

**Item 1– Cover Page**

**ADV Part 2A: FIRM BROCHURE**

**REVELSTOKE CAPITAL MANAGEMENT, LLC**

3033 East 1<sup>st</sup> Avenue  
Suite 501  
Denver, CO 80206  
(303) 953-3098

[www.Revelstoke-Capital.com](http://www.Revelstoke-Capital.com)

March 31, 2015

This brochure provides information about the qualifications and business practices of Revelstoke Capital Management, LLC (“Revelstoke” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at (303) 953-3098 or [sbachleda@revelstokecp.com](mailto:sbachleda@revelstokecp.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.

Revelstoke is a registered investment adviser with the U.S. Securities and Exchange Commission. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about Revelstoke also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 1      – Material Changes**

The following is a list of material changes from Revelstoke's initial filing, dated November 24, 2014:

- All items in this ADV Part 2A have been amended to reflect the closing of Revelstoke's new pooled investment vehicles, Revelstoke Capital Partners Fund I, L.P. and Revelstoke Capital Partners Co-Investment Fund I, L.P.

### Item 3- Table of Contents

Item 1	– Cover Page.....	I
Item 2	– Material Changes.....	II
Item 3	- Table of Contents.....	III
Item 4	– Advisory Business.....	4
Item 5	– Fees and Compensation.....	5
Item 6	– Performance-Based Fees and Side-By-Side Management .....	9
Item 7	– Types of Clients .....	10
Item 8	– Methods of Analysis, Investment Strategies and Risk of Loss .....	11
Item 9	– Disciplinary Information .....	16
Item 10	– Other Financial Industry Activities and Affiliations.....	16
Item 11	– Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...18	
Item 12	Brokerage Practices.....	20
Item 13	– Review of Accounts.....	22
Item 14	– Client Referrals and Other Compensation.....	24
Item 15	– Custody.....	25
Item 16	– Investment Discretion.....	25
Item 17	– Voting Client Securities.....	26
Item 18	– Financial Information.....	27

#### **Item 4– Advisory Business**

**A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).**

Revelstoke Capital Management, LLC. (“Revelstoke” or the “Firm”) is a Denver, Colorado-based investment adviser founded in July 2013. Revelstoke provides discretionary portfolio management services primarily to institutional investors through two pooled investment vehicles, Revelstoke Capital Partners Fund I, L.P. and Revelstoke Capital Partners Co-Investment Fund I, L.P. (“the Fund” and “the Co-Investment Fund” and together “the Funds”), and through select direct sponsored investments in private companies (“Sponsored Investments”). The subscription of each investor in the Funds will be allocated 80% to the Fund and 20% to the Co-Investment Fund. RCP Fund I GP LLC is the general partner of each of the Revelstoke Fund’s and as such is a relying adviser subject to Revelstoke’s compliance program and is deemed to be registered with the SEC.

Revelstoke is a Delaware limited liability company and is the investment manager for each of the Revelstoke Funds and Sponsored Investments. Revelstoke is approximately 96.5% indirectly controlled by the Firm’s three founding principals, Mark King, Dale Meyer and Simon Bachleda and their families/trusts.

**B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.**

Revelstoke is a private equity firm that focuses on investments primarily in the healthcare and business services sectors. Through the Funds and Sponsored Investments, the Firm is responsible for day-to-day management oversight of its portfolio company investments. The Funds’ and Sponsored Investments’ objective is to generate appropriate returns on a risk adjusted basis; however, no assurance can be given that this objective will be met.

Revelstoke’s investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments, and achieving dispositions for such investments. Investments are made predominantly in non-public portfolio companies, although investments in public portfolio companies are permitted. The senior principals or other personnel of Revelstoke or its affiliates serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over the management of portfolio companies held by the Firm.

**C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions**

**on investing in certain securities or types of securities.**

The advisory services provided by Revelstoke are tailored to the investment objectives and investment strategy of the Funds and of each Revelstoke Sponsored Investment. Revelstoke provides investment advice directly to the Funds and to each Sponsored Investment and not to the limited partners in each Fund or to investors in each Sponsored Investment. Revelstoke does not require, nor does it seek, approval from its investors with respect to investment decisions, nor does it accept investment restrictions imposed by its investors. Revelstoke may, however, enter into side letter or similar agreements with certain investors that have the effect of establishing rights under or altering or supplementing the terms of the applicable vehicle's governing documents. Examples of such rights include information rights, certain fee arrangements, transfer rights, and certain put/call or redemption rights. Revelstoke generally enters into side letters only with investors who make substantial commitments of capital and are typically negotiated prior to closing any particular investment.

- D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

Revelstoke does not participate in wrap fee programs.

- E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.**

As of February 28, 2015, Revelstoke manages \$324,910,975 of regulatory assets under management, all on a discretionary basis. This date was chosen to reflect the closing of the Funds and certain Sponsored Investments in January and February 2015, respectively.

**Item 5– Fees and Compensation**

- A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.**

The Fund will pay to Revelstoke a management fee of 2% per annum based on aggregate capital commitments during the commitment period; after the commitment period, the Fund will pay to Revelstoke 2% per annum of actively invested capital. As mentioned in Item 6 below, the Fund will

pay RCP Fund I GP LLC, the Fund general partner, a 20% carried interest allocation. The Co-Investment Fund will pay to Revelstoke a management fee of 1% per annum based on actively invested capital. The Co-Investment Fund will not pay any carried interest.

For Sponsored Investments, Revelstoke's compensation for its advisory services is detailed in each of its investment's operating agreements and differs by deal. The Firm has charged its investors some combination of the following fees in its Sponsored Investments: one-time transaction fees upon closing a new portfolio investment or additional transaction fees upon closing a follow on/or add-on investment; ongoing investment monitoring fees typically payable on a quarterly basis charged to the portfolio company; exit fees payable upon the sale of an investment; and carried interest fees after a pre-determined preferred return. Revelstoke does not charge its Sponsored Investment investors a management fee.

Revelstoke may exempt certain limited partners of the Funds from payment of all or a portion of management fees and/or carried interest. Capital contributions for management fees paid by partners who are Revelstoke employees are returned to the employees as distributions rather than paid as management fees. Principals or other employees of Revelstoke may receive a portion of the management fee, carried interest allocation or other compensation received by the general partner.

It is critical that investors refer to their respective governing documents for a specific and complete understanding of how Revelstoke is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by the relevant governing documents.

**B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.**

The Funds will pay management fees pursuant to a quarterly capital call to each Fund's partners. If all committed capital has already been called, management fees may be accrued and deducted from investment proceeds. 100% of any break-up fees paid to Revelstoke or its affiliates in connection with each Fund's unconsummated transactions will be credited against the Fund's management fees based on the Fund's allocable share of the investment. The Fund's allocable share is determined based on the relative investments of such Funds and other investors in a particular transaction. Revelstoke and its affiliates may perform management, advisory, transaction-related, financial advisory and other services ("Related Services") for, and receive fees from, portfolio companies or other investment vehicles of the Funds and direct Sponsored Investments, including transaction, closing, consulting, monitoring, directors' fees or other fees paid to Revelstoke or its affiliates (net of expenses) by a portfolio company. Although these fees are in addition to the management fees

collected directly from the Funds, the amount of management fees paid by the applicable Fund are reduced by 100% of the Funds' allocable share of any such net fees collected. Any such fees collected in excess of management fees will be refunded to the Funds, unless prohibited by certain limited partners. However, any fees earned by co-investors, operating partners or third parties for board service on Revelstoke portfolio companies are paid by the relevant portfolio company and are not offset against management fees.

Any fees and expenses incurred as part of the Revelstoke Sponsored Investments are paid directly by the relevant portfolio company pursuant to a management services agreement with the specific portfolio company. Fees and expenses are paid when incurred and invoiced, in arrears.

It is critical that investors refer to their respective governing documents for a specific and complete understanding of how fees are deducted from their assets. The information contained herein is a summary only and is qualified in its entirety by the relevant governing documents.

**C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.**

In addition to a management fee and performance-based fee, limited partners in the Funds will pay all other expenses relating to the Funds, to the extent not borne by its portfolio companies, including legal, fund administration, accounting, audit, consulting (including, but not limited to, consulting fees incurred by the Fund for the benefit of its portfolio companies), investment banking, reporting, research, due diligence and other professional services to the Funds and filing and similar fees paid on behalf of the Funds, the Fund's allocable share of expenses and fees generated in the course of evaluating potential investments, including investments which are not consummated, the Fund's allocable share of expenses and fees incurred in the course of making investments, all custody, transfer, registration and similar expenses incurred by the Fund, all brokerage and finder's fees and commissions and discounts incurred in connection with the purchase or sale of securities, all premiums for insurance covering indemnified persons, all fees and expenses of the Board of Advisors, all fees and expenses incurred in connection with partner meetings, all interest on borrowed funds, all extraordinary expenses, all taxes and similar fees and expenses, as well as any other fees or expenses incurred by the Manager or the Fund in connection with the Fund's operations that are not specifically set forth above.

Other fees or expenses incurred on behalf of the Sponsored Investments, as mentioned in 5.B. above, are typically reimbursed by the portfolio company pursuant to a management agreement. Revelstoke investors in both the Funds and in Sponsored Investments do not pay any fees related to

brokerage services.

It is critical that investors refer to their respective governing documents for a specific and complete understanding of fees and expenses they may pay. The information contained herein is a summary only and is qualified in its entirety by the relevant governing documents.

- D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

The Funds pay Revelstoke a non-refundable management fee on a quarterly basis in advance. The Funds generally invest on a long-term basis, therefore management fees are expected to be paid, except as described in the relevant limited partnership agreement, over the term of the Funds, and limited partners are not generally permitted to withdraw or redeem interests in the Funds.

Sponsored Investment investors do not pay Revelstoke any fees in advance.

- E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.**
- 1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.**
  - 2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.**
  - 3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your**



primary or, if applicable, your exclusive compensation.

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

This Item is not applicable (with respect to all of Item 5.E and its sub-parts).

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

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a Client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

The general partner of the Fund, RCP Fund I GP LLC, generally is entitled to receive a carried interest allocation with respect to the Fund equal to 20% of all realized profits, subject to an 8% annually compounded preferred return and a related general partner catch-up provision. The carried interest allocated to the Fund is subject to a potential giveback at the end of life of the Fund. More information about the performance fee calculation methodology is described in the Fund's governing documents.

Investors in the Co-Investment Fund do not pay a performance-based fee.

Regarding the Sponsored Investments, each Revelstoke deal is structured so that Revelstoke's affiliate, Revelstoke Capital Partners, receives a fee based on capital appreciation earned in Sponsored Investment.

These above-described performance compensation arrangements have been structured to comply with Section 205(a)(1) of the Investment Act of 1940, as amended (the "Act") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 (specifically, each client that is charged performance or incentive fees will be a "qualified client" under Rule 205-3 meaning that such client will (i) have at least a \$2 million net worth, or (ii) have at least \$1 million

managed by the Firm or (iii) be a “qualified purchaser” under Section 2(a)(51) of the Investment Company Act of 1940, meaning that such client will have at least \$5 million net worth).

An incentive-based allocation arrangement may create an incentive for riskier or more speculative investments by Revelstoke than might be the case in the absence of a performance based allocation arrangement because these investments may allow Revelstoke to collect larger incentive based compensation than if there were no incentive compensation. This incentive is mitigated, however, because Revelstoke’s principals are large investors in the Funds and in Sponsored Investments and thus the Firm’s incentive for profit is aligned with those of its investors. The incentive is further mitigated by the fact that Revelstoke’s ability to attract future investors is tied to the performance of its investments.

## **Item 7– Types of Clients**

**Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

Revelstoke clients are generally high net worth U.S. individuals and institutions, other investment advisers or fund of funds, retirement accounts, trusts, pension funds, foundations, and endowments. In addition, principals, employees and other persons associated with Revelstoke are also investors in both the Revelstoke Funds and in the Sponsored Investments. The minimum commitment for a limited partner is \$5 million for institutional investors and \$1 million for individual investors. The Funds general partner reserves the right in its sole discretion to waive the minimum commitment requirement. The subscription of each investor will be allocated 80% to the Fund and 20% to the Co-Investment Fund. There are no minimum requirements for an investment in a Revelstoke Sponsored Investment.

In addition to offering interests in transactions that Revelstoke sources and closes, the Firm has also offered interests in a co-investment vehicle, Revelstoke Capital Investments, LLC, as well as offering Class A interests in Revelstoke itself. Class A units are reserved for those founding investors who have invested a significant amount of capital.

Further, while one or more limited partners in the Funds may be invited to co-invest in the Fund’s portfolio companies, in Revelstoke’s sole discretion any or all of any co-investment opportunity may be offered to investors that are not limited partners in one or more of the Funds. Revelstoke may, in its sole discretion, offer co-investment opportunities to some limited partners in its Funds while not offering them to other limited partners in its Funds. In certain cases, co-investment

opportunities may include opportunities to invest in Fund portfolio companies at a time when there is not a corresponding Fund investment or on different terms than any Fund investment. Some co-investors and third parties may also be provided the opportunity to sit, or have a representative sit, on the board of directors or board of advisors of the portfolio company. Positions on boards of directors or advisors of such portfolio companies may provide such persons with voting rights, access to information and potentially the ability to influence the operations and decision-making of the portfolio company that are not necessarily available to other investors. Any fees received by such co-investor or third party are paid by the relevant portfolio company and are not subject to a fee offset provision.

Limited partners in the Funds must meet certain suitability and net worth qualifications prior to making an investment in the Funds. Limited partners must be both (i) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and (ii) “qualified purchasers” as defined under the Investment Company Act of 1940, as amended.

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

**A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.**

1. *Lower Middle Market Focus:* Revelstoke focuses on the lower middle market where its founders have experience and believe there can be attractive opportunities, while maintaining the flexibility to consider larger or smaller investments.
2. *Industry-Specific Focus:* Revelstoke focuses primarily on the healthcare and business services sectors. However, the Firm may consider attractive investment opportunities in other sectors as well.
3. *Disciplined Investment Strategy:* Revelstoke follows a simple and disciplined investment strategy that includes add-on acquisitions, leverage, recapitalizations and exits.
4. *Proactive Deal Sourcing:* Revelstoke conducts a proactive sourcing effort to generate targeted investment opportunities at reasonable valuations.
5. *Diligence:* Revelstoke subscribes to a mosaic theory and believes that diligence should be directed at gathering a holistic picture of an investment. This strategy is achieved by not only completing the financial and operational work streams

(i.e. quality of earnings, market analysis, insurance/benefits, legal, 100-day planning etc.) but also by the Firm directly conducting numerous one-on-one conversations with a variety of constituents surrounding a particular industry, thus allowing Revelstoke to develop a greater level of insight and perspective. In addition, Revelstoke intends to emphasize the importance of developing a detailed competitive “chessboard” so that the strategic development process can be more effectively implemented and executed. Revelstoke’s principals are committed to both underwriting each investment “on the ground” (i.e., direct due diligence sessions with management at the target company).

6. Portfolio Monitoring/Executions: Revelstoke’s approach to portfolio management generally will focus on building a strategy in concert with the management of the portfolio company. Typically, entrepreneurs and senior management in lower middle market companies are overly burdened by day to day operational tasks and spend limited time and focus on short, mid and long term strategy development and execution. Revelstoke intends to assist management in promoting growth via strategic development and on-going strategic planning and will support management to constantly evaluate strategic growth and cost opportunities.
7. Exit: The Funds intend to be as disciplined about its exits as it is with its original investment criteria. Revelstoke will consider how best to position the company for its eventual exit and intends to identify the logical potential buyers and strategically position each portfolio company to maximize its value. Moreover, if Revelstoke believes that the Funds have achieved a 2.0x or greater unrealized return on investment, it will begin to re-underwrite the company to decide the proper course of action which may include holding and continuing to build, refinancing, or selling as appropriate to maximize value. Revelstoke intends to be aggressive in realizing value and returning capital to investors.

**B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

1. Highly Competitive Market for Investments: The business of identifying and structuring transactions is highly competitive. Revelstoke is competing for

investments with other private equity investment vehicles as well as other types of investors. There can be no assurance that the Firm will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration or fully invest its committed capital.

2. Changes in Environment: Revelstoke's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the Firm operates may undergo substantial changes. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Firm or considered for prospective investment. Instability in the securities markets may also increase the risks inherent in investments. Legal and regulatory changes could occur during the term of an investment that may adversely affect the investment.
3. Long Term Nature of an Investment: The Firm makes long-term investments and is for investors who can accept the risks associated with making highly speculative, primarily illiquid investments in privately negotiated transactions. The investments are unlikely to provide current income, which is not an investment objective of the Revelstoke deals. Investments may typically take from three to five years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Transaction structures may not provide liquidity for the investment prior to that time. In light of the foregoing, it is likely that no significant return from the disposition of the investments will occur for a significant period of time. In addition, losses on unsuccessful investments may be realized before realization of gains on successful investments. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment.
4. Illiquidity of Investments: An investment in a Revelstoke deal or Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investment.

5. *Investments in Less Established Companies:* The Funds and Sponsored Investments may invest in the securities of less established companies or early stage companies. Investments in such early stage companies may involve greater risks than are generally associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of an entire investment.
6. *Reliance on Management of the Fund and the Portfolio Companies:* Limited partners have no right or power to take part in the management or control of the investments and therefore must rely solely on Fund's general partner and the manager to conduct the investment's affairs. Investors will not receive the detailed financial information issued by portfolio companies which is available to the general partner and the manager. Decisions with respect to the management of the investments will be made by the general partner with the advice of the manager. The success of the investments will depend on the ability of the general partner and the manager to identify and consummate suitable investments, to improve the operating performance and development of portfolio companies and to dispose of investments at a profit. Accordingly, no person should purchase interests unless such person is willing to entrust all aspects of the management to the general partner and the manager.

Although the general partner and the manager will monitor the performance of each investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the general partner and the manager generally intend to invest in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully.

7. *Adverse Consequences of Ownership of Controlling Interest in Portfolio Companies:* It is expected that the Funds and Sponsored Investments may own a controlling percentage of the equity of portfolio companies which, depending upon the amount of equity owned by the Funds and Sponsored Investments, contractual arrangements between the company and the Funds, and other relevant factual

circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to the Funds and Sponsored Investments. In addition, because of its equity ownership, representation on the board of directors and/or contractual rights, the Funds and Sponsored Investments may often be thought to control, participate in the management of or influence the conduct of portfolio companies. This could expose the assets of the Funds and Sponsored Investments to claims by a portfolio company, its other security holders, its creditors or governmental agencies.

8. *Need for Follow-On Investments.* Following its initial investment in a given portfolio company, the Firm may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Firm will make follow-on investments or that the Firm will have sufficient funds to make all or any of such investments. Any decision not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment or may result in a lost opportunity for a Revelstoke to increase its participation in a operation.
9. *Side Agreements Not Available to All Investors:* In accordance with common industry practice, the general partners may enter into one or more “side letters” or similar agreements with certain limited partners pursuant to which the general partners grants to such limited partners specific rights, benefits or privileges that are not made available to limited partners generally. Such agreements will be disclosed only to those actual or potential limited partners that have the right to review such agreements.
10. *Projections:* Projected operating results of a company in which the Firm invest normally will primarily be based on financial projections prepared by each company’s management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. General economic factors, which are not predictable, can also have a material effect on the reliability of projections.

- C. **If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks,**

**discuss these risks in detail.**

Please see 8.B.

#### **Item 9– Disciplinary Information**

**If there are legal or disciplinary events that are material to a client’s or prospective client’s evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.**

Like other registered investment advisers, Revelstoke is required to disclose all material facts regarding any legal or disciplinary events that would materially impact an investor’s evaluation of the Firm or the integrity of Revelstoke’s management. No events have occurred at Revelstoke that are applicable to this Item.

#### **Item 10– Other Financial Industry Activities and Affiliations**

- A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.**

Revelstoke is not actively engaged in a business other than giving investment advice to its Funds and its investments. Neither Revelstoke nor any of its management persons is registered or has an application pending to register as a broker-dealer, or associated person of the foregoing, and Revelstoke does not anticipate such affiliations in the future.

- B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities, disclose this fact.**

Neither Revelstoke nor any of its management persons is registered or has an application pending to register as a futures commission merchant, commodity pool operator, commodity-trading adviser, or associated person of the foregoing, and Revelstoke does not anticipate such affiliations in the future.

- C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.**



1. **Broker-dealer, municipal securities dealer, or government securities dealer or broker**
2. **Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)**
3. **Other investment adviser or financial planner**
4. **Futures commission merchant, commodity pool operator, or commodity trading advisor**
5. **Banking or thrift institution**
6. **Accountant or accounting firm**
7. **Lawyer or law firm**
8. **Insurance company or agency**
9. **Pension consultant**
10. **Real estate broker or dealer**
11. **Sponsor or syndicator of limited partnerships.**

Revelstoke has no arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships that are material to its advisory services or its investors.

As mentioned in Item 4, Revelstoke’s general partners are affiliated entities of the investment manager. The controlling principals of Revelstoke are also the controlling members of the general partners.

- D. If you recommend or select other investments for your clients and you receive compensation directly or indirectly from those that creates a material conflict of interest, or if you have other business relationships with those that create a material conflict of interest, describe these practices and discuss the material**

**conflicts of interest these practices create and how you address them.**

Revelstoke has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking, tax preparation, insurance brokerage, investment management services, and other personal services. None of the above relationships, however, creates a material conflict of interest with any of Revelstoke's clients or its investors.

From time to time, Revelstoke may receive training, information, promotional material, meals, gifts or prize drawings from vendors and others with whom it may do business or to whom it may make referrals. At no time will Revelstoke accept any benefits, gifts or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider.

Revelstoke does not recommend or select other investment for its clients.

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

- A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.**

High ethical standards are essential for the success of Revelstoke and for maintaining the confidence of its investors. As fiduciaries, Revelstoke and its employees have a legal obligation to put clients' interest ahead of their own. Revelstoke has adopted a Code of Ethics which establishes rules of conduct for all employees. The Code is designed to govern personal securities trading activities in employee accounts. It is based upon the principle that Revelstoke and its employees owe a fiduciary duty to the Firm's clients to conduct their affairs, including their personal securities transactions, to avoid (1) serving their own personal interests ahead of clients, (2) taking inappropriate advantage of their position with the Firm, and (3) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

Adherence to the Code is considered a basic condition of employment by Revelstoke and is designed to ensure that the high ethical standards maintained by Revelstoke continue to be applied. At least once a year, each Revelstoke employee is required to acknowledge this Code and agree to be bound by it. Employees of Revelstoke who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Employees are also required to promptly report any violations of the Code of Ethics of which they become aware. A copy of our Code is available to our clients and prospective clients upon request.

by contacting Simon Bachleda by email at sbachleda@revelstokecp.com or by telephone at (303) 953-3098.

- B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

***1. Participation or Interest in Client Transactions***

Revelstoke and certain employees may invest in the Revelstoke Funds and in Revelstoke Sponsored Investments; the Firm may exempt such persons from all or a portion of the incentive allocation and deal expenses. These Revelstoke employee-investors receive distributions proportionally with other investors. Additionally, the investment documents for certain Revelstoke deals provide that upon the successful closing of the Funds, a pre-determined portion of the equity investments is contractually required to be acquired by the Funds. The remainder will continue to be managed as Sponsored Investments by Revelstoke.

Revelstoke's affiliates maintain an ownership interest in each of the Funds and in the Sponsored Investments. This ownership interest serves to align Revelstoke's interests with those of its investors.

***2. Conflicts of Interest***

Revelstoke has adopted rules intended to detect and prevent conflicts of interest that arise when employees own, buy or sell securities. Revelstoke's Code of Ethics requires Firm employees to place the interests of clients first, and on an annual basis each Revelstoke employee must certify that he or she has read and understands the Code and has complied with its provisions. Each principal and employee of Revelstoke is required to adhere to the Firm's personal trading rules.

- C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.**

In rare cases, Revelstoke's business may provide Revelstoke and its employees with access to material nonpublic ("insider") information. The Code of Ethics includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

Revelstoke employees are permitted to make securities transactions in their personal accounts, subject to certain limitations. However, employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information or communicating material non-public information about such securities to others. While it is uncommon for Revelstoke to have access to any material non-public information, Revelstoke maintains a restricted list. Supervised persons are required to submit annual and monthly reports of security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest and to seek pre-clearance for purchases of publicly traded securities which occur on the Firm's restricted list.

- D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

Please refer to Items 11.A, 11.B and 11.C.

## **Item 12—Brokerage Practices**

- A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).**

Section 206 of the Act requires Revelstoke to act in the best interests of its investors. A part of that obligation is to seek to obtain "best execution" for Revelstoke clients when selecting a broker or dealer for publicly traded securities.

Revelstoke focuses on securities transactions of private companies and purchases and sells such companies through privately negotiated transactions. Revelstoke may also distribute securities to investors or sell such securities, including through using a broker-dealer, if a public trading market exists. Although Revelstoke does not intend to regularly engage in public securities transactions, to the extent it does so, it will follow the brokerage practices described below.

If Revelstoke sells publicly traded securities, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Revelstoke. In selecting a broker to execute client transactions, Revelstoke may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) gross compensation paid to the broker.

1. ***Research and Other Soft Dollar Benefits.*** If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.
  - a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.
  - b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients’ interest in receiving most favorable execution.
  - c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.
  - d. Disclose whether you use soft dollar benefits to service all of your clients’ accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.
  - e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.
  - f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

Currently, Revelstoke does not engage in any soft dollar arrangements and does not plan to in the future.

2. ***Brokerage for Client Referrals.*** If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.
  - a. Disclose that you may have an incentive to select or recommend a

broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.

- b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

Revelstoke does not consider client referrals when selecting broker-dealers.

### **3. *Directed Brokerage.***

- a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.
- b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Revelstoke does not have any directed brokerage arrangements.

- B.** Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

Revelstoke does not aggregate the purchase or sale of securities for client accounts.

### **Item 13– Review of Accounts**

- A.** Indicate whether you periodically review client accounts or financial plans. If

**you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

The investments made by Revelstoke are generally private, illiquid and long-term in nature. Accordingly, the Firm's review process is not directed toward a short-term decision to dispose of securities. Revelstoke's team of investment professionals closely monitors and conducts monthly reviews of investment companies and maintains ongoing oversight. These reviews include, without limitation, sales trends, margins, profitability, debt to equity ratios, material business developments, competitive landscape and discussion with management.

**B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

Revelstoke's Investment Committee reviews all investments on at least a quarterly basis and periodically checks to confirm that each investment is maintained in accordance with its stated business objectives. The Chief Compliance Officer would perform an additional review in the event that a portfolio company needed subsequent financing, in the event of a potential acquisition or liquidity event, or if there were a serious performance issue.

**C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

Revelstoke generally will provide to its Fund investors and its investors in Sponsored Investments: (i) audited financial statements annually within 120 days of year end, prepared according to Generally Accepted Accounting Principles ("GAAP"), commencing with the first year in which it either is in operation for at least six months or makes an investment; (ii) unaudited financial statements monthly and for the first three quarters of each fiscal year; (iii) annual tax information necessary for each partner's U.S. tax returns; and (iv) quarterly valuation of the investment based on the Firm's established valuation policy. The Firm will provide to its Class A investors and to investors in Revelstoke Capital Investments, LLC: (i) annual tax information necessary for each partner's U.S. tax returns; and (ii) a copy of the audited financial statements of Revelstoke, prepared according to GAAP, within 120 days of year-end. All reports are sent to limited partners in either a physical copy or are delivered electronically as per each investor's preference and are distributed by either the Firm or the Firm's third party administrator. The Firm also has contact with investors (personal visits, telephone, e-mail) throughout the year as conditions warrant.

## **Item 14– Client Referrals and Other Compensation**

- A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.**

Revelstoke does not receive an economic benefit from any non-clients for providing investment advice or other advisory services to its clients. Revelstoke has relationships with industry professionals that are experts in their field and are selected to assist Revelstoke in managing its investments. Referred to as operating partners, these professionals assist Revelstoke in sourcing transactions and in the due diligence and transaction documentation process. The operating partners also assist the portfolio companies in executing on strategic initiatives, executing on and integrating add-on acquisitions and in serving on the board of directors of the portfolio company, among other functions. Revelstoke operating partners generally receive compensation and travel expense reimbursement from the underlying portfolio company for providing such service and advice.

In addition, Revelstoke or certain of its affiliates may have the right to receive certain non-investment advisory fees in connection with the Funds' investments and portfolio companies, as described in the Funds' governing documents. For example, Revelstoke may be entitled to receive (i) certain professional services or related fees from a portfolio company in connection with certain transactions; (ii) certain monitoring or consulting fees from a portfolio company for services provided to the portfolio company; and (iii) fees for serving on the board of directors of a portfolio company. 100% of such fees associated with the Funds allocable share of the investment are offset against the management fee.

- B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.**

From time to time, Revelstoke may enter into placement arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in the Funds or a co-investor in Sponsored Investments. Currently, there are no placement agent payment obligations.

Any fees and expenses payable to any placement agent will be borne by Revelstoke indirectly through an offset against the management fee and the cost of any such fees will be borne entirely by



Revelstoke and not by any affected limited partner. All placement agents engaged by Revelstoke will be registered broker-dealers.

#### **Item 15– Custody**

**If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.**

Revelstoke is deemed under federal securities laws to have custody over its clients' funds by virtue of its status as investment manager and general partner, respectively. In accordance with current SEC standards and guidance, Revelstoke has established accounts with a custodian to hold funds and securities on behalf of the Funds and Sponsored Investments with Silicon Valley Bank. All investment vehicle clients are audited annually by PCAOB accredited accounting firms, and Revelstoke intends to deliver to each investor a copy of the annual audited financial statement of the investor's relevant investment within 120 days of the fiscal year-end. Annual financial statements are prepared according to the Generally Accepted Accounting Principles ("GAAP").

#### **Item 16– Investment Discretion**

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

Revelstoke is retained on a fully discretionary basis and is authorized to determine and direct the execution of transactions pursuant to the terms of the agreement entered into between the Firm and each Fund or investor. The terms upon which Revelstoke serves as an investment manager are established at the time each investor retains Revelstoke as their investment manager. Revelstoke is not required to contact an investor prior to transacting any business once such investor executes these documents.

Investment advice is provided directly to the Funds and to Sponsored Investment and not to investors individually. Revelstoke has discretionary authority, with certain limitations, to buy and sell securities and other investments on behalf of each Fund or investment and to determine the amount

of such investments to be bought and sold. The Firm's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

#### **Item 17– Voting Client Securities**

- A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.**

The majority of “proxies”, if any, received by Revelstoke will be written shareholder consents or similar instruments for private companies. According to the investment documentation for the Funds and for each investment, Revelstoke is required to vote all shares in the same manner; this includes Firm shares, principal's shares and investor shares. Revelstoke seeks to ensure that it votes proxies in the best interest of its Funds and investments, including where there may be material conflicts of interest in voting proxies. Revelstoke generally believes its interests are aligned with those of its investors through the principals' beneficial ownership interests in Sponsored Investments and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Firm may address the conflict using several alternatives, including by seeking the approval or concurrence of an Advisory Committee on the proposed proxy vote, or through other alternatives deemed appropriate by the relevant general partner.

Revelstoke does not consider service on portfolio company boards by Revelstoke personnel or its receipt of monitoring fees to create a material conflict of interest in voting proxies with respect to such companies.

- B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.**

This item is not applicable to Revelstoke.

## **Item 18– Financial Information**

- A.** If you require or solicit prepayment of more than \$1,200 in fees per client , six months or more in advance, include a balance sheet for your most recent fiscal year.
1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.
  2. Show parenthetically the market or fair value of securities included at cost.
  3. Qualifications of the independent public accountant and any accompanying independent public accountant’s report must conform to Article 2 of SEC Regulation S-X.

This item is not applicable to Revelstoke as it does not collect pre-payment of more than \$1,200 in fees.

- B.** If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

Revelstoke has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to investors.

- C.** If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

Revelstoke has never been the subject of a bankruptcy petition.