

Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of AE INDUSTRIAL PARTNERS, LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at 561 372-7820 or via email at compliance@aeroequity.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

AE INDUSTRIAL PARTNERS, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply a certain level of skill or training. This Brochure does not constitute an offer to sell or the solicitation of any offer to purchase any securities of any entities described herein.

Additional information about AE INDUSTRIAL PARTNERS, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure dated April 14, 2015 (the “Brochure”) is the first such Brochure prepared by the AE Industrial Partners, LLC. As such, there are no material changes to identify in this Item 2.

In the future, this Item 2 will discuss specific material changes that are made to the Brochure and provide a summary of such changes with reference to the last Brochure.

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Item 4 – Advisory Business

- A. General Description of Advisory Firm:** AE Industrial Partners, LLC (the “Adviser”) is a Delaware limited liability company that provides investment advice to various private investment funds. The Adviser commenced operations in 2014. The founding partners and principal owners of the Adviser are Michael Greene and David Rowe (the “Managing Members”). The Managing Members have worked in various predecessor entities, including AeroEquity Inc. and AeroEquity Partners, LLC and their affiliates. The Adviser has 4 partners in addition to the Managing Members (collectively with the Managing Members, referred to herein as the “Partners”).
- B. Description of Advisory Services:** The Adviser is a private equity firm that provides discretionary investment advisory services to pooled investment vehicles in accordance with the investment objectives, strategies and guidelines set forth in the relevant private placement memorandum (“PPM”), offering documents, partnership and/or limited liability company agreements for each respective pooled investment vehicle (collectively, the “Governing Fund Documents”). Defined terms utilized herein that are not otherwise defined shall have the meanings ascribed to them in the Governing Fund Documents.

The Adviser’s primary investment activity is making U.S. middle market investments on behalf of Clients (as defined below) in aerospace, power generation and specialty industrial businesses (herein referred to as “Portfolio Investments”). The Adviser’s investment advice is limited to these types of investments.

As of the date hereof, the Adviser provides investment advisory services to the following four private funds (the “Funds”):

- *AE Industrial Partners Fund I, L.P.* – a Delaware limited partnership (the “AE Fund”)
- *AE Industrial Partners Fund I-A, LP* - a Delaware limited partnership and a parallel fund to the AE Fund
- *AE Industrial Partners Fund I-B, LP* – a Delaware limited partnership and a parallel fund to the AE Fund
- *Kellstrom Co-Investment Partners, L.P.* – a Delaware limited partnership which serves as a co-investment vehicle (the “Kellstrom Co-Investment Partnership”).

Investors in the Funds are herein referred to as “Investors”.

The two parallel funds to the AE Fund (the “Parallel Funds”) are established to invest alongside the AE Fund to accommodate the legal, tax, regulatory or similar needs of certain investors, including high net worth individuals, industry partners of the Adviser and Adviser-related persons and entities (“friends and family”).

AE Industrial Partners Fund I GP, LP is a Delaware limited partnership that serves as the sole general partner of the Funds (the “GP”). The Managing Members are also the managing partners of the GP.

In addition to the Kellstrom Co-Investment Partnership, in the future the GP may, but is not required to, provide additional co-investment opportunities to third parties, including but not limited to certain Investors, subject in each case to any obligations of the GP to The Carlyle Group (“Carlyle”), as more fully described in Item 8. When co-investment opportunities are offered, the GP may in its discretion make available such opportunities to strategic Investors and/or lenders prior to other Investors.

From time to time herein, the Funds and any future investment vehicles or co-investment vehicles may be referred to as “Clients” of the Adviser.

- C. Availability of Tailored Services for Individual Clients:** The Adviser does not tailor its advisory services to the individual needs of Investors. All Client assets are managed by the Adviser on a discretionary basis through pooled investment vehicles.

As mentioned above, each Fund is managed in accordance with its particular investment objectives, strategies and guidelines as described in its Governing Fund Documents. An Investor has no ability to restrict the types of investments that the Adviser may make. However, an Investor may be excused from funding a particular Portfolio Investment in the discretion of the GP.

- D. Wrap Fee Programs:** The Adviser does not participate in wrap fee programs.

- E. Client Assets Under Management:** As of April 14, 2015, the amount of regulatory assets under management that the Adviser managed on a discretionary basis was approximately \$202,900,000. The Adviser manages no assets on a non-discretionary basis.

Item 5 – Fees and Compensation

- A. Advisory Fees and Compensation:** This Brochure will be delivered only to “qualified purchasers” as defined in the Investment Company Act of 1940. Accordingly, no fee table is included in this Brochure.

Note that fees and other economic terms differ between the AE Fund and the Parallel Funds, with the Parallel Funds offering lower fee rates in regard to certain fees. Please refer to the Governing Fund Documents for a complete description of all fees payable.

- B. Payment of Fees:** Management fees are payable semi-annually, starting on the date of the Fund's initial closing. Management fees are paid by capital contributions from Investors pursuant to a capital call notice delivered by the GP, or are paid out of cash otherwise distributable to Investors, including when a Portfolio Investment is sold and the proceeds are distributed to Investors.

"Carried interest", or performance fee, is assessed in connection with the disposition of a Portfolio Investment by a Fund in accordance with the Governing Fund Documents. These fees are paid out of cash otherwise distributable to Investors, such as the receipt by a Fund of proceeds from the Portfolio Investment.

- C. Other Fees and Expenses:** Each Fund pays all of the direct fees and expenses associated with its operations in addition to the management fee described above. These fees and expenses are detailed in the Governing Fund Documents for each Fund and include, without limitation:

- i. Organizational expenses (up to a maximum of \$2,000,000); any amounts above that are paid by the Funds but are offset 100% by reduction in the management fees payable;
- ii. all out-of-pocket costs of the administration of the Fund, including accounting, audit, legal, fund administration, compliance and consulting expenses, costs of holding any meetings of Investors, costs of any liability insurance obtained with respect to any Indemnified Person, costs associated with reporting and providing information to existing and prospective Investors, and expenses associated with the maintenance of books and records of the Fund and the preparation and dispatch to the Investors of required distributions, financial reports and notices;
- iii. all expenses incurred in connection with the registration, qualification or exemption of the Fund under any applicable laws;
- iv. all unreimbursed expenses incurred in connection with the collection of amounts due to the Fund from any Person;
- v. all expenses incurred in connection with the preparation of alterations and amendments to the Limited Partnership Agreement or the Certificate of Limited Partnership;

- vi. out-of-pocket expenses relating to the Limited Partner Advisory Committee ("LPAC");
- vii. all expenses incurred in connection with any litigation involving the Fund (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith;
- viii. all liabilities for indemnity or contribution to any Person (including any placement agent), whether payable under the Limited Partnership Agreement or otherwise and whether payable in connection with any litigation involving the Fund or otherwise;
- ix. all expenses incurred in connection with administrative proceedings relating to the determination of Partnership items at the Partnership level undertaken by the tax matters partner, and any audit with respect to taxes;
- x. all expenses incurred in connection with the dissolution and liquidation of the Fund;
- xi. all expenses incurred on account of taxes, fees or other governmental charges of the Fund;
- xii. all out-of-pocket costs and expenses directly related to Investments or prospective Investments (including Broken Deal Expenses and expenses incurred in relation to prospective Investments prior to the Initial Closing Date) including (A) legal, accounting, consultant and other professional costs, (B) travel and entertainment costs, (C) brokerage commissions and other finder's fees and transaction costs, (D) custody fees and costs of other third-party services, (E) expenses associated with monitoring and managing Investments, (F) expenses associated with financing, refinancing, pledging or disposition of or proposed financing, refinancing, pledging or disposition of all or any portion of Investments, (G) expenses related to structuring and maintaining investment vehicles and (H) any withholding, transfer or other taxes imposed on the Fund (other than certain withholding taxes or other amounts as set forth in the Limited Partnership Agreement);
- xiii. Placement Agent Fees (which shall offset the management fee on a dollar-for-dollar basis as provided in the Limited Partnership Agreement);
- xiv. all principal, interest, fees, expenses and other amounts payable in respect of or in connection with borrowings, financings or

derivative transactions contemplated by the Limited Partnership Agreement; and

- xv. the costs of acquiring and maintaining insurance policies referred to in the Limited Partnership Agreement.

The Adviser may receive certain fees from portfolio companies, or potential portfolio companies, which may result in offsets to the management fees paid to the Adviser.

Given the nature of the Funds' investment programs, the Adviser does not usually transact through broker-dealers. Therefore, Investors do not generally incur brokerage costs. A discussion of brokerage practices may be found in Item 12, below.

- D. Prepayment of Fees:** Management fees for the Funds are payable in advance (except upon initial investment when a payment in arrears for a partial period may be required). As noted in Item 5.B above, management fees are payable semi-annually. Once charged to an Investor's account, there is no refund of any of the fees and expenses that have been charged. Note that the carried interest fee is not paid in advance, but rather is payable after the Investors receive distributions equal to all of their contributed capital plus a preferred return.
- E. Additional Compensation and Conflicts of Interest:** No supervised person of the Adviser accepts compensation for the sale of securities or investment products to the Funds.

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

In addition to the compensation discussed in Item 5, above, the Adviser may receive performance-based compensation through the payment of "carried interest" to its affiliate, the GP of the Funds. Any performance-based compensation will be paid in accordance with Section 205(3) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), or Rule 205-3 thereunder.

The Partners and certain employees of the Adviser participate in the carried interest paid to the GP as a result of their ownership (or other interest) in the GP. In addition, the Partners and certain employees of the Adviser have personal investments in the Funds, and will be invested on terms that do not include the payment of carried interest (or management fees). The potential for earning a carried interest payment may create an incentive for the Adviser to make more speculative investments on behalf of the Funds than it would otherwise make.

In addition, in the future if the Adviser were to manage Client accounts that were not being managed in parallel to the Funds or each other, a potential exists for one Client to be favored over another Client, with higher performance-based fee-paying accounts being favored.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of the Funds and in the future, any additional Client accounts. The Adviser's policy regarding the allocation of Portfolio Investments as among the AE Fund and the Parallel Funds is that to the extent legal and practicable, any investment will be made proportionately, based on available capital commitments of the AE Fund and each Parallel Fund and on substantially the same terms and conditions, subject to applicable legal, tax, regulatory or other similar reasons, and each Fund will generally share proportionately in the investment's expenses. The Investment Committee, which meets at least quarterly, is responsible for approving all Portfolio Investments as well as the allocation of investment opportunities. The Valuation, Risk and Operations Committee (the "VROC"), which meets quarterly, is responsible for overseeing operational risk matters, including conflicts of interest related to the receipt of transaction, directors' and other fees. (See Item 11 for discussion of conflicts of interest related to receipt of transaction, directors' and other fees.) In addition, the LPAC, which is comprised of representatives of selected Investors, provides advice and counsel as requested by the GP in connection with potential conflicts of interest related to the Funds. The LPAC meets at least annually.

The Adviser will act as a fiduciary with regard to all Client accounts and therefore will not allocate investment opportunities based on anticipated compensation or profits to itself, the GP, the Partners or employees.

Item 7 – Types of Clients

The Adviser currently provides investment advice only to the Funds. The minimum initial commitment in all Funds is \$10,000,000, however commitments of lesser amount may be accepted at the discretion of the GP. The GP expects to waive the minimum commitment of \$10,000,000 for the Parallel Funds.

Potential Investors must be "accredited investors" as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), (ii) "qualified purchasers" as defined under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), and (iii) knowledgeable and experienced in financial and business matters such that they are capable of evaluating the merits and risks of an investment in a Fund and otherwise must meet the requirements set forth in the Funds' subscription documents in order to invest in the Funds.

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

A. Methods of Analysis and Investment Strategies:

The Adviser's investment objective for the Funds is to achieve long-term capital appreciation primarily through equity and equity related investments in technical manufacturing, distribution, MRO (maintenance, repair, and overhaul) and industrial service-based businesses in the aerospace, power generation, specialty industrial and related sectors, generally in the middle-market and in the United States.

The key components of the Adviser's investment strategy are:

- Disciplined and clearly defined investment focus
- Large target markets poised for long term growth
- Capitalize on industry relationships and operational expertise.

The Adviser's team blends experienced investment and operating talent, and its Partners have a contiguous history of investing and operating companies for over 20 years. The Adviser expects that the continuity of the team, combined with the diverse operating backgrounds, will allow the Adviser to efficiently identify attractive investment opportunities.

The Adviser has entered into a Strategic Partnership Agreement with the Carlyle U.S. Equity Opportunity Fund ("CEOFF") pursuant to which the Adviser and CEOFF will contractually provide each other access to their respective investment pipelines in the aerospace and industrial gas turbine markets. For investments in these defined markets, equity capital is expected to be split 50/50 (with potential availability for co-investments). Each party will retain full, independent discretion on investment decisions.

In addition to Carlyle, the Fund may invest in portfolio companies with other third parties, through partnerships, joint ventures or other arrangements.

The Investment Committee, comprised of the Managing Members and two Partners, is ultimately responsible for making final investment decisions for the Funds.

Additional information about the investment processes and methods of analysis employed with respect to the Funds is available in the Funds' PPM.

B, C. Material Risks of the Adviser's Investment Strategies, Methods of Analysis and Types of Securities:

Investing in the Funds is highly speculative and involves risk of loss that Investors should be prepared to bear. Only sophisticated persons who are able to bear the economic risk of the loss of all or a portion of their investment should invest. There is no guarantee that investment objectives will be achieved. The performance of prior investments is not indicative of any expected future results.

As it is not possible to identify all of the risks associated with investing, this section discusses certain material risks of investing in the Funds in summary fashion. Moreover, the particular risks applicable to the Funds will depend on what part of the investment cycle they are in, i.e., whether they are within their investment period or are no longer making new Portfolio Investments (although they may make "follow-on" investments in existing portfolio companies). Investors and prospective Investors in the Funds should consult the PPM for a more detailed discussion of applicable risks.

Summarized below are material risks for the Funds:

- **Lack of Operating History; "First-Time Fund":** The Funds have recently been organized. As of the date hereof, the Funds have not made any Portfolio Investments.
- **General Economic and Market Conditions:** The success of the Funds will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances, as well as the cyclical nature of the industries in which the Funds intend to invest.
- **Risks of Limited Number of Investments; Concentration of Investments; Dependence on Performance of Certain Investments:** The Funds will participate in a limited number of investments and intends to make most of its investments in a limited number of industries. As a result, the Funds' investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect the aggregate return. Additionally, in order for the Funds to achieve attractive returns when at least one investment is likely to underperform, one or more of their other investments must generally perform above expectations. There can be no assurance that this will be the case.

- **Competition for Investments:** The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty.
- **Reliance on Key Personnel:** The success of the Funds will significantly depend upon the skill and expertise of the Managing Members and the Adviser's other investment professionals.
- **Reliance on Portfolio Company Management:** While the GP will actively monitor each investment, it is primarily the responsibility of company management to operate a portfolio company on a day-to-day basis.
- **Risk Arising from Provision of Managerial Assistance:** The GP intends to be actively involved with management of the Funds' portfolio companies, including through representation on the board of directors or executive committee of portfolio companies where appropriate. These activities could expose the assets of a Fund to claims by a portfolio company, its security holders, or its creditors (or any agent of such creditors, such as a bankruptcy trustee), including claims that the Funds are a controlling person and thus are liable for securities laws violations of a portfolio company.
- **Relationship with Carlyle; Risks of Investing with Third Parties:** As a result of the Adviser's and GP's contractual relationship with CEOF, the Funds may be allocated a smaller proportion of investment opportunities in portfolio companies in the aerospace and industrial gas turbine industries with respect to investments that are sourced by the Adviser and the GP. In regard to co-investments with other third parties, even if the Funds have control over the joint venture or co-owned entity, certain decisions may require approval of the third party, and the cooperation of the Funds and the third party on business decisions affecting the portfolio company will be an important factor for the sound operation of the portfolio company and the financial success of the investment.
- **Need for Significant Capital; Follow-On Investments:** The portfolio companies in which the Funds will invest may require additional capital from time to time. There can be no assurance that such capital will be available to such portfolio companies on a timely basis, either from the Funds as a follow-on investment or otherwise. In the case of follow-on investments, there can be no assurance that the Funds will wish to make follow-on investments or that it will have sufficient funds to do so. The failure of portfolio companies to raise the necessary capital to fund their operations, capital expenditures or

other activities may require, among other things, the sale or liquidation of such portfolio companies at a loss or reduced valuation from the price paid for such portfolio companies by the Funds.

- **Bankruptcy of Portfolio Companies:** The Funds may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection.
- **Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes:** Legal, tax and regulatory changes could occur that may adversely affect the business and operations of the Funds.
- **Intense Competition; Technological Obsolescence:** The companies in the Fund's target industries may encounter competition in all areas of their businesses. Customers increasingly demand more technologically advanced and integrated products. To remain competitive, a portfolio company may need to invest continuously in research and development, manufacturing, marketing, client service and support and distribution networks. In the event of technological advances and a significant shift in the character of the market's demand, or if certain products become technologically obsolete, the performance of the portfolio company, and therefore the value of the Funds' investment, may be materially adversely affected.
- **Highly Regulated Industries; Regulations Affecting the Aerospace Industry:** Many of the industries in which the Funds intend to invest are highly regulated or are providing products or services to highly regulated industries. Moreover, the aerospace industry is highly regulated in the United States by the Federal Aviation Administration and in other countries by similar agencies. The Funds' portfolio companies may incur substantial costs related to compliance with regulations.
- **Regulatory Changes Affecting the Power Generation Industry:** Various U.S. government agencies have implemented or proposed regulatory changes potentially affecting the competition and pricing of power generation projects that are the end-users of the products that companies in the Fund's targeted sectors produce. Such regulatory changes could have an adverse impact on the Funds' portfolio companies servicing these sectors.
- **Cyclicality of the Aerospace Industry and Power Generation Industry:** The Funds' portfolio companies in or servicing the aerospace industry or power generation industry may be adversely affected by demand cycles in these sectors.

- **Environmental Risk:** The operations of companies in which the Funds intend to invest may be subject to numerous laws and regulations relating to environmental protection. Certain laws and regulations might also require that the business carried on by portfolio companies address possible prior or future environmental contamination.
- **Dependence on Protection of Intellectual Property:** The Funds' portfolio companies may own or develop various patents and other forms of intellectual property that will be subject to challenge, invalidation, misappropriation or circumvention by third parties, including by direct competitors of such portfolio companies. Such portfolio companies may also rely significantly upon proprietary technology, information, processes and know-how that are not protected by patents.
- **Cyber-Security Threats:** Portfolio companies, particularly those that operate in sensitive industries such as aerospace and power generation, face various cyber and other security threats, including malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential or otherwise protected information and corruption of data, networks or systems.

As mentioned above, Investors and potential Investors should review the Funds' PPM for complete detail on all risks, including the ones summarized above.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an Investor's evaluation of the Adviser or the integrity of the Adviser's management. The Adviser has no disclosures to make in this regard about itself or any of its management persons or employees.

Item 10 – Other Financial Industry Activities and Affiliations

- A. **Broker-Dealer Registration Status:** Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. **Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status:** Neither the Adviser nor any of its management persons are registered, or have an application

pending to register, as a futures commission merchant, commodity pool operator or commodity trading adviser.

C. Material Relationships or Arrangements with Industry Participants:

Aside from its relationship with the GP, neither the Adviser nor any of its Funds have any material relationship with industry participants that are related parties. The Adviser does not believe that its relationship with the GP creates a material conflict of interest.

D. Material Conflicts of Interest Related to Other Investment Advisers:

The Adviser does not recommend or select other investment advisers for the Funds.

Item 11 – Code of Ethics

- A. Code of Ethics:** The Adviser has a written code of ethics (the “Code”) which sets forth standards of ethical conduct for employees and is designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act. Among other things, the Code prescribes standards for dealing with Clients ethically, and addresses conflict of interest issues, including personal trading, personal political activities, gifts and entertainment, and outside business activities. The Adviser also maintains a written compliance manual which sets forth additional compliance policies and procedures, including those related to the confidentiality and the handling of material non-public information.

The Adviser’s Investors or prospective Investors may request a copy of the Code by contacting the Adviser as indicated on the Cover Page.

B. Transactions in Securities where the Adviser or a Related Person has a Material Financial Interest:

Due to “carried interest” arrangements and potential direct investment opportunities, the Partners as well as certain employees will have a material financial interest in Portfolio Investments. At the present time, the Partners as well as other employees have made (or may make) personal investments in either the AE Fund or one of the Parallel Funds. As discussed in Item 6, the Partners as well as certain employees also have a carried interest in the overall performance of the Funds, providing them with a financial interest in the Portfolio Investments. These types of investments are intended to align the interests of the Partners and Adviser personnel with the Investors in the Funds and are not perceived by the Adviser as presenting a conflict of interest. Nevertheless, all investment decisions are made by the Investment Committee, which must approve all Portfolio Investments, as well as monitor and manage each Portfolio Investment to ensure the position is in accordance with the Fund’s particular investment objectives, limitations and

guidelines, as set forth in the Governing Fund Documents. Any conflicts of interest, or potential conflicts of interest, are reviewed by the VROC as part of its oversight processes. In addition, the GP may consult the LPAC in the event of a material conflict of interest.

The Adviser may, from time to time, receive fees or other payments in respect of the Portfolio Investments completed by the Funds, such as transaction, management, monitoring, consulting, break-up or similar fees (collectively, "Other Fees"). Collection of these Other Fees are not dependent on the performance of the particular Portfolio Investment, and therefore may create a conflict of interest between the Adviser and the Funds. To address this potential conflict, a certain portion of these Other Fees will offset the management fees otherwise payable by Investors in the Funds. (Note however that consulting, directors' or other fees payable to operating partners ("Operating Partner Fees") are not subject to offset and may be retained in full by any operating partner engaged by a portfolio company.) Collection, payment and offset of Other Fees and directors' fees are monitored by the VROC and may be the subject of consultation with the LPAC. Further disclosure regarding these Other Fees and Operating Partner Fees are contained in the PPM.

Neither the Adviser nor any of its related persons contemplates buying securities from, or selling securities to, the Adviser's Clients as principal (a "principal transaction"). Additionally, it is not contemplated that the Adviser will recommend that one Client purchase securities from, or sell securities to, another Client (a "cross transaction"). In the event the Adviser is contemplating engaging in either a principal transaction or cross transaction, the Adviser will only complete such a transaction in accordance with the requirements of Section 206(3) of the Advisers Act, which include notice to, and consent from, affected clients, as applicable. Such consent may be obtained from the LPAC, if applicable.

C, D. Investing in Securities Recommended to Clients; Contemporaneous Trading; Personal Account Trading:

While Portfolio Investments are generally made in private securities transactions, it is possible that a Client portfolio may from time-to-time hold publicly traded securities. As such, potential conflicts of interest related to personal account trading by the Adviser's Partners and employees may arise. The Adviser maintains personal trading policies and procedures that are designed to reduce these conflicts of interest. The Adviser's policies and procedures prohibit all Partners and employees of the Adviser from transacting in securities issued by, or related to, a Portfolio Investment, as well as from transacting in securities on the Restricted List (as discussed below). For any other personal account trading, all Partners and employees

must obtain pre-clearance from the Adviser's Chief Compliance Officer (CCO) prior to transacting. All Partners and employees are required to report their securities holdings and transactions periodically to the CCO or his designee for review. (Transactions in "managed accounts", where the Partner or employee does not have investment discretion over the trading activity in the account, are not subject to the pre-clearance or reporting requirements.)

To prevent insider trading and other inappropriate forms of personal trading activities, the Adviser also maintains "restricted list" procedures. Under these procedures, the CCO will place any securities of publicly-traded companies for which the Adviser believes it has or may have material, non-public information on a "restricted list." Partners and employees must report the receipt of any such information to the CCO, and are strictly prohibited from trading in securities (including, without limitation, equity, debt or options) of an issuer on the restricted list for their own account. The CCO reviews personal account trading for any trading in restricted list securities. Partners and employees certify annually that they have not traded in any such securities. Additionally, the CCO maintains a "watch list" which is used to identify and monitor trading in securities which require additional scrutiny by the CCO.

Other conflicts of interest related to personal account trading may arise when a Partner or employee has a relationship that presents a conflict of interest, i.e., a spouse who serves as a director of a public company. The Adviser requires disclosure of any such potential material conflicts.

Item 12 – Brokerage Practices

A. Selection of Broker-Dealers: The Adviser makes opportunistic private equity investments in private securities on behalf of Clients. Accordingly, as a general matter the Adviser does not advise Clients on investments in public securities, and generally does not transact business through broker-dealers. However, in rare situations where the Adviser may need to select a broker-dealer, it will consider the broker's execution capabilities, including block positioning, research, financial stability, ability to maintain confidentiality, delivery and ability to obtain best execution for all Client securities transactions.

A.1. Research and Other Soft Dollar Benefits: As noted above, given the nature of the investments made by Clients, the Adviser does not typically make investments in publicly-traded securities. As a result, the Adviser does not have any soft dollar arrangements in place that would require the Adviser to give a specified amount of brokerage to any broker-dealer. The Adviser may however from time-to-time receive unsolicited research from brokers, dealers and banks. In circumstances in which the Adviser uses such research, the quality and ability to receive research may factor into the

selection of broker-dealers executing portfolio trades. Even in these cases, the broker-dealer's ability to achieve superior execution for Clients will remain the primary factor influencing the selection of a broker-dealer.

A2. Brokerage for Client Referrals: To the extent the Adviser engages in selecting broker-dealers, such decisions will be made as described above in Item 12(A), and not in consideration of whether the Adviser or a related person receives Investor referrals from a broker-dealer or a third party.

A3. Directed Brokerage:

- a. The Adviser does not recommend, request or require that a Client direct it to execute transactions through a specified broker-dealer ("directed brokerage").
- b. The Adviser does not have directed brokerage arrangements with its Clients.

B. Order Aggregation: As noted above, given the nature of the investments made by Clients, the Adviser does not typically make investments in publicly traded companies. Therefore, the Adviser does not routinely aggregate the purchase or sale of securities for various Clients. However, when the Adviser has occasion to conduct trading through a broker-dealer for multiple Clients in the same security, it will seek to aggregate orders whenever practicable and cost efficient.

Item 13 – Review of Accounts

A. Frequency and Nature of Review: The Adviser's investment team professionals and financial operations professionals review the operations of the Funds on a periodic basis. These professionals monitor operations, overall performance, financial performance and strategic direction of each portfolio company. Each portfolio company provides regular reports regarding its financial status and performance. In addition, the Adviser's operating partners may from time to time be engaged by one or more portfolio companies and further enable the Adviser to review the Portfolio Investment. The Investment Committee performs periodic comprehensive reviews of each Portfolio Investment at its quarterly meeting. The members of the Investment Committee are the Managing Members as well as two other Partners.

B. Factors Prompting a Non-Periodic Review of Accounts: A review other than in the ordinary course in conjunction with an Investment Committee meeting would be unusual but may be triggered by a material market event

or particular event occurring at the portfolio company. In such an event, the Investment Committee would convene a special meeting.

C. Content and Frequency of Regular Account Reports: The following reports are provided for all Fund Investors – (i) audited financial statements within approximately one hundred twenty (120) days after the end of each fiscal year, (ii) information necessary to the preparation of a tax return, and (iii) an unaudited financial statement on a quarterly basis. In addition, during the Funds’ commitment period, the GP will conduct an annual informational meeting for Investors.

Item 14 – Client Referrals and Other Compensation

- A. Non-Client Benefits:** Although as a general matter, the Adviser does not receive economic benefits from a person who is not a Client for providing investment advice or other advisory services to Clients, as described in Item 11(B), the Adviser or its affiliates may receive Other Fees or Operating Partner Fees from portfolio companies. To address this potential conflict, as noted above, a certain portion of the Other Fees may offset the management fees otherwise payable by Investors (although this is not the case for Operating Partner Fees, which operating partners may generally retain). Please see the Funds’ PPM for additional information on these arrangements.
- B. Compensation for Client Referrals:** The Adviser employs Eaton Partners LLC (“Eaton”), a registered broker-dealer with FINRA, as a third-party solicitor for the Funds. In connection with its services as a placement agent, Eaton will receive compensation from the Adviser which is calculated as a percentage of funds raised from Investors, as specifically negotiated by Eaton and the Adviser pursuant to a written agreement.

Item 15 – Custody

The Adviser has “custody” of the funds and securities of the Funds for purposes of Rule 206(4)-2 of the Investment Advisers Act of 1940 (the “Custody Rule”). All Client funds and securities over which the Adviser has custody are maintained at a “qualified custodian”, unless an exception to this requirement is permitted. Each of the Funds undergoes an annual audit by a PCAOB-registered auditor that is subject to PCAOB inspection. All Investors will receive audited financial statements for the Fund within 120 days of the end of the fiscal year in accordance with the Custody Rule requirements. Consequently, Investors will not receive statements directly from qualified custodians.

Item 16 – Investment Discretion

As discussed in Item 4 above, the Adviser provides advisory services on a discretionary basis to the Funds. The limits of the Adviser's investment discretion are set forth in the applicable Governing Fund Documents, and Investors agree to become subject to such discretion when they execute the Fund's subscription agreement. Investors have no ability to request or direct a change in the stated investment objectives and guidelines. However, an Investor may be excused from funding a particular Portfolio Investment in the discretion of the GP.

Item 17 – Voting Client Securities

Although the Adviser's investment program does not typically involve publicly-traded securities, where such securities are involved, the Adviser believes its policies and procedures are reasonably designed to ensure that proxies are voted in the best economic interests of Clients and to recognize and resolve any material conflicts of interest that may arise in the course of such voting. A summary of the Adviser's proxy voting policies and procedures are set forth below. Clients may obtain a copy of the Adviser's complete proxy voting policies and procedures upon request by contacting the Adviser as set forth on the Cover Page.

The Adviser has authority to vote all proxies for securities held in all Client portfolios. Voting decisions are made by two of the Managing Members, in consultation with the relevant investment team. Absent good reason to the contrary, the Adviser will generally give substantial weight to management recommendations regarding voting, and will vote for routine matters in favor of management proposals. Non-routine matters will be voted on a case-by-case basis, given the complexity of many of these issues.

The Adviser generally will not vote proxies in situations where it holds an immaterial position (less than or equal to 1% of outstanding voting equity), or when the Adviser receives a proxy for a security which it no longer holds in a portfolio.

Investors may not direct the Adviser's vote in any proxy solicitation.

Potential conflicts of interest between the Adviser and Client accounts may arise when the Adviser's relationships with an issuer or with a related third party actually conflict, or appear to conflict, with the best interests of the Client(s). If the issue is specifically addressed in the Adviser's proxy voting policies and procedures, the Adviser will vote in accordance with the stated policies. In a situation where the issue is not specifically addressed in the policies and an apparent or actual conflict exists, the Adviser shall either: (i) delegate the voting decision to an independent third party; (ii) inform the

Investors of the conflict of interest and obtain advance consent of a majority of such Investors for a particular voting decision; or (iii) obtain approval of the voting decision from the Investment Committee. The CCO will be responsible for documenting the rationale for the decision made and voted. In all such cases, the Adviser will make disclosures to Clients of all material conflicts and will keep documentation supporting its voting decisions.

Item 18 – Financial Information

The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.