Ongoing Evaluation of Change Capital Strategy and Exit Opportunities

We work closely with company management to identify and execute value-added projects that can be implemented within our relevant investment time horizon. We generally look to harvest an investment in a portfolio company once the majority of the value-enhancement strategy is complete. Our decision regarding exit timing and methods are based principally on expectations regarding a portfolio company's future operations, trends in industry valuation levels and capital market conditions.

Risk Factors

Private equity investing involves significant risks that a Fund and its investors should be prepared to bear. Also, investing in the Funds involves significant risks relating both to the types of investments contemplated and our ability to achieve the investment objectives. The discussion below of risks associated with private equity investments does not purport to be an exhaustive list of all risks associated with an investment in our Funds. Applicable risk factors, including potential conflicts of interest, are more fully described in each respective Fund's offering memorandum.

Risk of Loss of Capital. Investing in securities involves the risk of loss of capital. While we believe that our investment processes, strategy and research techniques mitigated the investment risk through a careful selection of investment opportunities, no guarantee or representation is made that we will achieve a Fund's investment objectives or that we will be successful.

Nature of Investments. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Investments by a Fund may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. Moreover, rising interest rates may have a more pronounced effect on the profitability or survival of such companies. If for any of these or other reasons a portfolio company is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness, meet financial or other covenants required by such indebtedness, or make regular dividend payments, the value of the respective Fund's investment could be significantly reduced or even eliminated.

General Economic Conditions. General economic conditions may affect a Fund's

activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of portfolio investments made by the respective Fund or considered for prospective investment. Portfolio investments can be expected to be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of a Fund's portfolio investments. No assurances can be given as to the effect of these events on a Fund's investment objectives.

Illiquid and Long-Term Investments. Although portfolio investments may generate current income, the return of capital and the realization of gains, if any, from a portfolio investment generally will most likely occur only upon the partial or complete disposition of such portfolio investment. While a portfolio investment may be sold at any time, it is generally expected that the disposition of most of the respective Fund's portfolio investments may not occur for a number of years. There may not be a public market for the securities held by a Fund at the time of acquisition. The respective Fund generally will not be able to sell its securities publicly unless the sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases, the respective Fund may be prohibited or limited by contract from selling certain securities for a period of time and, as a result, may not be permitted to sell a portfolio investment at a time it might otherwise desire to do so.

Portfolio Company Management Risks. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. Although we expect to monitor each portfolio company's management team, each portfolio company's management team will have day-to-day responsibility for the business of such portfolio company.

Concentration of Investments. Each Fund will participate in a limited number of portfolio investments and, as a consequence, the aggregate return of each Fund may be affected by the performance of a single portfolio investment or a single sector of focus. Furthermore, to the extent that the capital raised is less than the targeted amount, the respective Fund may invest in fewer portfolio companies and thus be less diversified.

Disposition of Private Investments. Fund investments may involve securities for which there is no liquid market. In connection with the sale or other disposition of such securities, a Fund may be required to make representations about the business and financial affairs of the investment, typical of those made in connection with the sale of

a business. A Fund may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. Accordingly, subsequent to the disposition of an investment, whether or not for a profit at the time of sale, there may be a contingent liability that must be satisfied by the limited partners of such Fund, to the extent of distributions made to them.

Risks Related to Investment in the Communications Sector. The Funds may have significant amounts of investments in companies that operate in the communications sector. Communications companies are undergoing significant changes, mainly due to evolving levels of governmental regulation or deregulation as well as the rapid development of communication technologies. Competitive pressures within the communications industry are intense and the securities of communications companies may be subject to significant price volatility. In addition, because the communications industry is subject to rapid and significant changes in technology, some of the companies that the Funds will invest in will face competition from technologies being developed or to be developed in the future by other entities, which may make such companies' products and services obsolete.

Control Position. The Funds generally sought investment opportunities that allowed the Funds to have significant influence on the management, operations and strategic direction of the portfolio companies in which they invested. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of a Fund to claims by a portfolio company's security holders and creditors. While we intend to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Board Participation. The Funds may be represented on the boards of directors of certain of their portfolio investments. Although such positions may be important to our investment strategy and may enhance our ability to manage the investment, they may also impair our ability to sell the investment when, and upon the terms, we may otherwise want. It may also subject us and our Funds to claims we would not otherwise be subject to, including claims of breach of duty of loyalty, securities claims and other director-related claims. In addition, it is possible there may be a conflict of interest with our duty of care to a portfolio company as a board member and our duty of care to a Fund.

Non-U.S. Investments. Our funds invested outside of the United States. Foreign securities involve risks not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, (ii) differences between the U.S. and foreign securities markets, (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (iv) certain economic and political risks, (v) obtaining foreign governmental approvals and complying with foreign laws and (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities. Furthermore, the legal systems in these countries may offer no effective means for a Fund to seek to enforce its rights or otherwise seek legal redress.

Item 9. Disciplinary Information

Like other registered investment advisers, we are required to disclose all material facts regarding any legal or disciplinary events that would materially impact a limited partner's evaluation of us or the integrity of our management team. No events have occurred at our firm that are applicable to this Item.

Item 10. Other Financial Industry Activities and Affiliations

We are not registered, nor do we have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. We are also not registered, nor do we have any application pending to register, as a futures commission merchant or an associated person of a futures commission merchant.

The general partners of certain Funds have filed for an exemption from registration as a commodity pool operator and we are subject to an exemption from registration as a commodity trading advisor.

The following entities are the general partners of the Funds, each of which is indirectly controlled by one or more of our Partners:

- HM3/GP Partners, L.P.
- Hicks, Muse GP Partners III, L.P.
- HM4 Partners, L.P.
- HM Equity Fund IV/GP Partners (1999), C.V.
- Hicks, Muse GP Partners IV, L.P.
- Hicks, Muse GP (1999) Partners IV, L.P.
- Hicks, Muse Latin America & Co., L.P.

- Hicks, Muse GP Partners L.A., L.P.
- HMLA2/GP LLC

Kainos Capital, LLC (“Kainos”), a Delaware limited liability company and a registered investment advisor, is owned in part by a portion of our Partners and may be considered related to us. Kainos manages private equity funds and makes control investments in food and consumer product companies located in North America. We are co-located at the same address as Kainos and have substantially the same employees as Kainos.

See, *Conflicts of Interest* in Item 11 below.

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

Code of Ethics

We have adopted a “Code of Ethics,” which is included as a part of our “Compliance Manual” and which (along with any amendments) is provided to each employee and will be made available to Clients upon request. Our Code of Ethics contains certain standards to be followed by our employees and requires our employees to comply with all applicable federal securities laws. Also, our Compliance Manual (including our Code of Ethics) informs our employees on what constitutes material, nonpublic information and the laws and requirements relating to insider trading and confidentiality of nonpublic information.

Each employee must certify that he or she has read, understands and agrees to comply with our Compliance Manual. Each employee must also certify annually that he or she has complied with the Compliance Manual. We hold an annual compliance training session and attendance is mandatory for all employees.

Our “Access Persons” (all employees except for certain employees involved only in clerical and administrative activities) are required to notify us of all of their securities holdings and accounts and to submit to us within 30 days after the end of each calendar quarter securities transaction reports identifying all securities purchased and sold. Furthermore, we require that each Access Person re-affirm the accuracy of his or her list of accounts and securities on record with us at least annually. Access persons are required to obtain our approval before investing in any initial public offering of securities or in any private placement of securities.

Conflicts of Interest

Participation or Interest in Client Transactions. We may receive fees from the Funds' portfolio companies for performing consulting and other services for, or serving as directors (or similar positions) of, such companies. This potential conflict of interest is mitigated in part because (i) the general partner has a capital commitment in each Fund; (ii) our consulting, servicing and board member fees are negotiated with the applicable portfolio company management teams; and (iii) our fees are disclosed to the investors in Funds that pay or paid management fees.

Allocation of Investment Opportunities. Our private equity funds no longer have committed capital available to make new investments.

Where possible and appropriate, we may have offered certain persons (other than the general partners and their affiliates), including limited partners or other third parties, co-investment opportunities. The Funds may have co-invested through partnerships, joint ventures or other entities with third parties that may have economic or business interests or objectives that are different than or conflict with those of the Funds.

Allocation of Exit Opportunities. In the event multiple funds own the same security, unless otherwise approved by the applicable Fund's advisory committee or limited partners in accordance with the terms of such Fund's limited partnership agreement, we will allocate the exit opportunity pro-rata based on the amount of such securities held by each Fund.

Principal Transactions. We do not anticipate entering into principal transactions, where we or any of our affiliates purchase or sell any security for our own account from or to the account of any Fund. In the event that we (or our affiliate) may engage in a principal transaction, we will obtain the approval of the applicable Fund's advisory committee or limited partners in accordance with the Fund's limited partnership agreement.

Cross Transactions. We are not affiliated with a registered broker-dealer and as such cannot engage in agency cross transactions. While unlikely, we may engage in a cross transaction, where one Client purchases or sells a security for its account from or to the account of another Client. In the event of a cross transaction, we will obtain any required Client approvals, including that of a Fund's advisory committee or limited partners in accordance with the terms of such Fund's limited partnership agreement.

Allocation of Personnel. Our Partners have ongoing duties with respect to Kainos and will, therefore, be unable to devote all of their business time to the Funds. We believe this potential conflict of interest is mitigated by the general partner's capital commitment to the respective Funds.

Conflicts with Portfolio Companies and Access to Inside Information. Our Partners, officers, employees, or affiliates may serve as directors of certain entities through which a Fund will hold portfolio investments and, in that capacity, may be required to make decisions that consider the best interests of such entity and its shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of such an entity, actions that may be in the best interest of the entity may not be in the best interests of a Fund, and vice versa. Accordingly, in these situations, there may be conflicts of interest between such individual's duties as our Partner, officer, employee or affiliate and such individual's duties as a director of the entity. Further, these entities may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of Kainos that, although consistent with the requirements of a Fund's limited partnership agreement, may not have otherwise been entered into but for the affiliation with Kainos.

As a result of participation by our Partners, officers, employees or affiliates on the boards of directors of certain companies, and/or as a result of confidentiality agreements or non-disclosure agreements entered into by us or a Fund, a Fund may be deemed to be in possession of material, non-public information. Such possession of material, non-public information may create a conflict of interest between our representatives' duties and obligations to the companies on whose boards such representatives participate and a Fund's ability to effect purchases and sales of the securities of such companies in the best interest of a Fund.

Conflicts Relating to the General Partner and the Adviser. We generally may, in our discretion, contract with any related person (including but not limited to a portfolio company of a Fund) to perform services in connection with our provision of services to the Funds. When engaging a related person to provide such services, we may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

We generally may, in our discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) us or a related person (including but not limited to a portfolio company of a Fund) or (ii) an entity with which we or our affiliates or a member of their personnel has a relationship or from which we or our affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, we may, because of our financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

We, our affiliates, and partners, officers, principals and our employees and their affiliates may buy or sell securities or other instruments that we have recommended to Funds. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by Funds. Such transactions are subject to the policies and procedures set forth in our Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. If our officers, principals and employees have made large capital investments in or alongside the Funds they may have conflicting interests with respect to these investments.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by us, are reimbursed by a Fund and/or its portfolio companies, we may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Services to Portfolio Companies

As described in Item 5 above, we and our affiliates may perform services for, and may receive directors' and other similar fees and financing or other transaction fees in connection with the activities of the Funds. In addition, we may be reimbursed by the Funds' portfolio companies for expenses we incur in connection with our performance of the services that give rise to Other Fees (including without limitation travel expenses, which may include expenses for chartered or first class travel). The financing or other transaction fees that we receive with respect to a portfolio investment are generally determined with reference to a Financial Advisory Agreement with the portfolio company. Additional fees may be due upon the early termination of a Financial Advisory Agreement. This may create a conflict of interest between us and our affiliates and the Funds and their investors because the amounts of these fees and reimbursements may be substantial and the Funds and their investors generally do not have an interest in these fees and reimbursements. We determine the amount of these fees for related services and reimbursements in our own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements may not be disclosed to investors in the Funds. In many cases with respect to the implementation of such arrangements, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest may exist in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

Diverse Membership. The investors in the Funds include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments

in a Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by a Fund and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by us or our affiliates, including with respect to the disposition of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. We and our affiliates consider the investment and tax objectives of each Fund, not the investment, tax or other objectives of any investor individually.

Business with Portfolio Companies and Investors. Given the collaborative nature of our business and the portfolio companies in which the Funds have invested, there may be situations where we are in the position of recommending portfolio company services to other portfolio companies. We may have a conflict of interest in making such recommendations, in that we have an incentive to maintain goodwill with our existing portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds.

We may have an incentive to recommend the products or services of certain investors in the Funds, certain third parties, or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

Portfolio companies controlled by a Fund may provide services to certain Fund investors. We may have an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund.

We and/or our affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company).

We have service providers, including for example, investment bankers, outside legal counsel and pension consultants, who are investors in Funds and/or who provide services to businesses that are our competitors. We may have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds of our affiliates or will provide us information about markets and industries in which we operate or are interested or will provide other services that are beneficial to us. There is a possibility that we, because of

such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain members of a Fund's advisory committee are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in another Fund. The general partner of a Fund may from time to time utilize the services of investors and their affiliates on an arm's length basis, as it deems appropriate.

Side Letter Agreements. We may enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to, information rights, co-investment rights, and liquidity or transfer rights.

Other Potential Conflicts. We and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, us and/or our affiliates, the parties may engage separate counsel in the sole discretion of us and our affiliates, and in litigation and other circumstances separate representation may be required. Additionally, we and the Funds may engage other common service providers. In such circumstances, there may be a conflict of interest between us and the Funds in determining whether to engage such service providers, including the possibility that we may favor the engagement or continued engagement of such persons if a benefit is received from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds.

We may, in our discretion, have, and may, in our discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of us. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between us and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that we may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The partnership agreements (or analogous organizational documents) of certain Funds may permit the general partner of each such Fund to cause such Fund to distribute such

general partner's share of securities resulting from an investment disposition by such Fund to such general partner or its affiliates in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the general partner and the limited partners of the applicable Fund, because the general partner may have an incentive to cause the Fund to exit an investment at a time that may result in limited partners receiving a lesser return on such investment than would be the case if the general partner was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as limited partners). Furthermore, the general partner, or its affiliates, may receive distributions in kind from an investment disposition. In the event the general partner, or its affiliates, receive such a distribution, the general partner may act in its own interest with respect to its share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as the general partner shall determine. The ability of the general partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the general partner or affiliate, as an adviser to the Fund, and the Fund.

The partnership agreements (or analogous organizational documents) of certain Funds permit each such Fund's general partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The general partner may elect to withhold certain information to such limited partners for reasons relating to the general partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Item 12. Brokerage Practices

We focus on making investments in private securities, and thus do not engage in traditional brokerage transactions, utilize any soft dollar relationships with any broker, receive client referrals in connection with selecting or recommending broker-dealers for the Funds, nor permit investors to stipulate the direction of brokerage. We do not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Funds because the securities that we typically purchase or sell on behalf of the Funds are acquired and/or disposed of in privately negotiated purchase and sale transactions.

From time to time, we may use a broker to effect transactions in public securities resulting from, or in connection with, portfolio investments. In those instances, we have full discretionary authority with respect to the selection of, and commissions paid to,

brokers. If we determine to engage a broker, we will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness to us.

We do not receive soft dollar benefits or client referrals from broker-dealers in connection with Client transactions.

Item 13. Review of Accounts

Our Partners are responsible for oversight of the monitoring and exit processes and review the accounts of each of the Clients on a quarterly basis. Our Partners also review the Clients' accounts whenever a determination is made as to a distribution.

Limited partners in the Funds are provided with audited annual financial reports and quarterly unaudited summary financial information as required in accordance with the terms of the Funds' respective limited partnership agreements. This information may be provided electronically. Limited partners are also provided with annual tax information.

Item 14. Client Referrals and Other Compensation

We do not receive any monetary compensation or any other economic benefit from a non-client for our provision of investment advisory services to Clients.

We receive compensation in the form of fees paid by the Funds, as disclosed in the Governing Documents. We or certain of our affiliates may have the right to receive certain non-investment advisory fees in connection with the Funds' investments and portfolio companies, as described in the Funds' Governing Documents. For example, we may be entitled to receive (i) certain professional services or related fees from a portfolio company in connection with certain transactions; (ii) certain monitoring or consulting fees from a portfolio company for services provided to the portfolio company; and (iii) fees for serving on the board of directors of a portfolio company.

Item 15. Custody

The Investment Advisers Act of 1940 Rule 206(4) (the "Custody Rule") requires that pooled investment vehicles advised by the adviser either undergo an annual generally accepted accounting principles ("GAAP") financial statement audit or be subject to a surprise custody examination by an SEC-registered auditing firm. We are deemed to have custody over Client funds because of the ability of our General Partners to deduct fees. We have elected to undergo an annual GAAP financial statement audit for each of

our Clients in order to meet the Custody Rule requirements.

Clients are audited annually and we deliver to the Funds and their limited partner investors a copy of the annual audited financial statements within 120 days of the fiscal year end.

We do not, however, take physical possession of client funds or securities; securities are held by our qualified custodians and called capital is directly sent or wired into the respective Fund's bank account. We receive monthly statements regarding our custody and bank accounts.

Item 16. Investment Discretion

We entered into an investment management agreement with certain of the Funds. The management agreement and / or the management authority granted to each Fund's general partner pursuant to each respective Fund's limited partnership agreement provides us directly or through the respective general partner with full discretion to determine investments to be purchased and sold on behalf of the Fund and the terms of the related transactions. Limitations on our investment discretion are set forth in the investment management agreement (if any) with, and the limited partnership agreements of, the Funds.

Item 17. Voting Client Securities

While the securities evidencing the private equity investments made by the Funds are not typically the subject of proxies, there could be certain circumstances where we, having discretionary authority over the Funds, may be asked to vote the securities of the Funds on restructuring or other corporate matters. We will ensure that a record of each securities position held by each Fund is maintained and, where any such vote is to occur, have procedures to cast votes in a timely manner.

We will also determine whether there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interest of a Fund. If we determine that there is no material conflict of interest, then we will make the voting determination and take the required voting action. If we determine that, due to a conflict of interest, we are not capable of making an independent determination as to the voting decision, the voting decision will be that recommended by the applicable Fund's advisory committee. The Funds cannot direct our vote in a particular solicitation. Each Fund is controlled by its general partner (our affiliate) and, as such, each Fund is aware of how we voted with respect to its securities. We do not consider service on

portfolio company boards by our personnel or the receipt of nominal board fees to create a material conflict of interest in voting proxies with respect to such companies.

Limited partners may contact us for information on how we voted proxies, if any.

Item 18. Financial Information

Registered investment advisers are required in this Item 18 to provide certain financial information or disclosures about their financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to limited partners, and have not been the subject of a bankruptcy proceeding.

Item 19. Requirements For State-Registered Investment Advisers

Not Applicable