

FIRM BROCHURE

PRINCETON INVESTMENT ADVISORS, LLC

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This brochure provides information about the qualifications and business practices of Princeton Investment Advisors, LLC. If you have any questions about the information contained in this brochure, please contact us at (609) 514-9200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of offering and governing documents that contain a description of the material terms relating to such investments, products or services.

Additional information about Princeton Investment Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

December 31, 2014

Item 2: Material Changes

In this Item 2, we are required to identify and discuss all material changes since our last annual update of the old Part II of Form ADV, or to include these changes in a separate document accompanying this Brochure.

There have not been any material changes since our initial brochure dated June 19, 2014.

For each subsequent year, we will deliver to you a summary of all material changes, if any, that have occurred since the date of the last Brochure, together with an offer to provide a copy of the updated Brochure, and information on how you may obtain the updated Brochure (either by e-mail or in hard copy form by mail).

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or contact our Chief Compliance Officer, Joy Sheehan, at 609-514-1004 or jsheehan@princetonadvisory.com.

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Item 4: Advisory Business

FIRM DESCRIPTION AND OVERVIEW

Princeton Investment Advisors, LLC a Delaware Limited Liability Company a private equity fund manager, was formed in 2014. We intend to provide investment management and other services solely to our affiliated private equity investment funds (each a “Fund” and, collectively, the “Funds”) with respect to private equity investments. We anticipate that one of the Funds will elect to be a business development company (the “Business Development Company”) pursuant to section 54 of the Investment Company Act of 1940 (the “1940 Act”). Our investment advice is provided in accordance with the investment objectives, strategies, guidelines, restrictions and limitations described in the applicable offering and/or governing documents for each Fund, and the information in this brochure is qualified in its entirety by the information set forth in such documents.

We are not a general or limited partner of any of the Funds. Instead, certain of our affiliates intend to serve as general partners to any of the Funds formed as a limited partnership and, in such capacity, our affiliates may be deemed to be “investment advisers” as defined in the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Such affiliates intend to rely on our investment adviser registration instead of separately registering as investment advisers with the Securities and Exchange Commission (the “SEC”) under the Advisers Act. **See Item 10.** Except as the context otherwise requires, any reference to “we,” “us,” or “our” in this document includes Princeton Investment Advisors, LLC and any affiliates relying on our registration.

PRINCIPAL OWNERS

The owners of Princeton Investment Advisors, LLC are Capital Point Equity Partners, LLC, a Texas limited liability company, of which Alfred Jackson, our Managing Partner owns 100% and Princeton Advisory Group, Inc., a New Jersey Corporation, of which Munish Sood our Chief Executive Officer owns 100%.

TYPES OF ADVISORY SERVICES

We provide investment management and other services solely to the Funds primarily with respect to investments in established and successful middle market portfolio companies located across the United States. We provide investment advisory services with respect to each Fund in accordance with the investment objectives, policies and guidelines set forth in such Fund’s offering and governing documents. In general, we provide investment advice with respect to investments (either directly or indirectly) in debt, both secured and unsecured, senior and subordinate, as well as equity securities such as warrants, preferred and common equity securities. We do not provide advice with respect to investments other than private equity investments. Investment in a Fund does not create an advisory relationship between an investor in such Fund and us. **See Item 8 below.**

INVESTMENT RESTRICTIONS

We provide investment advice to each Fund in accordance with the investment objectives, policies and guidelines set forth in the applicable offering and/or governing documents, and not in accordance with the individual needs or objectives of any particular investor in that Fund. Investors are not permitted to impose restrictions or limitations on the management of the Funds. Notwithstanding the foregoing, the general partner of each Fund may enter into side letter agreements with one or more investors in that Fund that alter, modify or change certain terms of the interests held by those investors.

ASSETS UNDER MANAGEMENT

Princeton Investment Advisors, LLC is a newly-formed adviser and does not have assets under management as of the date of this brochure. All of the assets that we intend to manage will be on a discretionary basis.

Item 5: Fees and Compensation

FEE SCHEDULES

We generally are entitled to receive management fees & incentive fees, and certain of our affiliates are entitled to receive carried interest distributions, with respect to the Funds. While our fees are described in detail in the applicable offering and/or governing documents, a summary of the basic fee schedule applicable to the Funds is set forth below:

As it relates to the Business Development Company:

The base management fee is calculated at an annual rate of 1.75% of the Fund's gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents. For services rendered under the investment advisory agreement, the base management fee is payable quarterly in arrears. For the first quarter of operations, the base management fee will be calculated based on the initial value of the Fund's gross assets. Beginning with the second quarter of operations, the base management fee will be calculated based on the average value of the Fund's gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters. Base management fees for any partial month or quarter will be appropriately pro-rated.

We will also receive an incentive fee. The incentive fee consists of two components that are independent of each other, with the result that one component may be payable even if the other is not.

The first component, which is income-based, will be calculated and payable quarterly in arrears, commencing with the quarter beginning July 1, 2014, based on the Fund's Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter. For this purpose, Pre-Incentive Fee Net Investment Income means, in each case on a consolidated basis, interest income, distribution income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that the Fund receives from portfolio companies) accrued during the calendar quarter, minus Fund operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement, any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

The operation of the first component of the incentive fee for each quarter is as follows:

- no incentive fee is payable in any calendar quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the Hurdle Rate of 2.00% (8.00% annualized);
- 100% of the Fund's Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the Hurdle Rate but is less than 2.50% in any calendar quarter (10.00% annualized) is payable to us. We refer to this portion of our Pre-Incentive Fee Net Investment Income (which exceeds the Hurdle Rate but is less than 2.50%) as the "catch-up." The effect of the "catch-up" provision is that, if such Pre-Incentive Fee Net Investment Income exceeds 2.50% in any calendar quarter, we will receive 20% of such Pre-Incentive Fee Net Investment Income as if the Hurdle Rate did not apply; and
- 20% of the amount of such Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.50% in any calendar quarter (10.00% annualized) is payable to us (once the Hurdle Rate is reached and the catch-up is achieved, 20% of all Pre-Incentive Fee Net Investment Income).

The portion of such incentive fee that is attributable to deferred interest (such as PIK interest or original issue discount) will be paid to us, together with interest from the date of deferral to the date of payment, only if and to the extent we actually receive such interest in cash, and any accrual will be reversed if and to the extent such interest is reversed in connection with any write-off or similar treatment of the investment giving rise to any deferred interest accrual. Any reversal of such amounts would reduce net income for the quarter by the net amount of the reversal

(after taking into account the reversal of incentive fees payable) and would result in a reduction and possibly elimination of the incentive fees for such quarter.

There is no accumulation of amounts on the Hurdle Rate from quarter to quarter and, accordingly, there is no clawback of amounts previously paid if subsequent quarters are below the quarterly Hurdle Rate and there is no delay of payment if prior quarters are below the quarterly Hurdle Rate. Since the Hurdle Rate is fixed, as interest rates rise, it will be easier for us to surpass the Hurdle Rate and receive an incentive fee based on Pre-Incentive Fee Net Investment Income.

The Fund's net investment income used to calculate this component of the incentive fee is also included in the amount of its consolidated gross assets used to calculate the 1.75% base management fee. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

As it relates to each Fund that is not the Business Development Company:

We generally receive an annual management fee equal to:

- (i) during the commitment period, 1.75% of the aggregate commitments to the Fund; and
- (ii) after the commitment period, between 1.65% and 1.75% of the aggregate cost basis (before write downs) of all portfolio assets then held by the Fund that have not been fully realized less all distributions pursuant to item (i)(a) below.

The management fees are payable quarterly in advance.

In addition, net proceeds attributable to realized investments and current income ("Distributable Cash") is distributed to investors in the following order of priority (subject to the terms and conditions set forth in the applicable governing documents):

- (i) First, 100% to all investors in proportion to their respective capital contributions until the cumulative amount distributed to them equals the sum of: (a) the cost basis of all realized investments plus the cumulative amount of any write downs of portfolio securities not theretofore distributed to such investors; and (b) the cumulative amount of operating expenses paid by the Fund allocated to realized investments in which such investor participated and not theretofore distributed..
- (ii) Second, 100% to all investors in proportion to their respective capital contributions until each respective investor has received distributions sufficient to provide it with a cumulative internal rate of return of 8%.
- (iii) Third, (a) if the Distributable Cash results from a realized investment, 100% to our affiliate until it has an amount equal to 20% of the total amount distributed pursuant to item (ii) above and this item (iii) and (b) if the Distributable Cash results from current income, 80% to our affiliate and 20% to all investors in proportion to their respective capital contributions with respect to such current income source until our affiliate has received an amount equal to 20% of the total amount distributed pursuant to item (ii) above and this item (iii).
- (iv) Thereafter, 80% to all investors in proportion to their respective capital contributions and 20% to our affiliate as a carried interest.

Upon termination of a Fund, our affiliate will be required to restore funds to such Fund to the extent that it has received cumulative distributions in excess of amounts otherwise distributable to it pursuant to the distribution regime set forth above, applied on an aggregate basis covering all transactions of that Fund.

Management fees and/or carried interest distributions with respect to the Funds and each investor generally are not negotiable.

PAYMENT OF FEES

As it relates to the Business Development Company:

Management fees and incentive fees are payable quarterly in arrears.

As it relates to each Fund that is not the Business Development Company:

Management fees are payable quarterly in advance. The general partner of each Fund has the discretion to pay management fees from capital contributions drawn for such purpose, proceeds received in respect of any investments, or any other funds or other assets determined by the general partner to be available. Management fees payable with respect to any period will be reduced by any transaction, investment banking or similar fees, after provision for any related expenses. In the event that a Fund is dissolved or our advisory services are terminated, a proportionate amount of any received and unearned management fees will be refunded to the applicable investor(s).

Carried interest distributions are calculated and allocated from time to time upon the receipt of net cash proceeds from realized investments.

OTHER FEES AND EXPENSES

As it relates to the Business Development Company:

Except for the compensation and routine overhead expenses of personnel allocable to the investment advisory services we will provide, all other out-of-pocket costs and expenses of our operations and transactions will be paid by the Fund, including, without limitation, those relating to:

- calculating the net asset value (including the cost and expenses of any third party independent valuation firm);
- fees and expenses payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for us and in monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments;
- interest payable on debt, if any, incurred to finance our investments and expenses related to unsuccessful portfolio acquisition efforts;
- offerings of our common stock and other securities;
- base management and incentive fees;
- administration fees and expenses, if any, payable under the administration agreement (including the allocable portion of the adviser's overhead in performing its obligations under the administration agreement, including rent and the allocable portion of the cost of the Fund's chief compliance officer, chief financial officer and their respective staffs);
- transfer agent, dividend agent and custodial fees and expenses;
- U.S. federal and state registration fees;
- all costs of registration and listing our stock on any securities exchange;

- U.S. federal, state and local taxes;
- independent directors' fees and expenses;
- costs of preparing and filing reports or other documents required by the SEC or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- costs and fees associated with any fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs;
- proxy voting expenses; and
- all other expenses incurred by us in connection with administering our business.

As it relates to each Fund that is not the Business Development Company:

In addition to management fees and carried interest distributions, each Fund pays all costs and expenses relating to the Fund's activities, including (i) except to the extent paid for by portfolio companies, all expenses of the Fund relating to investigating, negotiating, documenting, acquiring, monitoring, disposing, collecting or recovering investments of the Fund (including travel and other out of pocket expenses); (iv) domestic and foreign taxes, fees and charges payable by the Fund; (v) fees and disbursements of outside audits and insurance; (vi) fees and disbursements of attorneys, consultants and other professionals; (vii) interest and expenses payable by the Fund on any indebtedness incurred by the Fund; (viii) up to \$750,000 of organizational costs; (ix) broken deal expenses; (x) expenses of members of the Board of Advisors; (xi) the amounts paid to any indemnified person pursuant to the partnership agreement of the Fund; and (xii) expenses of annual meetings of investors. Each Fund generally is responsible for and pays any brokerage and custodial fees and expenses. See Item 12 below.

COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

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

PERFORMANCE-BASED FEES

As noted under Item 5 above, we may be entitled to receive incentive fees and our affiliate(s) may be entitled to receive carried interest distributions with respect to the Funds. Incentive fees and carried interest distributions, due to our relationship with our affiliates, could motivate us to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. The method of calculating the incentive fees and carried interest may result in conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions. Certain of our individual employees, agents and affiliates may be compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflict. Additionally, actual or potential conflicts of interest arise in connection with our charging of incentive-based fees on certain Funds while managing other Funds at the same time for asset-based fees. We, our employees and our supervised persons may have an incentive to favor any account for which we receive incentive-based fees. To address these actual or potential conflicts of interest, our trade allocation policies prohibit the consideration of the compensation or other benefits received by us or our affiliates, or by any of our officers or employees, when allocating trades among participating Funds.

Further, we have adopted a Code of Ethics as required under SEC rules. We have also adopted written compliance policies and procedures as required under SEC rules. We believe our compliance policies and procedures are reasonable designed to prevent, detect and cure violations by us, our employees and our supervised persons of the Advisers Act and other applicable federal securities laws. Our policy is to manage each Fund consistent with applicable law and with the other Funds that we manage. To that end, we have procedures in place which we believe are reasonably designed to treat the Funds, our clients, fairly and prevent them from being systematically favored or otherwise disadvantaged. We also attempt to address these conflicts through full and fair disclosure in the applicable offering documents and this brochure.

Item 7: Types of Clients

TYPES OF CLIENTS

We only provide investment advisory services to our affiliated Funds.

ACCOUNT REQUIREMENTS

As it relates to the Business Development Company:

There is no minimum investment amount required to invest in the Business Development Company.

As it relates to each Fund that is not the Business Development Company:

In general, the minimum initial capital commitment required for an investor in a Fund is \$3,000,000, although capital commitments of lesser amounts may be accepted in the discretion of the applicable general partner.

Each investor in the Fund generally is required to represent that it is, among other things, an “accredited investor,” as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), and a “qualified purchaser,” as such term is defined in Section 2(a)(51)(A) of the 1940 Act.

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

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The primary strategy of each Fund is to make mezzanine investments in a diversified mix of established and successful middle market companies located across the United States.

The Funds invest primarily in senior subordinated debt with warrants, but also opportunistically co-invest in other structured debt and equity securities in order to optimize the risk/reward profile of each portfolio investment. Each investment is grounded primarily in debt securities which generate significant current cash income through fees and current interest, but also has an equity element, typically in the form of warrants for common stock.

Key elements to our investment strategy include:

Strong and Diversified Deal Flow – We utilize our wide contact network to discover a variety of mezzanine investment opportunities. Our broad network of deal flow sources is a key strength and element to our success. Deal flow is generated from our professionals' diverse backgrounds and collective depth of experience. Strong deal flow provides us the opportunity to be selective with which investments are pursued, thus optimizing the Fund's risk/return profile. We will generally review 100 - 150 new investment opportunities each year. While traditional investment bankers are a source of deals to us, historically the majority of closed investments are sourced from non-traditional intermediaries such as brokers, boutique intermediaries, referrals (e.g., banks, lawyers, or accountants) and directly from the equity sponsor groups, board members, management teams, or others close to portfolio companies.

Broadly Diversified Investments – The Fund is focused on investment opportunities in companies in the lower middle market with an annual EBITDA less than \$25 million and annual revenues ranging from \$20 to \$200 million. These companies will have proven profitable operations and sustainable business models. Portfolio companies include a wide variety of manufacturers, consumer and business service companies, distributors, and other business types which are geographically dispersed across the U.S., with no significant concentration in any state or region. We also diversify by investing alongside sponsor groups and in non-sponsored companies with established management teams. The Fund diversifies by investing not only in buyout transactions, but also in refinances, recapitalizations, acquisitions, organic growth situations, and other types of transactions, many of which are not accessible to traditional buyout-focused private equity sponsors.

Responsive & Opportunistic – Our investment style includes rapid response to new investment opportunities. The breadth and depth of our team gives us the capability to pursue a wide universe of new investment opportunities, narrowing this wide field down to select investments believed to have the best risk/reward profile. Our prompt response provides for opportunistic investing and pricing as well as repeat business from its referral sources.

Extensive Due Diligence – We believe in performing an extensive amount of internal due diligence on all new investments. Analytical efforts extend well beyond the financial statements. Each new portfolio company's business model, management team, internal systems and employee structure, relationships with customers and vendors, the industry's competitive landscape, and other factors are all evaluated in the due diligence process. We physically go to each company's headquarters and other key operating sites as a part of our due diligence process. Our team has a great deal of experience and depth in performing and managing due diligence. Additionally, we augment our internal due diligence with outside professionals when appropriate.

Proactive Portfolio Management – We strive to be a proactive, value-added partner with all portfolio companies. We seek representation or observation rights on all portfolio company boards of directors. We seek to have meaningful input with each portfolio company's strategic and major tactical decisions and maintain regular contact with each of the Fund's portfolio companies. We are an active investor and bring our team's years of experience, wide base of contacts, and diversified investment background to each company. In situations when investments are ripe for harvesting, we often help play a key role in driving an exit event.

The investment strategies summarized above are not intended to be comprehensive. For more information regarding our investment strategies, please see the offering document of the applicable Fund.

CERTAIN RISK FACTORS

Potential investors should be aware that an investment in one of the Funds involves a high degree of risk. There can be no assurance that the Fund's investment objective will be achieved, or that an investor will receive a return of its capital. In addition, there will be occasions when we or our affiliates may encounter potential conflicts of interest in connection with a Fund. The following considerations should be carefully evaluated before making an investment in a Fund.

No Assurance of Investment Return. The Fund cannot provide assurance that it will be able to choose, make and realize upon its investments. There can be no assurance that the Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments and transactions described herein. There can be no assurance that any investor will receive any distribution from the Fund. Accordingly, an investment in the Fund should only be considered by persons who can afford a loss of their entire investment. Past performance of investments made or managed by the principals provides no assurance of future success.

Nature of Fund Investments. Most of the Fund's investments will be highly illiquid, and there can be no assurances that the Fund will be able to realize a return on such investments in a timely manner or at attractive prices. As a result, investment in the Fund requires a long-term commitment, with no certainty of return. In some circumstances, investors may receive distributions in kind. The Fund's investments will involve the purchase of privately-issued debt and/or equity securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or pursuant to an exemption from registration under the Securities Act. Registering securities under the Securities Act requires a substantial investment of the principals' time and attention and a substantial investment of cash by the issuer of those securities. There can be no assurances that private purchasers will be found for the Fund's investments or that a market for the securities held by the Fund would exist even following registration.

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

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

Debt and Preferred Securities. The Fund may invest in debt and preferred securities which are rated in the lower rating categories by the various credit rating agencies or, more commonly, in comparable non-rated securities. Securities in the lower rating categories and comparable non-rated securities are subject to greater risk of loss of principal and interest than higher-rated and comparable non-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings and comparable non-rated securities in the case of deterioration of general economic conditions. The market for lower-rated and comparable non-rated securities is thinner, often less liquid, and less active than that for higher-rated and comparable non-rated securities, which can adversely affect the prices at which these securities can be sold and may even make it impracticable to sell such securities.

Leverage. The Fund's investments are expected to include portfolio companies with significant levels of debt. Such investments are inherently more sensitive than others to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such portfolio companies will increase the exposure of those companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio

company or its industry. Because the securities in which the Fund will invest will likely be subordinated and among the most junior in a portfolio company's capital structure, the inability of a portfolio company to service its debt obligations could result in a loss of the Fund's investment.

Projections. The Fund may rely upon projections developed by the General Partner, the Management Company or a portfolio company concerning the portfolio company's future performance and cash flow. These projections will be based upon certain assumptions and upon information provided by and judgments made by management of the relevant portfolio company. These projections will be only estimates of future results and, therefore, there can be no assurance that the projected results will be achieved. Actual results may vary significantly from the projections, and general economic conditions and other factors out of the control of the Management Company may negatively impact the reliability of the financial projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values and cash flow.

Minority Investments. The Fund's portfolio investments will generally represent minority interests in portfolio companies and the Fund may hold minority voting positions (if any) on the boards of directors of certain portfolio companies. The Fund may not be able to control or exercise substantial influence over such portfolio company.

Reliance on Management of Portfolio Companies. While it is the intent of the Fund to invest in portfolio companies with proven operating management in place, there can be no assurance that such management will continue to operate successfully. Although the Management Company will monitor the performance of each investment, the Fund will rely upon portfolio company management to operate the portfolio companies on a day-to-day basis and equity sponsors or shareholders who control the boards of directors of the portfolio companies to select qualified management for such companies.

Lack of Diversification. While, in general, following the Outside Date, no more than 20% of the committed capital will be concentrated in any one portfolio company, the Fund, by its nature, will only make a limited number of portfolio investments. The Fund may participate in a limited number of investments and, as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavorable performance of even a single Fund investment.

Restrictions on Transfer and Withdrawal. Investment in the Fund requires the financial ability and willingness to accept significant risk and illiquidity. An investment in the Fund requires a long-term commitment, with no certainty of return. The subscribed interests in the Fund (the "Interests") have not been registered under the Securities Act or any other applicable securities laws. There is no public market for the Interests and none is expected to develop. In addition, the Interests are not transferable except with the consent of the General Partner, which generally may be withheld by the General Partner in its sole discretion, and are subject to the terms and conditions of the Partnership Agreement. Limited Partners generally may not withdraw from the Fund. Consequently, Limited Partners may not be able to liquidate their investments prior to the end of the Fund's term. See "*Section VI. Summary of Principal Terms - Withdrawals; Transferability of Limited Partnership Interests.*"

Difficulty of Locating Suitable Investments. The business of the Fund is highly competitive. The success of the Fund will depend on the ability of the Fund, the General Partner and the Management Company to identify suitable portfolio investments and to negotiate and arrange the closing of appropriate transactions. Although the principals have been successful in identifying suitable investments in the past, the Management Company will be competing for investment opportunities against other providers of mezzanine financing, and the Management Company may be unable to identify a sufficient number of attractive investment opportunities for the Fund to meet its investment objectives. There can be no assurances that there will be a sufficient number of suitable investment opportunities to enable the Fund to invest all of its capital commitments in opportunities that satisfy the Fund's investment objective, or that such investment opportunities will lead to completed investments by the Fund. Identification of attractive investment opportunities generally will be subject to market conditions. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the

board of directors or owners of a target, consummating the transaction is subject to myriad uncertainties, only some of which are foreseeable or within the control of the Management Company or the General Partner. Further, over the past several years, an increasing number of private investment funds focusing on mezzanine investments have been formed (and many such existing funds have grown in size). No assurance can be given that the Fund will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the Fund will be achieved.

Reliance on the General Partner, Management Company and Principals. The General Partner and the Management Company will have exclusive responsibility for the Fund's activities, and, other than as may be set forth herein and in the Partnership Agreement, Limited Partners will not be able to make investments or any other decisions in the management of the Fund. Investors will have no opportunity to control the day-to-day operations of the Fund, including investment and disposition decisions. In order to safeguard their limited liability for the liabilities and obligations of the Fund, Limited Partners must rely entirely on the General Partner and the Management Company to conduct and manage, respectively, the affairs of the Fund, including their ability to select the investments to be made using the capital available to the Fund. The success of the Fund will depend in large part upon the skill and expertise of the principals and other key employees of the General Partner and the Management Company. There can be no assurance that any of those individuals will continue to be associated with or employed by the General Partner or Management Company throughout the life of the Fund. The loss of key personnel could have a material adverse effect on the Fund.

Risks Arising from Provision of Managerial Assistance. Unless Interests held by benefit plan investors in the Fund after the final closing constitute less than 25% of the outstanding Interests, the General Partner will use commercially reasonable efforts to structure the Fund's investments so that it will qualify as a "venture capital operating company" within the meaning of regulations promulgated by the Department of Labor under ERISA. This requires that the Fund obtain rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of the Fund's portfolio companies. The Fund may designate observers or directors to observe or serve on the boards of directors of portfolio companies. The designation of representatives and other measures contemplated could expose the assets of the Fund to claims by a portfolio company, its security holders and its creditors, including claims that the Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against the Fund if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and could expose the Fund to claims that it has interfered in management to the detriment of a portfolio company. While the General Partner intends to operate the Fund in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Risks upon Disposition of the Fund's Investments. In connection with the disposition of a portfolio investment, the Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. The Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Limited Partners.

Consequences of Default; Exclusion from Investments. If a Limited Partner fails to pay when due installments of its capital commitment to the Fund, and the capital contributions made by non-defaulting Limited Partners are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subject to significant consequences that could materially adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners). If a Limited Partner defaults, it may be subject to various remedies as provided in the Partnership Agreement, including, without limitation, reductions in its capital account balance and/or forfeiture of a portion of its Interest.

A Limited Partner may be excluded or excused from participating in any investment if the General Partner determines in its reasonable discretion that such participation would have a material adverse effect on a company the Fund has invested in, the Fund, any of the Limited Partners, the General Partner or their affiliates, or as a result of certain circumstances relating to a Limited Partner.

Dilution from Subsequent Closings. Limited Partners subscribing for Interests at subsequent closings will participate in existing investments of the Fund, diluting the interest of existing Limited Partners therein. Although such Limited Partners will contribute their pro rata share of previously made Fund capital calls for investments and expenses, there can be no assurance that this payment will reflect the fair value of the Fund's existing investments at the time such additional Limited Partners subscribe for Interests.

Risks Relating to Incentive Fees and Carried Interest. The fact that the Carry Partner, which is an affiliate of the General Partner, the Management Company and the principals are each entitled to distributions based on the performance of the Fund may create an incentive for the General Partner or Management Company to cause the Fund to make investments that are more speculative than would be the case in the absence of performance-based distribution. However, this incentive may be tempered somewhat by the fact that losses will reduce the Fund's performance and thus such distributions.

Reinvestment. Under certain circumstances proceeds distributable (or previously distributed) to the Limited Partners that constitute a return of capital contributions may be reinvested (or recalled for reinvestment) by the General Partner. Accordingly, a Limited Partner may be required to fund an aggregate amount in excess of its capital commitment, but at no time will a Limited Partner have aggregate capital at risk in excess of its capital commitment. See "Section VI. Summary of Principal Terms — Drawdowns."

Follow-On Investments. The Fund may be called upon to provide follow-on funding for its portfolio companies or may have the opportunity to increase its investment in such portfolio companies. There can be no assurance that the Fund will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by the Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the Fund's ability to influence the portfolio company's future development.

Risk of New Fund. The Management Company may make investments on behalf of a new fund substantially similar to the Fund once 75% of the Fund's capital commitments have been committed to be invested (including amounts reserved to make follow-on investments in existing portfolio companies), or at the end of the Investment Period. See "Section VI. Summary of Principal Terms – Future Funds."

Certain Regulatory Considerations. The Fund expects to make investments in a number of different industries, some of which are or may become subject to regulation by one or more U.S. federal agencies and by various agencies of the states, localities and counties in which they operate. New and existing regulations, changing regulatory schemes and the burdens of regulatory compliance all may have a material negative impact on the performance of portfolio companies that operate in these industries. The General Partner cannot predict whether new legislation or regulation governing those industries will be enacted by legislative bodies or governmental agencies, nor can it predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulation, including changes to existing laws and regulations, will not have a material negative impact on the Fund's investment performance.

Absence of Regulatory Oversight. While the Fund may be considered similar in some ways to an investment company, it is not required and does not intend to register as such under the Investment Company Act of 1940 and, accordingly, Limited Partners will not have the benefit of the protections of such Act. Additionally, since the Fund will not be a "private fund" under the regulations promulgated by the SEC under the Investment Advisers Act of 1940, neither the Management Company nor the General Partner intend to register as an investment advisor thereunder.

Other Regulatory Risks. Various factors, including recent dislocations in the financial markets, have caused investors and governmental authorities to express concerns over the integrity of the U.S. financial markets and the adequacy of the current regulations. Increased regulatory oversight may also impose additional administrative burdens on the Fund and the Management Company, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert time, attention and resources from portfolio management activities. The Fund also may be materially adversely affected by changes in the interpretation or enforcement of existing laws and rules by governmental authorities. It is not practicable to determine with meaningful specificity the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Any such regulations could increase the Fund's costs of doing business.

Lack of Operating History; Relation of Previous Investment Experience. Although the principals have had extensive experience investing in the mezzanine market, the Fund and the General Partner are newly formed entities with no operating history upon which to evaluate the Fund's likely performance. The prior investment results of the principals or any other person described herein are not indicative of the Fund's future investment results. The nature of and risk associated with the Fund's portfolio investments may differ from those investments and strategies undertaken historically by the principals or any other person described herein. Past performance is no guarantee of future performance. There can be no assurance that portfolio investments will perform as well as the past investments of the principals or any other person described herein or that the Fund will be able to avoid losses.

Liability of Limited Partners. The Fund has been organized as a Delaware limited partnership. A Limited Partner will not be personally liable for the debts of the Fund except as provided in the Partnership Agreement and except that, in the event that the Fund is otherwise unable to meet its obligations, each Limited Partner may, under Delaware law, be obligated to repay amounts previously received by such Limited Partner to the extent that such amounts are deemed to have been wrongfully distributed to such Limited Partner. In addition, certain provisions in the Partnership Agreement will permit the General Partner to require each Limited Partner to return distributions made to such Limited Partner for the purpose of meeting such Limited Partner's pro rata share of the Fund's expenses (including indemnification obligations).

The Revised Uniform Limited Partnership Act ("RULPA") provides that if a limited partner of a Delaware limited partnership knowingly receives a distribution from a partnership in violation of such statute, such limited partner is liable to the partnership for the amount of the distribution. The liability of a limited partner continues for three years after the date of the distribution. A distribution would violate RULPA to the extent that, at the time of the distribution by the Fund, after giving effect to the distribution, the liabilities of the Fund, other than liabilities to investors on account of their interests and liabilities for which the recourse of creditors is limited to specified property of the Fund, exceed the fair value of the assets of the Fund (except that the fair value of property that is subject to a liability for which the recourse of creditors is limited is included in the assets of the Fund only to the extent that the fair value of the property exceeds that liability). See also "*Risks upon Disposition of the Fund's Investments*" above.

Exculpation and Indemnification. Certain exculpation and indemnification provisions contained in the Partnership Agreement may limit the rights of action otherwise available to Limited Partners and other parties against the General Partner, the Management Company, the principals and members of the Advisory Board or their respective officers, directors, managers, employees, agents, members, partners or shareholders. See "*Section VI. Summary of Principal Terms – Indemnification, etc.*"

Recourse to the Fund's Assets. The Fund's assets, including any investment made by the Fund and any funds held by the Fund, are available to satisfy all liabilities and other obligations of the Fund. If the Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and such recourse may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability. Accordingly, investors could find their interests in the Fund's assets adversely affected by a liability arising out of an investment in which they did not participate.

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

Risks Associated with Non-U.S. Investments. Without the approval of the investors, up to 15% of the capital commitments may be invested in businesses located outside the United States. Such investments will involve risks not typically associated with investments in the securities of U.S. companies. For instance, such risks may include but are not limited to (i) differing business cultures and legal regimes, (ii) greater price fluctuations and market volatility, less liquidity and smaller capitalization of securities markets, (iii) currency exchange rate fluctuations, (iv) higher rates of inflation, (v) controls on, and changes in controls on, foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for United States dollars, (vi) greater governmental involvement in and control over the economies, (vii) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers, (viii) less extensive regulation of the securities markets, (ix) longer settlement periods for securities transactions, (x) differences in tax regimes and changes in tax treaties and (xi) less developed corporate laws regarding fiduciary duties and the protection of investors. The foregoing factors may increase transaction costs and adversely impact the value of the Fund's investments in non-U.S. portfolio companies.

The Fund may invest in a variety of financial instruments in order to hedge against currency and other risks associated with non-U.S. investments. There can be no assurance that instruments suitable for hedging currency and other risks will be available or that such hedging will be effective in managing risks associated with these investments.

Compliance with Anti-Money Laundering Requirements. In response to increased regulatory concerns with respect to the sources of funds used in investments and other activities, the General Partner may request Limited Partners to provide additional documentation verifying, among other things, such Limited Partners' identity and source of funds used to purchase Interests. The General Partner may decline to accept a subscription if this information is not provided or on the basis of such information that is provided. Requests for documentation and additional information may be made at any time during which a Limited Partner holds an Interest. The General Partner may be required to provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying the Limited Partners that the information has been provided. The General Partner will take such steps as it determines are necessary to comply with applicable law, regulations, orders, directives or special measures. Governmental authorities are continuing to consider appropriate measures to implement and at this point it is unclear what steps the General Partner may be required to take; however, these steps may include prohibiting a Limited Partner from making further contributions of capital to the Fund, depositing distributions to which a Limited Partner would otherwise be entitled to in an escrow account or causing the withdrawal of a Limited Partner from the Fund.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH THE INVESTMENT STRATEGIES OF, OR THAT ARE APPLICABLE TO, THE FUNDS. FOR A MORE DETAILED DESCRIPTION OF CERTAIN OF THE MATERIAL RISKS APPLICABLE TO THE FUNDS, PLEASE CAREFULLY REVIEW THE APPLICABLE FUND'S OFFERING DOCUMENTS.

Item 9: Disciplinary Information

Mr. Alfred Jackson, our Managing Partner, was named as a defendant in a civil lawsuit filed by the New Mexico State Investment Council (“NMSIC”). In the lawsuit, the New Mexico State Investment Council v. Gary Bland, ET. AL., the plaintiff, a New Mexico Public Pension Fund (“NMSIC”), alleges that numerous consultants, marketers and/or placement agents participated with New Mexico public employees in a general scheme to award investments from NMSIC to certain private investment firms. Some defendants, including Mr. Jackson, are alleged to have leveraged their political connections or other personal relationships to help private investment firms solicit and ultimately receive investments from NMSIC. The complaint alleges that this is improper and that Mr. Jackson and other defendants are not entitled to the compensation they received from firms for work that they performed. The complaint does not address whether Mr. Jackson recommended investment vehicles that were appropriate for NMSIC or whether the investments provided value to the employees of New Mexico. Mr. Jackson moved to dismiss the complaint on September 19, 2011. The complaint was dismissed for lack of personal jurisdiction on January 11, 2012 and plaintiffs were granted leave to amend the complaint.

On February 20, 2012, NMSIC filed a second amended complaint against Mr. Jackson, various investment advisors and others in the First Judicial District Court of the State of New Mexico. The complaint alleged that to varying degrees, the defendants misrepresented their levels of participation in connection with soliciting investments from the NMSIC. Capital Point Partners, LP (“CPP”) was not named as a defendant in the NMSIC action, and the complaint made no allegations NMSIC investments in, CPP or its funds were improper or were mismanaged.

Mr. Jackson denied, and continues to deny, any wrongdoing in connection with the NMSIC action. Rather than engage in protracted litigation, Mr. Jackson agreed to settle the dispute with NMSIC and also participated in negotiations that resulted in a settlement of any potential NMSIC claims against CPP. Jackson settled with NMSIC in November 2014. The settlement constituted a compromise of disputed claims, and a motion for Mr. Jackson’s voluntary dismissal was filed by NMSIC on November 13, 2014. In support of its motion, NMSIC cited Mr. Jackson’s cooperation and provision of evidence that will be helpful to NMSIC in prosecuting its claims against other defendants.

A hearing was held on January 7, 2015 to assess the fairness, adequacy and reasonableness of the proposed Jackson settlement and voluntary motion to dismiss. The court heard argument from both plaintiff’s and Mr. Jackson’s counsel in support of the motion, and evaluated facts and other materials provided to the court by Mr. Jackson and by NMSIC. The court determined that the proposed Jackson settlement was fair, adequate and reasonable and it approved the settlement and granted the motion to dismiss. To date, NMSIC remains an invested limited partner in CPP and has received favorable returns on its investments.

Item 10: Other Financial Industry Activities and Affiliations

Princeton Investment Advisors, LLC has an affiliated FINRA-member broker-dealer, Cross Point Capital, LLC (“Cross Point”). Munish Sood, an owner of Princeton Investment Advisors, LLC is sole owner of Princeton Advisory Group, Inc. and the majority owner of Princeton Wealth Management, LLC, is also the owner of Cross Point Capital, LLC. Cross Point does not conduct portfolio trades for the accounts advised by Princeton Investment Advisors, LLC.

Princeton Advisory Group, Inc. provides investment advisory services to a number of pooled investment vehicles in which clients may invest that rely on exemptions from registration as “investment companies by virtue of Section 3(c)(1) and/or 3(c)(7) of the 1940 Act. Princeton also provides investment advisory services to the Catalyst/Princeton Floating Rate Fund and Catalyst Hedged Income Fund, both are a—registered investment companies.

Princeton Advisory Wealth Management, LLC (“PAWM”) is a investment advisor which offers investment advisory services to high net worth individuals, pension and profit-sharing plans (including the participants of such plans), individual retirement accounts, trusts and other corporate entities (“Clients”). The primary owner and Managing Member of PAWM are Princeton Advisory Group, Inc., a registered investment advisor, and Munish Sood (current sole owner of Princeton Advisory Group, Inc.).

RELYING ADVISERS

We will not be a general or limited partner of any Fund. Instead, certain of our affiliates (a “Relying Adviser”), serve as general partners with respect to the Funds and, in such capacity, may be deemed to be “investment advisers” (as such term is defined in the Advisers Act). Accordingly, the Relying Advisers will rely on our registration instead of separately registering with the SEC as investment advisers under the Advisers Act. To rely on our registration, (i) the Relying Adviser, its employees and persons acting on its behalf will be “persons associated with” and “supervised persons” of (as each term is defined in the Advisers Act) Princeton Investment Advisors, LLC, (ii) the investment advisory services of the Relying Adviser, its employees and persons acting on its behalf will be subject to our supervision and control, (iii) any investment advisory functions of the Relying Adviser will be subject to the Advisers Act and the rules and regulations thereunder, and (iv) the activities and books and records of the Relying Adviser will be subject to inspection and examination by the SEC. Each Relying Adviser will be subject to our compliance policies and procedures and, except as the context otherwise requires, any reference in this brochure to “we,” “us,” “our” includes Princeton Investment Advisors, LLC and the Relying Advisers.

PORTFOLIO COMPANY ACTIVITIES

From time to time, certain of our employees and affiliates may serve as directors, officers and/or committee members of, and provide advice to, companies in which one or more of the Funds invest and/or are actively involved in the operations and management of such companies. Investors should be aware that the receipt of non-public information by our related persons regarding these companies could preclude us from effecting discretionary transactions on behalf of the Funds in certain securities of these issuers.

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 sets forth standards of business conduct for our supervised persons. Our code of ethics is primarily designed to educate supervised persons about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to the Funds, encourage supervised persons to comply with applicable laws, prevent the misuse of material non-public information, restrict the circulation of rumors and other forms of market abuse and address conflicts of interest that arise from personal trading by access persons. Among other things, we will impose restrictions on access persons relating to the purchase or sale of certain securities for their own accounts and the accounts of certain affiliated persons. Access persons will be required to submit reports disclosing personal securities transactions. We also will maintain certain policies and procedures designed to prevent supervised persons from misusing material non-public information or trading the same security ahead of the Funds. We will furnish a copy of our code of ethics to the Funds upon request.

OTHER ACTIVITIES

In the course of our activities, including activities on behalf of the Funds, we or our affiliates may acquire confidential information or otherwise become restricted in our investment activities. In such event, we may not be free to act upon such confidential information in the course of performing our duties for the Funds, and we or an affiliate may not be able to initiate a transaction for a Fund that we otherwise would have initiated, with the result being that we are unable to purchase or dispose of an investment. Such restrictions would apply even if we were not involved in, and could not have benefitted from, the receipt of such information.

BOARD OF DIRECTORS

As it relates to the Business Development Company, it will be managed under the direction of a board of directors. The board of directors consists of five directors, three of whom are not “interested persons” of us, or our affiliates as defined in Section 2(a)(19) of the 1940 Act. We refer to these individuals as the Fund’s “independent directors.” The board of directors elects our officers, who serve at the discretion of the board of directors. The responsibilities of the board of directors include quarterly valuation of our assets, corporate governance activities, oversight of our financing arrangements and oversight of our investment activities.

Oversight of the Fund’s investment activities extends to oversight of the risk management processes employed by us as part of our day-to-day management of the Fund’s investment activities. The board of directors anticipates reviewing risk management processes at both regular and special board of directors meetings throughout the year, consulting with appropriate representatives of ours as necessary and periodically requesting the production of risk management reports or presentations. The goal of the board of directors’ risk oversight function is to ensure that the risks associated with the Fund’s investment activities are accurately identified, thoroughly investigated and responsibly addressed. Investors should note, however, that the board of directors’ oversight function cannot eliminate all risks or ensure that particular events do not adversely affect the value of investments.

The board of directors has established an audit committee and a nominating and corporate governance committee, and may establish additional committees from time to time as necessary. The scope of the responsibilities assigned to each of these committees is discussed in greater detail in the offering documents of the Fund. Mr. Jackson will serve as Chairman of the board of directors and a member of the investment committee. We believe that Mr. Jackson’s history with the CPP group, his familiarity with its investment platform, and his extensive knowledge of and experience in the financial services industry qualify him to serve as Chairman of the board of directors. Mr. Sood will serve as CEO of the BDC and a member of the board of directors. We believe Mr. Sood’s experience in direct lending and the leveraged loan market qualify him to serve as CEO and a board member.

The board of directors does not have a lead independent director. We are aware of the potential conflicts that may arise when a non-independent director is Chairman of the board of directors, but believe these potential conflicts are offset by our strong corporate governance practices. Our corporate governance practices include regular meetings of the independent directors in executive session without the presence of interested directors and management, the establishment of an audit committee, a compensation committee and a nominating and corporate governance committee, each of which is comprised solely of independent directors, and the appointment of a Chief Compliance Officer, with whom the independent directors meet without the presence of interested directors and other members of

management, for administering our compliance policies and procedures.

The board of directors believes that its leadership structure is appropriate in light of the Fund's characteristics and circumstances because the structure allocates areas of responsibility among the individual directors and the committees in a manner that affords effective oversight. Specifically, the board of directors believes that the relationship of Messrs. Jackson and Smith with us provides an effective bridge between the board of directors and management, and encourages an open dialogue between management and the Fund's board of directors, ensuring that these groups act with a common purpose. The board of directors also believes that its small size creates a highly efficient governance structure that provides ample opportunity for direct communication and interaction between us, the Fund's management and the board of directors.

CO-INVESTMENT OPPORTUNITIES

The general partner of each Fund may, if and to the extent it believes in its sole discretion that it is appropriate to do so, offer the limited partners, the opportunity to co-invest in their individual capacities, in any transactions in which the Fund has made or will make an investment (a "Co-Investment") through one or more co-investment vehicles (each, a "Co-Investment Vehicle"). We, the general partner and our respective affiliates are not permitted to make, directly or indirectly, a Co-Investment. In determining the appropriateness of offering the limited partners the opportunity to invest in such Co-Investments, the General Partner may, in its sole discretion, take into account the advisability of offering the opportunity to participate in any Co-Investment (with or without any co-investing limited partners) to any third parties other than limited partners ("Third Party Co-Investors"); *provided* that nothing will restrict the ability of the general partner, in its sole discretion, to arrange, in conjunction with an investment by the Fund or a related Co-Investment, for additional financing in the form of senior debt or mezzanine financing (whether such financing is in the form of debt or equity, including, but not limited to, preferred stock and subordinated debt) from either Third Party Co-Investors or one or more limited partners that are engaged in the business of providing such types of financing or interested in providing such types of financing. Any such offer may be made to such limited partners and in such proportions as the general partner in its sole discretion determines. The general partner may allocate such portion of an investment opportunity to a Co-Investment as the general partner in its discretion deems appropriate.

All Co-Investments are subject to the following conditions: (i) the securities held by the Co-Investment Vehicle, and the average purchase price paid with respect to such securities held by the Co-Investment Vehicle, will be no less than that paid by the Fund, (ii) such Co-Investment Vehicle will dispose of such securities in such investment (or a proportionate share thereof) at the same time and for the same consideration as the Fund, (iii) any indemnification obligation or investment expenses payable to (or by) the Fund (or us), on the one hand, and such Co-Investment Vehicle (or any manager thereof), on the other hand, will be allocated among the Fund and such Co-Investment Vehicle on the basis of capital committed by each to such transaction or proposed transaction, and (iv) the Co-Investment Vehicle will bear all expenses relating to its formation, operation and liquidation.

Item 12: Brokerage Practices

BROKERAGE POLICIES

We seek to obtain the best execution and net results for the Funds under the circumstances, taking into account factors such as price (including the applicable brokerage commission or dealer spread), size of the order, and difficulty of execution and operational capabilities of the brokerage firm and the firm's risk and skill in positioning blocks of securities. Although we will generally seek reasonably competitive trade execution costs we will not necessarily pay the lowest spread or commissions available. We do not direct securities transactions to any broker-dealer in exchange for referral of clients.

In certain circumstances we may select a broker-dealer based upon brokerage or research services provided to us, and we may pay a higher commission than other brokers would charge. These services will be received, and our brokerage practices will be conducted, at all times in compliance with Section 28(e) of the Securities Exchange Act of 1934. Pursuant to our brokerage policies and practices, prior to executing a transaction with a broker-dealer we must determine in good faith that the commission paid is reasonable in relation to the services received.

ALLOCATION OF INVESTMENT OPPORTUNITIES

We have adopted written policies Trade Allocation Policies for the allocation of securities transactions among the Funds. The Trade Allocation Policies are premised on our general practice of aggregating the transactions executed on behalf of the Funds, as applicable. We may, but are not obligated to, aggregate transactions and will do so only when we believe that such aggregation is consistent with our duty to seek best execution for the Funds. The type of Fund, the investment strategies applicable to each Fund, system capabilities and constraints, and other factors may result in transactions for certain Funds not being aggregated. If specific transaction is not aggregated, the Fund may pay higher brokerage commissions, may receive a less favorable price, or incur other costs, which also may affect the performance of the relevant Fund.

To the extent that we aggregate such transactions, the Trade Allocation Policies state that we will do so in a manner:

- consistent with the duty to seek best execution;
- that treats each of the Funds fairly; and
- is consistent with our advisory agreements.

Generally, aggregated transactions are averaged as to price and transactions costs and will be allocated among participating Funds pro rata. Additionally, we may consider the following when determining whether and how to allocate transactions:

- cash flow changes;
- the suitability of a particular transaction for a Fund;
- desire for "round lots";
- Funds' asset size; and
- Funds' current portfolio, including:
 - whether the new investment opportunity relates to a Fund's existing portfolio holdings; or
 - whether the new investment opportunity will preserve, protect or enhance the value of a Fund's existing investments.

Upon request, we will provide a Fund with aggregate allocation information relating to such Fund's transactions. We will also furnish a copy of the Trade Allocation Policies upon a Fund's request.

Item 13: Review of Accounts

REVIEWS OF ACCOUNTS

Our managing partners and/or managing directors conduct reviews of the Funds and their investments on at least a monthly basis. As described in Item 10 above, certain of our employees and/or affiliates serve as directors, officers and/or committee members on portfolio companies in which the Funds invest and/or are actively involved in the operations and activities of such companies. In connection with such activities, we and/or our affiliates monitor portfolio companies and the performance thereof. With respect to accounting matters, a nationally- recognized, independent public accounting firm has been engaged to conduct annual audits of the Funds.

ADDITIONAL REVIEWS

While we generally conduct reviews of all client accounts on at least a monthly basis, we may conduct additional or more frequent reviews under certain circumstances, including in the event of poor or below forecasted performance of an investment.

REPORTS TO INVESTORS

Investors in each of the Funds are provided with (i) quarterly summaries of information on all portfolio assets; (ii) quarterly statements of net profits and net losses, specially allocated management compensation and short-term investment income (loss); (iii) quarterly account statements; (iv) quarterly unaudited financial statements; and (v) annual audited financial statements. After the close of each taxable year, investors are provided with certain tax information in connection with the preparation of their federal income tax returns. All such reports are in writing.

Item 14: Client Referrals and Other Compensation

THIRD-PARTY COMPENSATION

Neither we nor any of our affiliates receive any economic benefit from any person (other than the Funds) for providing investment advice or other advisory services to the Funds. Portfolio companies may pay certain fees to our affiliates, including (among others), fees related to transaction advisory services and monitoring activities. We and/or our affiliates may also earn fees (such as break-up or topping fees) in connection with any transaction that is not consummated.

REFERRALS

We do not currently compensate any person for investor referrals.

Item 15: Custody

Due to our relationship with the general partners of the Funds, we may be deemed to have custody of each Fund's cash and securities for purposes of Rule 206(4)-2 under the Advisers Act. Accordingly, each Fund's cash and securities are maintained at one or more qualified custodians. The general partners are responsible for selecting the qualified custodians with respect to the Funds and may change custodians at any time and from time to time without the consent of, or notice to, investors. In general and to the extent required by law, independent public auditors will conduct annual audits of each of the Funds, and audited financial statements will be provided to investors on an annual basis. Such statements generally are provided to investors within 120 days after the end of each fiscal year, but there can be no assurance that this will occur. Qualified custodians do not provide statements directly to investors in the Funds.

Item 16: Investment Discretion

DISCRETIONARY AUTHORITY

We and/or our affiliates have discretionary power and authority over the types of investments to be bought or sold, as well as the amount to be bought or sold, on behalf of each of the Funds, subject to the limitations set forth in the applicable governing documents of each Fund. As described in Item 10 above, any investment advisory services provided by the Relying Advisers will be subject to our supervision and control.

LIMITED POWER OF ATTORNEY

Each investor generally grants the general partner of the applicable Fund a limited power of attorney to enable the general partner to take certain other limited actions with respect to the management and operation of the Fund.

Item 17: Voting Client Securities

While we and/or any general partners will have proxy voting authority with respect to the Funds, we generally do not expect, due to the nature of each Fund's investments, to be called upon to vote securities held by the Funds. Nevertheless, in the event that we and/or any general partners are called upon to vote proxies, we will vote proxies in accordance with our proxy voting policies and procedures which have been adopted pursuant to Rule 206(4)-6 of the Advisers Act. The scope of our authority to vote securities includes authority to vote proxies and corporate actions, but may not include the authority to vote or file class action, bankruptcy or other litigation claims or related matters. In general, our proxy voting policy requires that we vote proxy proposals, amendments, consents or resolutions in a manner that serves the best interests of the Funds and will enhance the long-term value of the securities being voted. Conflicts of interest may arise between our, or our affiliates', interests and the interests of the Funds when voting securities held by the Funds. A conflict of interest may exist, for example, if we or any of our affiliates has a business relationship with either the company soliciting the proxy or a third party that has a material interest in the outcome of the proxy vote. We seek to avoid material conflicts of interest through our proxy policies and procedures which require that we vote proxies in an objective and consistent manner across the Funds, based on internal and external research, and without consideration of any client relationship factors. Copies of our proxy voting policy, together with information regarding how we have voted past proxies, will be made available to the Funds upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year because we do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Even though we do not require prepayment of our advisory fees, since we accept discretionary investment authority over assets and are deemed to have custody of client assets as discussed under Item 15 in this brochure, we disclose that there are no financial conditions affecting us that are reasonably likely to impair our ability to meet contractual commitments to our clients. We also disclose that we have not been subject to a bankruptcy petition at any time during the past ten years.