

INVESTMENT ADVISER BROCHURE

OPENGATE CAPITAL MANAGEMENT, LLC

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of OpenGate Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (310) 432-7000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

OpenGate Capital Management, LLC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding OpenGate Capital Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

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MATERIAL CHANGES

This is OpenGate Capital Management, LLC's first filing of Form ADV Part 2. This Brochure describes the business practices of OpenGate Capital Management, LLC and its affiliates.

ADVISORY BUSINESS

OpenGate Capital Management, LLC (the "**Adviser**"), a Delaware limited liability company and a registered investment adviser, and its affiliated investment advisers will provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Adviser was founded in April 2012 and has primarily been involved with capital contributed by the Adviser's personnel.

The Adviser's clients include OpenGate Capital Partners I, LP and Open Gate Capital Partners I-A, LP (collectively, "**Fund I**," and together with any future private investment fund to which the Adviser or its affiliates provide investment advisory services, the "**Funds**").

OpenGate Capital Partners GP I, LP ("**General Partner I**"), a Cayman Islands exempted limited partnership and the general partner of Fund I, and any other future general partner of a Fund (each, a "**General Partner**" and together with the Adviser, "**OpenGate**"), are, or will be, registered under the Advisers Act pursuant to the Adviser's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with the Adviser. The Adviser has not yet begun investment activities with respect to private investment funds, including the Funds; therefore, all descriptions of OpenGate's investment activities describe OpenGate's expected investment activities with respect to the Funds.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as "**portfolio companies**." OpenGate's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of OpenGate or its affiliates may serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

OpenGate's advisory services for the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a "**Memorandum**") and limited partnership or other operating agreements (each, a "**Partnership Agreement**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Partnership Agreement. The Funds or the General Partners may enter into side letters or other similar agreements with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors.

Additionally, from time to time, the Adviser may provide (or agree to provide) certain investors or other persons, including OpenGate's personnel and/or certain other persons associated with OpenGate and/or its affiliates (to the extent not prohibited by the applicable

Partnership Agreement), co-investment opportunities (including the opportunity to participate in co-invest vehicles) that will invest in certain portfolio companies alongside a Fund. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from a Fund. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, and the co-investor or co-invest vehicle may be charged interest on the purchase to compensate the relevant Fund for the holding period, and generally will be required to reimburse the relevant Fund for related costs.

As of December 31, 2014, OpenGate did not manage any client assets on a discretionary basis. OpenGate is principally controlled by Andrew Nikou.

FEES AND COMPENSATION

In general, OpenGate receives a management fee and a carried interest in connection with advisory services. The Adviser or other OpenGate entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation will offset in part the management fees otherwise payable to OpenGate. In addition, OpenGate may receive compensation for management and other services performed in connection with co-investments made in portfolio companies of the Funds. Investors in a Fund also bear certain fund expenses.

Management Fees

Fund I will pay the Adviser, quarterly in advance, a management fee (the “**Management Fee**”) equal to 2.0% on an annual basis of aggregate Fund I investor capital commitments (“**Commitments**”). Investors participating in a closing after the Fund's initial closing date bear the Management Fee from the initial closing date. Upon the earlier to occur of (i) the date when all Fund I Commitments have been invested or otherwise used to pay expenses of Fund I or (ii) the fifth anniversary of Fund I's effective date, the aggregate Management Fee will be reduced and will equal 2.0% of the aggregate capital contributions made to Fund I investments that have not been completely written off. The Management Fee will be payable until all portfolio investments are distributed or until the Adviser's relationship with Fund I is terminated for other reasons (as described in the Partnership Agreement). Installments of the Management Fee payable for any period other than a full quarter are adjusted on *pro rata* basis according to the actual number of days in such period.

The Adviser or another affiliated entity will be permitted to retain (“**Supplemental Fees**”) without offset against the Management Fee: (i) 50% of management services, advisory consulting or director's fees paid by any portfolio company; (ii) 50% of transaction fees paid to the Adviser by any portfolio company; and (iii) 50% of all other net fee income received by the Adviser or its partners or employees from portfolio companies or prospective portfolio companies; and (iv) such amounts with respect to Funds or vehicles not bearing Management Fees. The remaining 50% of such portfolio company-related fees will be credited as an offset against the Management Fee. To the extent that such an offset credit would reduce the

Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (*e.g.*, where an adverse tax consequence may result). Portfolio company-related fees may also include amounts prepaid in anticipation of future services or otherwise accelerated in certain situations (*e.g.*, an initial public offering), which will be offset against the applicable Management Fee to the extent set forth in the relevant Partnership Agreement. Although such prepaid or accelerated fees generally will be based on the anticipated level and duration of services that the Adviser believes at the time of such prepayment or acceleration are likely to be provided to the portfolio company, over time, they may be greater or less than the amount that is ultimately incurred with respect to services ultimately provided to such portfolio company.

As a matter of practice, the Adviser is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment (see “Co-Investment” below).

Additionally, as further described below and in the Partnership Agreement of the Fund, the Advisers’ and/or portfolio companies retain certain consultants that OpenGate maintains a relationship with (“Related Consultants”) to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest or to conduct diligence or provide other consulting services with respect to investments by the Funds. Such Related Consultants may receive compensation, including, but not limited to salary, transaction fees and other items detailed herein, and such compensation will not result in offsets to the Management Fee.

Carried Interest

General Partner I will receive a carried interest with respect to Fund I equal to 20% of all realized profits subject to a 8% compound preferred return, as more fully described in the Partnership Agreement. The carried interest distributed to General Partner I is subject to a potential giveback at the end of life of Fund I if General Partner I has received excess cumulative distributions.

It is expected that any future Funds will have a similar fee structure.

Other Information

OpenGate may exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including OpenGate affiliates and any other person designated by OpenGate. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by OpenGate and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where an OpenGate professional or affiliate invests in a Fund, such professional or affiliate generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, OpenGate may have the right to permit investors, affiliated with an OpenGate or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of OpenGate may receive a portion of the Management Fee, carried interest or other compensation received by OpenGate or its affiliates.

In addition to the Management Fee and carried interest payable to OpenGate, each Fund bears certain expenses. As set forth more fully in the applicable Memorandum and/or Partnership Agreement of each Fund, a Fund bears all expenses relating to the Fund's activities, investments and business to the extent not reimbursed or paid by a portfolio company or applied to reduce transaction fees, including costs and expenses attributable to structuring, organizing, acquiring, managing, operating, holding, valuing, winding up, liquidating, dissolving and disposing of such Fund's investments (including costs of compensating Related Consultants in connection with conducting diligence or otherwise providing consulting services with respect to the Fund's investments on a deal-by-deal basis), legal, filing, accounting, auditing, investment banking, travel, consulting, research, brokerage, finder's fees, financing, real estate title, appraisal, printing, reporting, custody, depositary, transfer, registration, insurance, advisory board, limited partner meetings, interest, taxes, extraordinary expenses and other similar fees and expenses, including such fees and expenses, or other liabilities or obligations, incurred for transactions not consummated ("Broken Deal Expenses"), but not OpenGate expenses in connection with maintaining and operating its offices (such as compensation of its employees, rent, utilities and general office expenses). The Funds also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of OpenGate and/or its affiliates, and expenses related to Related Consultants retained by a portfolio company or retained by OpenGate on a portfolio company's behalf. Excluded from Fund expenses are ordinary administrative and overhead expenses of the General Partners incurred in connection with managing, originating and monitoring investments, including OpenGate employees' salaries, rent, utilities and other similar expenses specified in the Partnership Agreement. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. Brokerage fees may be incurred in accordance with the practices set forth in "Brokerage Practices."

In certain circumstances, one Fund may pay an expense common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds by their share of such expense, without interest. While highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. OpenGate may also advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

A General Partner may permit certain investors to co-invest in portfolio companies alongside one or more Funds. If a co-invest vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds.

OpenGate and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees, director's fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. The receipt of such compensation may give rise to conflicts of interest between the Funds, on the one hand, and OpenGate and/or its affiliates on the other hand.

Additionally, as further described herein and in the applicable Memorandum and/or Partnership Agreement of the Fund, the Adviser may from time to time employ or retain certain Related Consultants or recommend such Related Consultants to portfolio companies. Such Related Consultants generally may provide services in relation to the identification of add-on acquisitions, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. These services may also include serving in management or policy-making positions for portfolio companies. Related Consultants will receive compensation, which may include, but is not limited to a profits or equity interest in the respective portfolio company and/or salary, hourly or other compensation, which may be determined according to one or more methods. No such compensation to Related Consultants will offset the Management Fee. The use of Related Consultants subjects the Advisers to conflicts of interest, as discussed under "Conflicts of Interest," below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," General Partner I receives a carried interest allocation on certain realized profits in Fund I.

TYPES OF CLIENTS

OpenGate provides investment advice to the Funds. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of OpenGate and its affiliates and members of their families, or other service providers retained by OpenGate.

Fund I generally has a minimum investment amount of \$5,000,000 for third-party investors, and Fund I interests are offered and sold solely to qualified purchasers (or qualified knowledgeable OpenGate personal). Such minimum investment amount may be waived by OpenGate.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

OpenGate is a private investment firm focused on leveraged buyouts, equity, debt and other investments in non-core and/or underperforming divisions of large multinational corporations, but that have a defensible market position and mature operations with existing revenues and a strong customer base, which OpenGate believes are likely to benefit from

OpenGate's in-house operating professionals and experience. OpenGate's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly of non-public companies although investments in public companies are permitted.

OpenGate's investment strategy for Fund I focuses on the acquisition of controlling interests in companies that OpenGate believes have strong market positions or franchise value but with poor performance, significant operating challenges, inadequate or incomplete management or in out-of-favor industries. OpenGate often seeks to target industries that are in a downturn and present opportunities for consolidation. Within these industries OpenGate generally has a preference for businesses that are asset-heavy, operationally intense, involved in industrial manufacturing and/or are service oriented. As a result of the above factors, OpenGate aims to purchase for Fund I distressed, good quality businesses at valuations OpenGate believes to be low relative to underlying potential. OpenGate focuses on investments that require equity capital of approximately \$10 million to \$30 million, although the required capital may be greater or less than such amounts.

Once an investment opportunity has been identified, OpenGate seeks to transition the portfolio company from a neglected division within a large corporation to a highly dynamic and growing independent business with substantial operational transformation. OpenGate works with portfolio company management to grow the portfolio company organically or through the execution of add-on acquisitions.

There can be no assurance that OpenGate will achieve the investment objectives of any Fund and a loss of investment is possible.

Investment and Operating Strategy

Deal Sourcing and Due Diligence. OpenGate considers over one thousand investment opportunities each year, approximately half of which are deemed qualified opportunities by OpenGate professionals. OpenGate professionals carefully qualify each potential investment opportunity to determine if it meets OpenGate's investment criteria. For investment opportunities that pass the screening process, OpenGate professionals undertake a preliminary review that initially considers the target company's positioning, merits and challenges within its peer group. Senior professionals of OpenGate review the results of the initial due diligence in order to determine whether to accelerate a potential transaction and the necessary allocation of resources. OpenGate professionals then engage in several stages of due diligence on the potential investment opportunity, including analyzing the expected valuation range, investment merits and risks and concerns; formulating key questions; estimating investment returns; reviewing the target company's products and services, customers, financial performance, market position and growth prospects; analyzing the potential valuation, liquidity and capital structure; considering likely sources of financing; conducting on site visits; examining the investment opportunity's cash management, finance, accounting, tax, legal, regulatory, real estate, sales and marketing, human resources and environmental management; reviewing historical and projected financial statements and strategic plans; conducting secondary visits; conducting interviews with

customers, suppliers, competitors and potential strategic buyers; and any other actions that the OpenGate professions believe are warranted under the circumstances.

Develop Restructuring and Operating Plan. Senior members of the professional and operating staff of OpenGate and its affiliates develop a restructuring and operating plan prior to the close of each transaction focusing on the target's strengths, weaknesses, competitive position, industry trends and other relevant factors.

Build Management Team. OpenGate may supplement or replace the management team at a new portfolio company or advise the existing management team on ways to improve performance. OpenGate and its affiliates routinely search for highly qualified senior managers and often identify qualified candidates prior to making the next investment. In certain instances, operating professionals of OpenGate or its affiliates will fill key management roles (including chief executive officer or chief financial officer) on an interim basis immediately following closing until a professional management team can be assembled.

Maintain Active Involvement in Portfolio Companies. OpenGate aims to act decisively with respect to newly acquired portfolio companies and typically makes significant changes to the company within the first three to six months after acquisition. Thereafter, OpenGate stays actively involved in the management of the portfolio companies by, among other things, requiring its portfolio companies to distribute weekly flash reports and scheduling frequent meeting with the senior staff to focus on operations, competition, new products and personnel.

Internal Growth and Add-on Acquisitions. Once the above strategies have been implemented, OpenGate will often seek to utilize the portfolio company's cash flow, imbedded equity value and borrowing capacity to accelerate growth through new product and market opportunities and add-on acquisitions.

Exit Strategy. Once the portfolio company has restored a track record of sales growth and consistent profitability, OpenGate will consider appropriate exit strategies, including the sale to a strategic or financial buyer, an initial or secondary public offering or a recapitalization. Factors considered include the company size, company growth rate, industry and competitive dynamics, banking market conditions and capital market conditions.

Risks of Investment

Each Fund and its investors bear the risk of loss that OpenGate's investment strategy entails. The risks involved with OpenGate's investment strategy and an investment in a Fund include, but are not limited to:

Business Risks. A Fund's investment portfolio will consist primarily of securities issued by non-public troubled companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk which can result in substantial losses. Indeed, investments in troubled companies involve a higher degree of risk than other investments.

Concentration of Investments. Each Fund will participate in a limited number of investments (and may seek to make several investments in one industry or one industry segment

or within a short period of time) and, as a consequence, the aggregate return of a Fund may be materially affected by the performance of a single investment or a single industry segment.

Lack of Sufficient Investment Opportunities. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. However, the limited partners will be required to bear management fees through such Fund during the commitment period based on the entire amount of the limited partners' Commitments to such Fund and other expenses as set forth in the Partnership Agreement.

Dynamic Investment Strategy. While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the relevant Partnership Agreement(s). A General Partner may pursue investments outside of the industries and sectors in which OpenGate has previously made investments or has internal operational experience.

Leveraged Investments. A Fund may make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates (which recently have been at or near historic lows) and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency. A Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt). The use of leverage by a Fund also will result in interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. A Fund may incur leverage on a joint and several basis with one or more other Funds and entities managed by OpenGate or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of each Fund's investments and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the

partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to OpenGate with respect to such investment.

Non-U.S. Investments. A Fund may invest in companies that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of a Fund) and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.

Distressed Investments. A Fund may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that OpenGate will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Fund invested.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by OpenGate in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties 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. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, OpenGate may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There is no assurance that any Fund will make add-on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make add-on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made) or may result in a lost opportunity for such Fund to increase its participation in a successful operation.

Investment in Junior Securities. The securities in which a Fund will invest may be among the most junior in a portfolio company's capital structure, and thus subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

Public Company Holdings. A Fund's investment portfolio may contain debt and/or equity securities issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including OpenGate's principals, and increased costs associated with each of the aforementioned risks.

Material Non-Public Information. As a result of the operations of OpenGate and its affiliates, OpenGate frequently comes into possession of confidential or material non-public information. Therefore, OpenGate and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or OpenGate's internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Conflicts of Interest

OpenGate and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account (including for certain OpenGate principals) and for the account of other Funds, and providing transaction-related, investment advisory, legal, management and other services to Funds and portfolio companies. In the ordinary course of OpenGate conducting its activities, the interests of a Fund may conflict with the interests of OpenGate, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by OpenGate principals through such Fund, subject to certain limited exceptions. Without limitation, OpenGate principals currently own, and in the future, manage several other investments similar to those in which a Fund will be investing, and may direct certain relevant investment opportunities to those investments. OpenGate's principals and OpenGate's investment staff will continue to manage and monitor such investments until their realization. Such other investments that OpenGate principals control or manage may potentially compete with companies acquired by a Fund. Following the commitment period of a Fund, OpenGate principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, OpenGate will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of OpenGate. In determining which investment vehicles should participate in such investment opportunities, OpenGate and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of OpenGate in a portfolio company may also raise the risk of using assets of a client of OpenGate to support positions taken by other clients of OpenGate. When and to the extent that employees and related persons of OpenGate and its affiliates make capital investments in or alongside certain Funds, OpenGate and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

As a result of the Funds' controlling interests in portfolio companies, OpenGate and/or its affiliates typically have the right to appoint portfolio company board members, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to OpenGate and/or its affiliates. Such amounts will be in addition to any Management Fees or carried interest paid by a Fund to OpenGate.

Additionally, a portfolio company typically will reimburse OpenGate or service providers, including Related Consultants, retained at OpenGate's discretion for expenses (including without limitation travel expenses) incurred by OpenGate or such service providers in connection with its performance of services for such portfolio company. This subjects OpenGate and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements may be substantial.

OpenGate determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to OpenGate or such service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

OpenGate generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) OpenGate or a related person of OpenGate (which may include a portfolio company of such Fund), (ii) an entity with which OpenGate or its affiliates or current or former members of their personnel has a relationship or from which OpenGate or its affiliates or their personnel otherwise derives financial or other benefit, or (iii) service providers that OpenGate has an ongoing relationship with, including Related Consultants. This subjects OpenGate to conflicts of interest, because although OpenGate selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, OpenGate may have an incentive to recommend the related or other person because of its financial or other business interest. There is a possibility that OpenGate, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not OpenGate has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

OpenGate and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by OpenGate and/or its affiliates; conversely, former personnel or executives of OpenGate and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by OpenGate. Similarly, OpenGate, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, OpenGate and/or its affiliates, and/or the Funds or other investment vehicles they advise. OpenGate may have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide OpenGate information about markets and industries in which OpenGate operates (or is contemplating operations) or will provide other services that are beneficial to OpenGate. OpenGate may have a conflict of interest in making such recommendations, in that OpenGate has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

OpenGate, its affiliates, and equityholders, officers, principals and employees of OpenGate and its affiliates may buy or sell securities or other instruments that OpenGate has recommended to a Fund. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to the policies and procedures set forth in OpenGate's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of any Fund.

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

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to third party consultants (including consultants introduced, arranged or retained by OpenGate and/or its affiliates that may regularly provide services to one or more portfolio companies, which in the future may include Related Consultants), and such fees do not offset the Management Fee as described herein. OpenGate believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Related Consultant is lower than market rates for the services provided and/or if the quality of the services of the Related Consultant make a greater contribution to the success of the portfolio company. Although OpenGate seeks to retain Related Consultants with a view to reducing costs to portfolio companies and, ultimately, the Funds, a number of factors may result in limited or no cost savings from such retention. OpenGate also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that OpenGate believes will align such persons' interests with those of the Funds' limited partners, such as through a profits or equity interest in the applicable portfolio company for which the Related Consultant provides services.

Because OpenGate's carried interest is based on a percentage of net realized profits, it may create an incentive for OpenGate to cause a Fund to make riskier or more speculative investments than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when the OpenGate may not otherwise have done so. Since OpenGate is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, it could have a conflict of interest in connection with approving transactions and setting such compensation.

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

Any of these situations subjects OpenGate and/or its affiliates to potential conflicts of interest. OpenGate attempts to resolve such conflicts of interest in light of its obligations to

investors in its Funds and the obligations owed by OpenGate's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, OpenGate will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, OpenGate consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund and such other investment vehicles.

DISCIPLINARY INFORMATION

OpenGate and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Adviser is affiliated with other OpenGate investment advisers registered with the SEC under the Advisers Act pursuant to OpenGate's registration in accordance with SEC guidance, including OpenGate Capital Partners GP I, LP. Affiliated investment advisers operate as a single advisory business together with the Adviser and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Adviser has adopted the OpenGate Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of OpenGate principals and employees and addresses conflicts that arise from personal trading. The Code requires certain OpenGate personnel to report their personal securities transactions, prohibits or requires pre-clearance for OpenGate personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits OpenGate personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from OpenGate's Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Daniel Abrams, the OpenGate Chief Compliance Officer, at (310) 432-7000. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

OpenGate and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, OpenGate and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of OpenGate.

Accordingly, should OpenGate or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, the Adviser generally would be prohibited from communicating such information to clients, and OpenGate will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of OpenGate personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and employees of OpenGate and its affiliates may directly or indirectly own an interest in Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles may invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities may also be presented to certain affiliates of the Advisers, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles or directly in a particular portfolio company. Additionally, a Fund may invest together with other Funds advised by an affiliated adviser of OpenGate in the manner set forth in the Partnership Agreement. OpenGate will determine the allocation of investment opportunities in a manner that it believes is fair and equitable to its clients consistent with OpenGate's obligations and may take into consideration factors such as the following: the client's investment restrictions and objectives (including those set forth in the relevant client's governing documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition and cash level and applicable regulatory restrictions.

OpenGate and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain vehicles sponsored by OpenGate (the "**Reference Funds**") may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Reference Funds or may give priority with respect to investments to such Reference Funds. Some of these restrictions could be waived by investors (or their representatives) in such Reference Funds.

From time to time, OpenGate may borrow funds on behalf of a Fund and contribute such borrowed amounts to the relevant Fund as a special capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing is borne by the relevant Fund as a Fund expense, consistent with the Partnership Agreement (or other governing document) and the expense policy described under "Fees and Compensation." In borrowing on behalf of a Fund, OpenGate is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund. OpenGate will effect such borrowings in a manner it believes to be fair and equitable to the Fund, and consistent with OpenGate's obligations to the Fund and the Partnership Agreement.

BROKERAGE PRACTICES

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

If OpenGate sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by OpenGate. In such event, OpenGate will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, OpenGate 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) responsiveness to requests for trade data and other financial information.

OpenGate has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although OpenGate generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with OpenGate seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although OpenGate generally does not make use of such services at the current time and has not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of OpenGate’s Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by OpenGate, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between OpenGate and its affiliates.

OpenGate will employ no agreement or formula for the allocation of brokerage business on the basis of research services; however, OpenGate may, in its discretion, cause the Funds to pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where OpenGate has determined in good faith that such commission is reasonable in relation to the value of brokerage and research services

received. In reaching such a determination, OpenGate would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

OpenGate will periodically determine which brokers have provided research that has been helpful in the management of Funds. To the extent consistent with OpenGate's goal to obtain best execution for their clients, OpenGate may seek to place a portion of the trades that they direct with the brokers who are identified through this process.

To the extent that OpenGate allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds' interest in receiving most favorable execution. To the extent OpenGate uses "soft dollars" on behalf of the Funds, it will seek to do so within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

OpenGate does not anticipate engaging in significant public securities transactions; however, to the extent that OpenGate engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, OpenGate may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, OpenGate may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of OpenGate is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to Funds over time.

In OpenGate's private company securities transactions on behalf of the Funds, OpenGate may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, OpenGate may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although OpenGate generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, OpenGate closely monitors companies in which the Funds invest, and the OpenGate Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners (i) annual GAAP audited financial statements, (ii) quarterly unaudited financial statements, and (iii) annual tax information necessary for each limited partner's tax return.

CLIENT REFERRALS AND OTHER COMPENSATION

OpenGate and/or its affiliates may provide certain business or consulting services to companies in a Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the Partnership Agreement, this compensation may, in many cases, offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. See "Fees and Compensation."

From time to time, OpenGate may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents will be borne by OpenGate indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). OpenGate currently has retained UBS, a registered broker-dealer, to solicit Commitments from prospective investors in exchange for a non-refundable, non-credited fee based on a percentage of the total of such Commitments, in addition to the reimbursement of certain expenses.

CUSTODY

As required by the Advisers Act, OpenGate has established an account with one or more qualified custodians to hold funds and securities on behalf of the Funds. In addition, the Funds are audited by an independent public accountant annually and such audited financial statements are distributed to investors in accordance with Rule 206(4)-2 under the Advisers Act.

INVESTMENT DISCRETION

OpenGate has discretionary authority to manage investments on behalf of each Fund. As a general policy, OpenGate does not allow clients to place limitations on this authority. Pursuant to the terms of the Partnership Agreement, however, OpenGate may enter into "side letter" arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. OpenGate assumes this

discretionary authority pursuant to the terms of the Partnership Agreement and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

OpenGate has adopted the OpenGate Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for Fund I’s (and any Fund’s) portfolio investments. The Proxy Policy seeks to ensure that OpenGate votes proxies (or similar instruments) in the best interest of Fund I, including where there may be material conflicts of interest in voting proxies. OpenGate generally believes its interests are aligned with those of each Fund’s investors, for example, through the principals’ beneficial ownership interests in such Fund 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 Proxy Policy provides that OpenGate may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s advisory board may approve OpenGate’s vote in a particular solicitation. OpenGate does not consider service on portfolio company boards by OpenGate personnel or OpenGate’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by OpenGate when voting proxies on behalf of a Fund. If you would like a copy of OpenGate’s complete Proxy Policy or information regarding how OpenGate voted proxies for particular portfolio companies, please contact Daniel Abrams, the OpenGate Chief Compliance Officer, at (310) 432-7000, and it will be provided to you at no charge.

FINANCIAL INFORMATION

OpenGate does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.