

Item 1. Cover Page

Golden Gate Private Equity, Inc.

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Part 2A of Form ADV: Firm Brochure
October 12, 2015

This brochure (“Brochure”) provides information about the qualifications and business practices of Golden Gate Private Equity, Inc. If you have any questions about the contents of this Brochure, please contact us by phone at (415) 983-2700. 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 securities authority.

Additional information about Golden Gate Private Equity, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This Brochure, dated October 12, 2015, serves as an update to the Adviser's Brochure dated March 31, 2015 (the "Prior Brochure"). This Brochure contains certain updates which may be material as follows:

- updated information regarding fees and expenses borne by advisory clients and portfolio companies; and
- updated information regarding possible conflicts of interest, including with an affiliated broker-dealer.

Item 3. Table of Contents

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Item 4. Advisory Business

For purposes of this Brochure, the “Adviser” means Golden Gate Private Equity, Inc. (“Golden Gate”) together (where the context permits) with its affiliates (excluding certain other registered investment advisers that may be deemed to be affiliates of Golden Gate, including AICM (as defined below) and Green Street (as defined below)) that provide advisory services to and/or receive advisory fees and other compensation from the Funds (as defined below). Such affiliates may or may not be under common control with Golden Gate, but possess a substantial identity of personnel and/or equity owners with Golden Gate. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of, or the advisory services provided to, the Funds, or may serve as general partners (or equivalent) of the Funds (the “General Partners”).

The Adviser provides investment supervisory services to (i) funds that primarily make private equity investments (collectively, the “PE Funds”), (ii) funds that largely invest in debt securities (collectively, “Emerald Gate”), and (iii) cash management portfolios (collectively, the “Treasury Products” and together with the PE Funds and Emerald Gate, the “Funds”). Additionally, the Adviser may organize and serve as general partner (or in an analogous capacity) of certain other entities which are alternative investment vehicles organized to address, for example, specific tax, legal, business, accounting or regulatory-related matters that may arise in connection with a transaction or transactions.

The General Partners each serve as general partner to one or more Funds and have the authority to make the investment decisions for the Funds to which they provide advisory services. In general, the Adviser provides the day-to-day advisory services for the Funds. As described elsewhere herein, the Adviser may also establish sub-advisory relationships with certain other investment advisers, including, but not limited to, AICM, pursuant to which such investment adviser(s) would provide investment advisory services to one or more of the Funds and/or portfolio companies.

Each General Partner is deemed registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), pursuant to the Adviser’s registration in accordance with SEC guidance and is under common control with the Adviser. This Brochure describes the business practices of the Adviser and the General Partners which operate as a single advisory business. References contained in this Brochure to the strategy and operations of a General Partner should be read to include the activities of the Adviser and other Golden Gate affiliates that collectively engage in the investment process and ongoing management of the Funds’ portfolio companies and other investments.

The PE Funds make investments in private equity and, in certain instances, other equity and debt securities of public and private issuers (including securities convertible into equity and debt securities), derivative instruments and any other financial instruments or assets that the Adviser believes may help achieve the PE Funds’ respective investment objectives. In accordance with the PE Funds’ respective investment objectives, investments are made in companies doing business in a variety of industries, including, without limitation: retail, restaurants and consumer products; financial services; technical hardware, telecom and semiconductors; industrials and energy; information technology and business services; and software.

The Treasury Products are used primarily for cash management purposes and generally utilize a comparatively low-risk investment strategy intended to provide modest returns on certain pooled capital which would otherwise be idle in Fund, management company, portfolio company, or holding company accounts. The Adviser expects to target to invest, over time, approximately one half of the Treasury Portfolio investments in indebtedness or debt securities of companies and industries of which the Adviser has significant knowledge and expertise. These industries include, without limitation, retail, restaurants and consumer products; financial services; technical hardware, telecom and semiconductors; industrials and energy; information technology and business services; and software. The remainder of the Treasury Portfolio will initially be maintained in cash, short-term U.S. Treasury securities, bank repurchase agreements and other similarly liquid securities.

Emerald Gate, in which certain of the Adviser's employees, operating partners, operating executives, strategic partners, and other outside investors invest, largely invests in debt securities, although public equity investments have also been, and may in the future be, made.

More detailed descriptions of the Funds' investment strategies are included in Item 8 below.

The Adviser's advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. The Adviser may serve as the investment adviser or general partner to the Funds in order to provide such services, and the Adviser has delegated, and expects in the future to delegate, such responsibilities to a sub-adviser (including, but not limited to, AICM).

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund, separate investment and advisory, investment management or portfolio management agreements and/or side letters entered into with certain Funds or their investors (each, a "Governing Document").

Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Governing Documents.

Investment restrictions for the Funds, if any, are generally established in the Governing Documents.

The terms of the investment advisory services to be provided to a Fund, including any restrictions on investments in certain types of securities, are established by the Adviser as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund's Governing Documents and other documentation received by each investor prior to investment in such Fund. Once invested in a Fund, investors cannot impose restrictions on the types of securities in which such Fund may invest.

The principal owner of Golden Gate is David Dominik. The Adviser has been in business since 2000. As of January 2015, the Adviser has approximately \$11 billion of regulatory assets under management, all of which is managed on a discretionary basis (though the Adviser may and has, in certain instances, delegated day-to-day investment advisory responsibility for all or a portion of certain Funds to a sub-adviser, including, but not limited to, AICM).

Item 5. Fees and Compensation

As compensation for investment supervisory services rendered to the Funds, the Adviser receives an advisory fee (each, an “Advisory Fee”) from some, but not all, of the Funds. Advisory Fees and expenses paid by a Fund are indirectly borne by investors in such Fund, including any Funds that invest in such Fund.

In addition, the Adviser, its affiliates and/or their personnel typically perform certain management, advisory, financial advisory or legal and other services (“Corporate Services”) for, and receive fees (“Corporate Service Fees”) from, actual or prospective portfolio companies or other investment vehicles of the Funds, and frequently perform certain transaction-related activities and receive fees in connection with investments, mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales, recapitalizations and similar transactions (“Transaction Fees”). Generally, under the terms of the applicable Governing Documents, these Corporate Service Fees and Transaction Fees are in addition to out-of-pocket costs and expenses incurred by the Adviser in connection with any consummated or unconsummated (including terminated) transaction or in connection with generating any such fees. Certain Transaction Fees and Corporate Service Fees received with respect to unconsummated (including terminated) transactions are, pursuant to the Governing Documents of certain Funds, subject to offset arrangements. These Corporate Service Fees and Transaction Fees may be substantial and may be paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. Although these fees are in addition to the Advisory Fees, the Adviser will in some circumstances reduce or offset the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such fees. The amount and manner of such reduction is set forth in the Governing Documents of the applicable Fund and may vary in a particular Fund based on the type of services, which will be determined by the Adviser. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds. There are also certain circumstances (such as the occurrence of an initial public offering or strategic exit) which may accelerate the payment of Corporate Service Fees. Since the agreements with the portfolio companies providing for such Corporate Service Fees may have prolonged terms (possibly exceeding ten years and/or subject to automatic extensions and renewal), the effect of such acceleration could be substantial, particularly in the event such circumstances occur early in the life of the Fund’s investment in such portfolio company. In the event that a portfolio company does not have sufficient capital to pay a Corporate Service Fee owed, among other reasons, the applicable Fund’s pro rata portion of such payment may be funded by such Fund through a capital call for contribution of capital by the investors in such Fund. Additionally, portfolio companies commonly reimburse the Adviser for certain expenses (including, without limitation, certain entertainment, meals and travel expenses, which regularly include expenses for chartered or first class travel incurred by the Adviser or reimbursement of the payment by the Adviser for payments made to its employees, consultants, operating partners and/or operating executives in connection with their performance of services for such portfolio companies, as well as consulting fees and expenses incurred by the applicable Fund for the benefit of any portfolio company); such reimbursed expenses are generally not included in the definition of “Corporate Service Fees” or “Transaction Fees” under the terms of the applicable Governing Documents and such reimbursements are not subject to the offset arrangements described above. Subject to any applicable offsets as set forth in the Governing Documents of the applicable Fund, the Adviser, its personnel and/or their affiliates are generally reimbursed by a portfolio company with respect

to Adviser Personnel providing Corporate Services to such portfolio companies so long as the amounts reimbursed by a portfolio company are reasonable and in accordance with the relevant Fund's Governing Documents. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below. From time to time, the Adviser may (in its sole discretion), agree to pay a portion of a transaction or other fee received from an actual or prospective portfolio company to a third party ("Third Party Fee"), such as a consultant, adviser, professional finder, broker and/or investment bank. In such event, the Third Party Fee is not a fee that the Adviser is entitled to retain and therefore, the Adviser is not required under the terms of the applicable Governing Documents to share such Third Party Fee with the Funds.

In addition, the Adviser or its managing directors or employees, on behalf of Adviser, may, on very limited occasions, receive equity of a portfolio company as a Transaction Fee due to service of a managing director or employee of the Adviser on the board of such portfolio company. In the event of such a distribution or receipt of stock, the recipients, or the Adviser, with respect to stock received as a Transaction Fee, may act in their own interest with respect to such securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as such recipient, or the Adviser, shall determine. The ability of such recipients, or the Adviser, with respect to stock received as a Transaction Fee, to act in their own interest with respect to such distributed shares may create a conflict of interest between the Adviser, as an adviser to the GG Client, and its Related Persons, on the one hand, and the GG Client, on the other hand.

The Adviser and its affiliates also engage and retain senior advisers, advisers, consultants, operating partners, operating executives and other similar professionals who are not employees or affiliates of the Adviser and who commonly receive payments from, and/or equity (or equity-like) grants, issuances or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such amounts will not be deemed paid to or received by the Adviser and its affiliates and such amounts will not be subject to the offset arrangements described above.

The precise amount of, and the manner and calculation of, Advisory Fees (and Corporate Services Fees and Transaction Fees) applicable to each Fund (or its portfolio companies) are established by the Adviser, subject to the provisions of the Governing Documents applicable to such Funds or the investors in the applicable Fund, respectively. The Advisory Fees and other fees and distributions described above are generally subject to waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors. For example, the Adviser and certain of its principals, strategic partners, service providers, operating partners, operating executives and employees or their family members and related vehicles typically invest in the Funds, and Advisory Fees assessed on such investments are generally substantially reduced or waived entirely.

The fee structures described above may be modified from time to time. Fees may (and generally do) differ from one Fund to another. Fees may also (but, in most cases, generally do not) differ as among investors in the same Fund.

The timing of payment of Advisory Fees varies Fund by Fund. Advisory Fees for certain Funds are billed to and received from such Funds in advance, generally fifteen (15) days following the

commencement of each semi-annual period. Advisory Fees for other Funds are deducted from the assets of such Funds quarterly in advance.

Upon termination of an advisory agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

The Adviser may waive or reduce all or a portion of the Advisory Fee paid by a Fund in full or partial satisfaction of any obligation of the Adviser and certain employees and affiliates of the Adviser to invest alongside such Fund, which could result in acceleration of investor capital contributions. Waived or reduced Advisory Fees may not be subject to various offsets or the reductions described above. Due to waived or reduced Advisory Fees and/or the timing of receipt of compensation subject to offsets, investors in Funds would not receive the full benefit of reductions or offsets.

To the extent provided in Governing Documents, the Adviser will pay out of Advisory Fees certain operating expenses, including ordinary office overhead expenses such as certain rent, supplies, charges for furniture and fixtures, travel and entertainment (in the case of travel and entertainment, to the extent not ultimately borne by one or more portfolio company), compensation of its partners (but generally not operating partners and/or operating executives or their operating expenses, the expense for which is generally ultimately borne by portfolio companies) and employees (other than Incentive Allocation described in Item 6 below) and other routine administrative expenses relating to the advisory services and facilities provided by the Adviser to the Funds. In addition, expenses and fees generated in the course of evaluating and making investments which are not consummated or terminated are borne by the Adviser or the applicable Fund in the Adviser's sole discretion, as described in each Fund's Governing Documents. Any such expenses or fees not borne by the Adviser will be borne by the applicable Fund(s) on a *pro rata* basis based upon, in the Adviser's sole discretion, the predicted capital commitment amounts with respect to such unconsummated investment. Consistent with the applicable Governing Documents, each Fund will bear all other expenses relating to it to the extent not borne by its portfolio companies, including legal, accounting, audit, financial statements, tax returns and preparation, investment banking, consulting (including, but not limited to, consulting fees incurred by the applicable Fund for the benefit of its portfolio company), research, brokerage, finders', custody, transfer, registration, meetings of the advisory board and limited partners or other investors, directors' and officers' insurance, interest, taxes, fees or other governmental charges levied against such Fund, expenses related to short sales (including dividend and stock borrowing expenses), clearing and settlement charges, margin and other interests, other expenses associated with the acquisition, holding and disposition of investments and extraordinary expenses (including, without limitation, litigation), fees paid to third-party valuation agents, expenses of Funds in which such Fund invests, and other similar fees and expenses, as well as any other fees or expenses incurred by the Adviser or such Fund in connection with such Fund's operations that are not specifically set forth above as being paid by the Adviser. In addition, it is contemplated that each of Emerald Gate and the Treasury Products shall bear (i) travel expenses (including travel expenses incurred by their respective general partners, the Adviser, or the applicable sub-adviser in connection with their due diligence review of potential investments) and (ii) fees and expenses for the performance of administrative services.

Additionally, please see Item 6 below regarding “Incentive Allocation” that most Funds pay.

When a broker is used in connection with an investment by a Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

With respect to certain Funds, a portion of the profits of each such Fund’s portfolio is allocated to the capital account of the Adviser as an “incentive allocation” (the “Incentive Allocation”). Certain Funds allocate and generally distribute Incentive Allocation to the Adviser upon the disposition of an investment within the Fund’s portfolio. Other Funds allocate Incentive Allocation to the Adviser on a periodic basis or at other specified times (irrespective of any investment dispositions) from both the realized and unrealized profits of such Fund’s portfolio over the applicable period.

The precise amount of, and the manner and calculation of, the Incentive Allocation for each Fund is disclosed in the Governing Documents of each Fund. The Incentive Allocation provisions are negotiated collectively with the Funds or their investors, and are also subject to waiver or reduction by the Adviser or the applicable General Partner. For example, the Adviser and certain of its principals, operating partners, operating executives, strategic partners and employees and their family members and related vehicles typically invest in Funds, and the Incentive Allocation assessed on such investments are generally substantially reduced or waived entirely.

As mentioned above, certain Funds, including, without limitation, Emerald Gate Diversified Portfolio, LLC and the Treasury Products, do not pay an Incentive Allocation. The payment by some, but not all, Funds of Incentive Allocation or the payment of Incentive Allocation at varying rates (including varying effective rates based on the past performance of a Fund) may create an incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Incentive Allocation or Funds paying Incentive Allocation at a higher effective rate, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the Governing Documents of the Funds, this conflict is mitigated by (i) certain limitations on the ability of the Adviser to establish new investment funds; (ii) contractual provisions requiring certain Funds to purchase and/or sell investments contemporaneously; (iii) contractual provisions setting forth investment allocation requirements; (iv) certain allocation procedures and/or (iv) Funds having distinct investment goals and criteria.

Please see Item 11 below for additional information relating to how conflicts of interest are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds and not individually to investors in the Funds.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “accredited investors” as

defined in the 1933 Act and, in many instances, “qualified purchasers” or “knowledgeable employees” as defined in the 1940 Act, and generally include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, sovereign wealth funds, limited partnerships and limited liability companies or other entities.

The Adviser does not have a minimum size for a Fund, but minimum investment commitments may be established for investors in the Funds. The Adviser may in its sole discretion permit investments below the minimum amounts set forth in the Governing Documents of such Fund.

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

Methods of Analysis and Investment Strategies

PE Funds

The Adviser seeks analytically challenging, change-intensive investments where it believes there is an opportunity to improve both earnings and strategic value. The companies that meet the Adviser’s investment criteria are usually those in change-intensive environments. This includes companies at all stages of their life-cycle facing changing market dynamics and/or strategic, operational, financial or organizational challenges. The Adviser’s investment strategy involves in-depth strategic and financial analysis, placing particular emphasis on industry dynamics, competitive positioning and management capability.

The Adviser seeks investment opportunities in private equity and other indebtedness or equity and debt securities of public and private issuers (including securities convertible into equity or debt securities), derivative instruments and any other financial instruments or assets and targets investment opportunities spanning a wide variety of industries, including, without limitation, retail, restaurants and consumer products; financial services; technical hardware, telecom and semiconductors; industrials and energy; information technology and business services; and software.

The Adviser will invest using a variety of transaction types (including, without limitation, public-to-privates, corporate extractions, bankruptcy acquisitions and recapitalizations) and investment strategies (including, without limitation, leveraged buyouts, growth equity and build-ups/consolidations).

The PE Funds may invest in equity securities, such as common stock, preferred stock, and warrants to purchase common or preferred stock and securities convertible into common or preferred stock, or debt. The PE Funds, directly or indirectly, also may invest in indebtedness or debt securities issued by corporations denominated in currencies other than the U.S. dollar, including debt securities that are rated below investment grade. The PE Funds may enter into notional or “derivative” transactions (such as collateralized loan obligations, futures contracts, forward contracts, options and swaps) for hedging purposes or generally in an attempt to increase the PE Funds’ return.

The Adviser’s philosophy is to approach each investment as co-owners and principals with the management team in order to execute operational and strategic change. The Adviser does so

through a collaborative approach with senior management with a focus on corporate strategy, merger and acquisition activity, operational discipline, and financial structuring. The Adviser does not typically seek to run day-to-day operations. In all cases, the Adviser attempts to closely align the interests of management with its own interests.

Emerald Gate

The investment objective of Emerald Gate is to seek attractive, risk-adjusted returns while maintaining a focus on capital preservation and reduced volatility. Emerald Gate will seek to achieve its objective by investing proceeds from capital contributions primarily in a portfolio with a minority allocation in publicly-traded equities selected opportunistically, with the majority in indebtedness, debt securities and/or debt exposure. These target allocations represent a guideline and are not intended to constrain Emerald Gate's investment strategy. Emerald Gate initially will utilize leverage to seek to enhance the yield of the debt component of Emerald Gate's investments, and the use of such leverage initially is expected to increase the total amount of assets of Emerald Gate and the relative proportion of debt exposure. Emerald Gate also may use hedging techniques and other strategies intended for risk- and volatility-dampening. Emerald Gate also may opportunistically invest in bonds. Emerald Gate will be funded with equity capital and will use leverage in making such investments.

The Adviser expects to focus Emerald Gate's investments in companies and industries that the Adviser has significant knowledge and expertise of through its private equity and other public equity activities. The industries in which the Adviser anticipates that Emerald Gate primarily will invest include, without limitation: retail, restaurants and consumer products; financial services; technical hardware, telecom and semiconductors; industrials and energy; information technology and business services; and software. However, the investments in which Emerald Gate seeks to invest have a fundamentally different risk/return profile than that of the public equity and debt investments of the PE Funds and their portfolio companies. The risk/return profile of a particular investment will be considered in determining whether such investment is suitable for Emerald Gate. The Adviser expects to focus Emerald Gate's investing in investments it believes are lower-risk, lower-returning and more stable than those that are the focus of the PE Funds. In addition, Emerald Gate is not expected to invest in private equity transactions.

Emerald Gate is expected to make the majority of its investments in indebtedness, debt securities or exposures to debt securities, which the Adviser believes will provide Emerald Gate with a more stable range of returns. The Adviser seeks to focus Emerald Gate's debt investments with respect to companies that have a low debt-to-enterprise value ratio with credit ratings generally ranging from BB to B-. The Adviser expects that Emerald Gate's debt investments will be predominantly comprised of investments (or have debt exposure) with respect to floating rate, senior secured first lien bank debt, which the Adviser believes minimizes interest rate risk while maintaining a secured position. Emerald Gate may also seek to make debt investments in (or have debt exposure to) fixed income securities that have an attractive yield as a result of utilizing leverage, even though the pre-leverage returns of such securities may initially be lower than Emerald Gate's target. The Adviser expects a significant amount of debt exposure including floating interest rate debt investment exposure, to be incurred and leveraged through a total

return swap facility in order to seek to augment Emerald Gate's yield on such investments and enhance returns.

Emerald Gate's equity investments are expected to primarily consist of long equities and equity-like securities (e.g., convertible preferred securities) that the Adviser believes offer an attractive yield and potential equity upside. The Adviser seeks to focus Emerald Gate's equity investments in companies the Adviser believes are well-managed, have significant barriers to entry, high and consistent free cash flow, and have shown a propensity to return capital to shareholders via dividends and stock buybacks. Emerald Gate may also invest in master limited partnerships and real estate investment trusts and, from time to time, may engage in short-selling. Emerald Gate is seeking to generate returns to its equity and equity-like investments through cash generation with upside through growth or margin improvement.

Treasury Products

The Treasury Portfolio consists of a diversified portfolio of liquid assets managed from time to time on behalf of one or more of the PE Funds, various majority owned portfolio holding companies of the PE Funds and the Adviser (and/or one of or more of its affiliated management entities). The Treasury Portfolio's investment objective is to seek conservative returns while maintaining a focus on capital preservation, liquidity and low volatility. The Treasury Portfolio intends to maintain sufficient cash and "cash like" securities to meet the near-term needs of the participants while investing excess uncommitted cash balances of its participants in a portfolio of debt instruments. The debt instruments held in the Treasury Portfolio are generally intended to be held to maturity; however, the specific instruments included in the Treasury Portfolio are relatively liquid and it is expected that they could be sold to meet any unexpected needs of the participants. The Treasury Portfolio does not currently intend to use leverage in making investments.

The Adviser expects to target to invest, over time, approximately one half of the Treasury Portfolio investments in indebtedness or debt securities of companies and industries of which the Adviser has significant knowledge and expertise. These industries include, without limitation, retail, restaurants and consumer products; financial services; technical hardware, telecom and semiconductors; industrials and energy; information technology and business services; and software. The remainder of the Treasury Portfolio will initially be maintained in cash, short-term U.S. Treasury securities, bank repurchase agreements and other similarly liquid securities so as to ensure that short term cash commitments of participants can be met. Over time, the portion of the Treasury Portfolio held in "cash like" securities will be adjusted to appropriately reflect the ongoing needs of participants.

The indebtedness and/or debt securities in which the Treasury Portfolio will be invested have a fundamentally different risk/return profile than those acquired by the PE Funds and Emerald Gate. The Adviser expects to focus the Treasury Portfolio's investments in indebtedness and/or debt securities that are believed to be lower risk, lower returning and more stable than those that are the focus of the PE Funds and Emerald Gate. The Treasury Portfolio is not expected to invest in private equity transactions or equity securities.

The Adviser seeks to focus the Treasury Portfolio's investments in indebtedness and debt securities on issuances by companies that have a low debt-to-enterprise value ratio with credit ratings generally ranging from BBB to BB. The Adviser expects that the Treasury Portfolio's investments will be predominantly comprised of senior secured first lien bank debt with floating interest rates, thus minimizing the interest rate risk while maintaining a secured position.

Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

The following list is not a complete list of all risks involved in connection with an investment in the Funds. In general, the risks applicable to each Fund and the activities of its related General Partner and the Adviser include, but are not limited to:

No Assurance of Investment Return

The Adviser cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio of companies. There is no assurance that the Adviser will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. There can be no assurance that expected returns for the Funds will be achieved, or that a Fund will receive a return of its capital. The performance of the Adviser's prior investments is not necessarily indicative of any Fund's future results. An investment in one or more Funds should only be considered by persons who can afford a loss of their entire investment.

Leveraged Investments

While investments in highly leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Some of the Funds' investments may involve high degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of the Funds' portfolio companies. A Fund's ability to achieve attractive rates of return on investments will depend on the ability of its portfolio companies to access sufficient sources of debt at attractive rates, including high yield debt. However, availability of capital from the debt markets is subject to volatility from time to time, and there may be times when a Fund might not be able to access those markets at attractive rates, or at all, when completing an investment. Also, increased interest rates generally increase portfolio company interest expenses. In the event any such portfolio company cannot generate adequate cash flow to meet debt service, the applicable Fund may suffer a partial or total loss of capital invested in the portfolio company.

In addition, certain Funds may utilize leverage directly or indirectly including engaging in trading on margin by borrowing funds and pledging securities as collateral. While such use of borrowed funds increases returns if a Fund earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns if a Fund fails to earn as much on such incremental investments as it pays for such funds. The

effect of leverage may therefore result in a greater decrease in the net asset value of a Fund than if such Fund were not so leveraged. Any use by a Fund of short-term margin borrowings will result in certain additional risks to such Fund. For example, the securities pledged to brokers to secure a Fund's margin accounts could be subject to a "margin call," pursuant to which the Fund would be required either to deposit additional funds with the broker or to suffer mandatory liquidation of the pledged securities to compensate for the decline in value. A sudden, precipitous drop in value of a Fund's assets accompanied by corresponding margin calls could force such Fund to liquidate assets quickly, and not for fair value, in order to pay off margin debt. In some circumstances, the broker-dealer from which a Fund has borrowed the money may have the right to liquidate collateral and/or terminate the Fund's brokerage and related legal agreements with little or no notice. At certain times, it may be difficult for a Fund to secure financing in order to employ leverage, which could negatively impact the return of such Fund.

Investment in Junior Securities

The securities in which the Funds 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 a Fund's investment once made.

Financial Market Fluctuations

General fluctuations in the market prices of securities and economic conditions may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets may also increase the risks inherent in the Funds' investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise. Additionally, market events, like the financial crisis of recent years, may lead to a tightening of the global credit markets which could make it more difficult for financial sponsors like the Adviser to obtain favorable financing for investments. During the financial crisis, a widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, reduced investor demand for high yield debt and senior bank debt, which in turn led some investment banks and other lenders to be unwilling or less willing to finance new private equity investments or to only offer committed financing for these investments on less favorable terms than had been prevailing in the recent past. To the extent that such marketplace events re-occur, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such an economic downturn could adversely affect the financial resources of corporate borrowers in which the Funds have invested and result in the inability of such borrowers to make principal and interest payments on outstanding debt when due. In the event of such defaults, the Funds may suffer a partial or total loss of capital invested in such companies, which could, in turn, have an adverse effect on the Funds' returns. Additionally, the Funds may be required to pay break-up, termination or other fees or expenses even if the Adviser is willing to close on an investment if it is ultimately unable to close on such investment due to a lender's unwillingness to provide previously committed financing.

General Economic and Market Conditions

The success of the Funds' investment activities will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. The current global economic and political climate is one of uncertainty. A climate of uncertainty may reduce the availability of potential investment opportunities and may increase the difficulty of modeling market conditions, reducing the accuracy of the financial projections. Furthermore, such uncertainty may have an adverse effect upon the portfolio companies in which certain Funds make investments. A sustained downturn in the U.S. or global economy (or any particular segment thereof) could adversely affect the Funds' profitability, impede the ability of certain Funds' portfolio companies to perform under or refinance their existing obligations, and impair the Funds' ability to effectively exit their investment on favorable terms. Any of the foregoing events could result in substantial or total losses to the Funds in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure.

Illiquidity of Investments

The Funds' investments are likely to consist of securities that are subject to restrictions on sale under U.S. securities laws. Generally, a Fund will not be able to sell these securities publicly in the U.S. without the expense and time required to register the securities under the Securities Act or will be able to sell the securities only under Rule 144 or other rules under the Securities Act that permit only limited sales under specified conditions. When restricted securities are sold to the public, the applicable Fund may be deemed an "underwriter," or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under the Securities Act.

The sale of investments may be subject to restrictions imposed by the applicable securities laws of the countries in which a Fund invests or in which it wishes to publicly list securities, if applicable. In addition, practical limitations may inhibit a Fund's ability to liquidate certain of its investments in the portfolio companies since the issuer will be privately held and the Fund may own a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The limitations on liquidity of a Fund's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Lack of Liquidity in Public Markets

Despite the heavy volume of trading in securities, the markets for some securities may be thinly traded from time to time. This lack of liquidity and market depth could disadvantage the Funds, both in the realization of the prices which are quoted and in the execution of orders at desired prices or in desired quantities. Also, securities exchanges and the U.S. Securities and Exchange Commission have authority to suspend trading in a particular security without notice.

Reliance on Management

Decisions with respect to the management of each Fund will be made by the Adviser or the applicable sub-adviser. The success of a Fund will depend on the ability of the Adviser or the applicable sub-adviser to identify and consummate investments, to improve the operating performance of portfolio companies and to dispose of investments of such Fund at a profit. The loss of the services of one or more members of the professional staff of the Adviser or applicable sub-adviser could have an adverse impact on such Fund's ability to realize its investment objective. In addition, it is expected that all of the officers and employees responsible for managing a particular Fund will continue to have responsibilities with respect to other funds and accounts managed by the Adviser, including Funds managed on behalf of the Adviser's personnel, their friends and family, and, in the case of the Treasury Products, certain portfolio companies. Thus such persons will have demands made on their time for the investment, monitoring, exit strategy and other functions of other funds and accounts.

The risks associated with an investment in any particular Fund may be substantially impacted by the nature and timing of the market.

Lack of Sufficient Investment Opportunities

The business of identifying and structuring private equity, public securities' and other financial transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified.

However, investors generally will be required to pay Advisory Fees during the investment period of the applicable Fund based on the entire amount of their capital commitments.

Concentration of Investments

The Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

Competition for Investments

The Funds expect to encounter competition from entities having similar investment objectives. Potential competitors include other investment funds, business development companies and other financial investors investing directly or through affiliates. Certain of these entities may possess competitive advantages over a Fund in pursuing investment opportunities, including greater financial, technical, marketing and other resources, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital and access to funding sources unavailable to a Fund. In addition, a substantial number of private investment funds have been formed over the past several years, and many funds have grown substantially in size, resulting in an unprecedented amount of capital available for investment in such opportunities.

Lack of Diversification Risk

A Fund may not be highly diversified. Lack of diversification would expose a Fund to losses disproportionate to market declines in general if there were disproportionately greater adverse price movements in the particular investments held by a Fund. To the extent a Fund invests a relatively high percentage of its assets in a limited number of portfolio companies, industries or sectors, a Fund will be more susceptible than a more widely diversified investment partnership to the negative consequences of a single corporate, economic, political or regulatory event.

Season and Sell Transactions

From time to time Golden Gate Capital Opportunity Fund, L.P. (“GGCOF”) and Golden Gate Capital Opportunity Fund-A, L.P. (“GGCOF-A” and together with GGCOF and any other investment funds formed to invest alongside GGCOF and GGCOF-A, the “Opportunity Fund”) expect in the future to enter into loan origination transactions that would be conducted through a so-called “season and sell” structure. Under such arrangements, GGCOF would (either directly or indirectly through an entity formed for such purpose) originate loans and, after those loans have been held for a seasoning period (e.g., 90 days), would often sell a pro rata portion of such loans to GGCOF-A (or an entity owned by both GGCOF and GGCOF-A) at the then-current fair market values of such loans. However, since (1) the decision by GGCOF (or such originating entity) to originate the loans and (2) the decision by GGCOF-A (or such transferee entity) whether and at what price to acquire a portion of such loans would be made as separate, independent decisions, it is possible from time to time that certain loans originated by GGCOF (or such originating entity) may not subsequently be transferred to GGCOF-A or such transferee entity. As a result, GGCOF and GGCOF-A may hold different investments in their respective loan portfolios, and GGCOF would bear all of the risk of the loans during the seasoning period and may be forced to retain a disproportionate amount of non-performing or other loans if GGCOF-A or such transferee entity elected subsequently not to purchase them. This potential difference in investments held by GGCOF and GGCOF-A, together with the different prices at which the loans would be acquired and the fact that GGCOF-A would not participate in loan origination fees, will potentially cause a divergence in the economic returns between GGCOF and GGCOF-A.

CLOs

To finance investments, a Fund or one or more of its portfolio companies may securitize certain of its investments, including through the formation of one or more collateralized loan obligations (“CLOs”), while retaining all or most of the exposure to the performance of these investments. This would involve contributing a pool of assets to a special purpose entity, and selling debt interests in such entity on a non-recourse or limited-recourse basis to purchasers.

If a Fund establishes a CLO, the Fund will depend on distributions from the CLO’s assets to enable it to make distributions to investors. The ability of a CLO to make distributions will be subject to various limitations, including the terms and covenants of the debt it issues. For example, tests (based on interest coverage or other financial ratios or other criteria) may restrict a Fund’s ability, as holder of a CLO’s equity interests, to receive cash flow from these investments. There is no assurance any such performance tests will be satisfied. Also, a CLO

may take actions that delay distributions in order to preserve ratings and to keep the cost of present and future financings lower, or the CLO may be obligated to retain cash or other assets to satisfy over-collateralization requirements commonly provided for holders of the CLO's debt. As a result, there may be a lag, which could be significant, between the repayment or other realization on a loan or other assets in, and the distribution of cash out of, a CLO, or cash flow may be completely restricted for the life of the CLO. In addition, a decline in the credit quality of loans in a CLO due to poor operating results of the relevant borrower, declines in the value of loan collateral or increases in defaults, among other things, may force a CLO to sell certain assets at a loss, reducing its earnings and, in turn, cash potentially available for distribution to a Fund for distribution.

To the extent that any losses are incurred by the CLO in respect of any collateral, such losses will be borne first by a Fund as owner of equity interests. Finally, any equity interests that a Fund retains in a CLO will not be secured by the assets of the CLO and the Fund will rank behind all creditors of the CLO.

Uncertainty Regarding Investments

Although the Adviser will make every effort to conduct appropriate due diligence prior to making an investment, the due diligence process may be subjective at times, may be required to be undertaken on an expedited basis in order to take advantage of available investment opportunities and may require the Adviser to rely on limited resources available to it including information provided by the target of the investment and third-party consultants, legal advisors, accountants and investment banks. As a result, it is uncertain whether the due diligence investigation will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. The Adviser also cannot be certain that the due diligence investigation will result in investments being successful.

Increased Regulatory Scrutiny

The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight. Such scrutiny may increase the Adviser's and the Funds' exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may impose administrative burdens on the Adviser, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Adviser's time, attention and resources from portfolio management activities. It is anticipated that, in the normal course of business, the Adviser's officers will have contact with governmental authorities and/or be subjected to responding to inquiries or examinations. Funds may also be subject to regulatory inquiries concerning their securities positions and trading.

Material Non-Public Information

By reason of their responsibilities in connection with their other activities, the Adviser's personnel may acquire confidential or material non-public information or be otherwise restricted from initiating transactions in certain securities. A Fund will not be free to act upon any such information. Due to these restrictions, a Fund may not be able to initiate a transaction that it

otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Third Party Involvement

A Fund may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial, legal or regulatory difficulties, resulting in a negative effect on such investment, may have economic or business interests or goals which are inconsistent with those of a Fund or may be in a position to take (or block) action in a manner contrary to a Fund's investment objectives. In addition, a Fund may in certain circumstances be liable for the actions of its third-party co-venturers. In circumstances in which third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

General Risks Associated with Non-U.S. Investments

The Funds may, directly or indirectly, invest in non-U.S. long or short securities, options, swaps and "contracts for differences" ("CFDs"). Such investments may be subject to a greater risk than domestic investments due to non-U.S. economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments, or capital gains, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities and other factors beyond the control of the Adviser. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting reporting on disclosure requirements than domestic issuers. The securities markets of some countries in which the Funds may invest have substantially less volume than those in the United States, and securities of certain companies in these countries are less liquid and more volatile than securities of comparable U.S. companies. Accordingly, these markets may be subject to greater influence by adverse events generally affecting the market, and by large investors trading significant blocks of securities, than is usual in the United States. Brokerage commissions and other transaction costs on securities exchanges in non-U.S. countries are generally higher than in the United States. There are also special tax considerations which apply to securities of non-U.S. issuers and securities principally traded overseas. Moreover, expenses normally associated with non-U.S. investments often exceed those associated with U.S. investments. Non-U.S. securities settlements may in some instances be subject to delays and related administrative uncertainties. The Funds may or may not hedge currency risk related to investments in non-U.S. securities. These hedges may include currency trades in both the spot and forward market as well as swaps and options on single currencies or a basket of currencies. The Funds may execute these transactions on exchanges located outside the U.S., where the regulations of the SEC and U.S. Commodity Futures Trading Commission ("CFTC") do not apply. Trading on a non-U.S. exchange may involve certain risks not applicable to trading on U.S. exchanges, such as risks of fluctuations in the exchange rate between the currency of the locale of the non-U.S. exchange and U.S. dollars, exchange controls, expropriation, burdensome or confiscatory taxation, moratoriums, or political or diplomatic events. The markets for certain securities in which the Funds are invested are denominated in foreign currencies and therefore those investments may

be at risk for adverse fluctuations in currency exchange rates and the valuations of such investments as of a date in time will be based upon exchange rates in effect on such date of valuation, which may not be the same as those in effect on prior or subsequent reporting dates.

Emerging Market Risks

The risks of investments in non-U.S. markets described above apply to an even greater extent to investments in emerging markets. The securities markets of emerging market countries are generally smaller, less developed, less liquid, and more volatile than the securities markets of the U.S. and other developed markets. Disclosure and regulatory standards in many respects are less stringent than in the U.S. and other developed markets. There also may be a lower level of monitoring and regulation of securities markets in emerging market countries and the activities of investors in such markets and enforcement of existing regulations may be inconsistent and subject to change without warning. In addition, custodial services and other costs relating to investments may be more expensive in emerging markets than in many developed markets, which could reduce a Fund's income from such securities. In many cases, governments of emerging market countries continue to exercise significant control over their economies, and government actions relative to the economy, as well as economic developments generally, may adversely affect the liquidity and price of securities, regardless of the issuer's financial condition. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding taxes on interest or dividend payments, or other similar developments that could affect investments in those countries. There can be no assurance that adverse political changes will not cause the Funds to suffer a loss of any or all of their investments.

Equity Risk

The market price of securities owned by a Fund may go up or down, sometimes rapidly or unpredictably. A risk of investing in a Fund is that the equity securities in its portfolio will decline in value due to factors affecting equity markets generally or particular industries represented in those markets. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or related industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

Fixed-Income Securities

The Funds may, directly or indirectly, invest in bonds or other fixed-income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) and distressed debt securities. Such securities may be rated below "investment grade" and may face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which generally react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to

economic conditions than are higher rated securities. Companies that issue lower rated debt securities often are highly leveraged and may not have access to more traditional methods of financing. Trading in such securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could affect adversely the ability of the issuers of such securities to repay principal and pay interest thereon and, therefore, increase the incidence of default for such securities.

Investment in Small Companies

There is no limitation on the size or operating experience of the companies in which the Funds may invest. Some small companies in which the Funds may invest may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small factors in their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

Risks Related to Reliance on Management of Portfolio Companies

While it is generally the intent of the Adviser to invest in companies with proven operating management in place, there can be no assurance that such management will continue to operate the company successfully. Although the Adviser will monitor the performance of each investment, a Fund will rely upon management to operate the portfolio companies on a day-to-day basis.

Need for Follow-On Investments

Following its initial investment in a given portfolio company, a Fund 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 a Fund will make follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Any decision by the Adviser not to make follow-on investments or a Fund's inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment. Additionally, such failure to make such investments may result in a lost opportunity for such Fund to increase its participation in a successful portfolio company or the dilution of such Fund's ownership in a portfolio company if a third party (or successor Fund) invests in such portfolio company. In certain circumstances, including follow-on investments by successor Funds in a portfolio company owned by one or more predecessor Funds, the decision by a Fund to make follow-on investments may present conflicts of interest, including with respect to the determination of the structure and other terms of any new financing, and the follow-on investment by a successor Fund could result in significant dilution to the investment by the predecessor Fund.

Counterparty Risk

Certain markets in which the Funds may effect transactions are “over-the-counter” or “interdealer” markets, and may also include unregulated private markets. The participants in such markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the investor to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds have concentrated their transactions with a single or small group of counterparties. The Funds may also be exposed to similar risks with respect to non-U.S. brokers in jurisdictions where there are delayed settlement periods. The Funds are not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability of the Funds to transact business with any one of a number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund. Similar risks also arise in connection with derivative instruments and brokerage arrangements that the Fund may put in place. Certain Funds may hold derivative instruments that contain an element of risk in the event that the counterparties may be unable to meet the terms of such agreements. The Adviser seeks to minimize our risk exposure by limiting the counterparties with which we enter into contracts to banks and investment banks who, at the time established, meet established credit and capital guidelines.

The Funds may only close out “over-the-counter” transactions (including swaps and contracts for differences) with the relevant counterparty, and may only transfer a position with the consent of the particular counterparty. Also, if the counterparty defaults, the Funds will have contractual remedies pursuant to the agreement related to the transaction, but there is no assurance that contract counterparties will be able to meet their obligations pursuant to such contracts or that, in the event of default, the Funds will succeed in enforcing contractual remedies. There also may be documentation risk, including the risk that the parties may disagree as to the proper interpretation of the terms of a contract. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Funds to enforce their contractual rights may lead the Funds to decide not to pursue their claims against the counterparty. Each Fund thus assumes the risk that it may be unable to obtain payments owed to it under contracts relating to over-the-counter transactions or that those payments may be delayed or made only after such Fund has incurred the costs of litigation.

Prime Brokerage Risk

There are risks involved in dealing with the custodians or prime brokers who settle trades. The Funds and investment vehicles in which they invest maintain custody accounts with several prime brokers and custodian banks. While the Adviser monitors exposure to prime brokers and custodians, there is no guarantee that these prime brokers and custodians, or any other prime broker or custodian that the Funds or such investment vehicles may use from time to time, will not become insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a failure, insolvency or

liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of a Fund's or such investment vehicles' assets, such Fund or investment vehicle would not incur losses due to its assets being unavailable for a period of time, ultimately less than full recovery of its assets, or both.

Contingent Liabilities Upon Disposition

In connection with the disposition of an investment, the Adviser may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by investors in a Fund. The Governing Documents of a Fund typically contain provisions to the effect that if there is any such claim in respect of a portfolio company, it will be funded by the investors in the Fund, including, subject to certain limitations, by returning distributions received from the Fund.

Risks of Bankruptcy of Portfolio Companies

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

Certain Effects of Default and Bankruptcy

Each of a Fund's portfolio companies or its assets may be pledged to third parties, including senior lenders, and could be foreclosed upon or otherwise acquired by such parties under certain circumstances, including an incipient and/or unremedied default. In the event of the bankruptcy of a portfolio company, prior distributions to a Fund may be reclaimed if such prior payments are determined to have been "preference" payments under applicable bankruptcy and related laws and regulations. In addition, Funds may, from time-to-time, issue guarantees or otherwise enter into credit support arrangements with respect to financing arrangements undertaken by their portfolio companies. In the event of a default by a portfolio company of its obligations that are subject to such an arrangement, the applicable Fund's assets could be acquired by, or used to satisfy, the applicable lender(s) under certain circumstances.

Effect of Incentive Allocation

The existence of the Incentive Allocation may create an incentive for the Adviser to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance-based arrangement. In addition, if distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the Governing

Documents. An independent appraisal generally will not be required and is not expected to be obtained.

Bridge Loans

From time to time, the Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always within the Funds' control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

Minority Investments

The Funds may invest in minority positions of companies and in companies for which the Funds have no right to exert significant influence. In such cases, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representatives of other investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds.

Portfolio Valuation

Because of the overall size of the Funds and the nature and maturities of positions held by the Funds, the value at which the Funds' investments can be liquidated may differ, sometimes significantly from the interim valuations arrived at by the Adviser. In addition, the timing of liquidations may also affect the values obtained on liquidation. Securities to be held by the Funds may routinely trade with bid-ask spreads that may be significant. At times, third-party pricing information may not be available for certain positions held by the Funds. In addition, the Funds hold loans or privately placed securities for which no public market exists. Valuations by the Adviser generally will be conclusive and binding on all investors.

Short Sales

Certain Funds may make short sales of investment securities. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or dealer. Because the seller remains liable to return the underlying security that it borrowed from the broker or dealer, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. As a result, a Fund will engage in short sales only where the Adviser believes the value of the security will decline between the date of the sale and the date it is required to return the borrowed security. The making of short sales exposes a Fund to the risk of liability for the market value of the security that is sold and unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase.

Several jurisdictions in which the Funds may trade have adopted reporting rules for short sales and short positions. If the Funds' short positions or their strategy becomes generally known, the Adviser's ability to implement the strategy could be adversely affected. In particular, it would make it more likely that other investors could cause a "short squeeze" in the securities sold short

by a Fund, forcing it to cover its positions at a loss. In addition, if other investors engaged in copycat behavior by taking positions in the same issuers as the Funds, the cost of borrowing securities to sell short could increase significantly, and the availability of such securities to the Funds could decrease significantly. Such events could make the Funds unable to execute their investment strategy.

Regulatory authorities in several jurisdictions have also adopted bans on short sales of certain securities in response to recent market events. Bans on short selling may make it impossible for a Fund to execute certain investment strategies and may have a material adverse effect on such Fund's ability to achieve its investment objective.

General Market and Credit Risks of Debt Securities

Debt portfolios are subject to credit and interest rate risk. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument and securities which are rated by rating agencies are often reviewed and may be subject to downgrade. "Interest rate risk" refers to the risks associated with market changes in interest rates. Factors that may affect market interest rates include, without limitation, inflation, slow or stagnant economic growth or recession, unemployment, money supply and the monetary policies of the Federal Reserve Board and central banks throughout the world, international disorders and instability in domestic and foreign financial markets. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. The Treasury Portfolio contains certain credit risks which may include, but not be limited to, exposure to uninsured deposits with financial institutions, unsecured corporate bonds and mortgage-backed securities. These exposures are actively monitored on a continuous basis and positions are reallocated based on changes in risk profile, market or economic conditions.

Risk of Third-Party Litigation

A Fund's investment activities subject it to the risk of becoming involved in litigation by third parties. This risk is somewhat greater where a Fund exercises control of, or significant influence over, a company's direction. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would, absent certain conduct by the Adviser, be borne by a Fund, would reduce net assets and could require investors to return distributions to a Fund. The Adviser is entitled to be indemnified by a Fund in connection with such litigation, subject to certain limitations as set forth in the Governing Documents for such Fund.

Tax-Related Risks

Investment in a Fund involves numerous tax risks. The Funds or their investors may be subject to income or other tax in jurisdictions in which the Funds invest. Additionally, withholding taxes or branch taxes may be imposed on earnings of the Funds from investments in such jurisdictions. Also, local tax incurred in a jurisdiction by the Funds or vehicles through which they invest may not entitle investors to either (i) a credit against tax that may be owed in their respective home tax jurisdictions or (ii) a deduction against income taxable in such home jurisdictions by the investors.

The Adviser typically takes into account tax consequences when structuring the activities of the Fund; however, there is a risk that the United States Internal Revenue Service (and similar state and international taxing bodies) will not concur with the Adviser as to these tax consequences, resulting in a less favorable tax outcome than the Adviser had anticipated. In addition, tax laws and regulations applicable to a Fund are subject to change, and unanticipated tax liabilities could be incurred by investors as a result of such changes. A Fund may structure an investment in a portfolio company with respect to certain investors through the use of a blocker entity or another structure in seeking to accommodate the tax objectives of such investors and the Adviser has broad discretion in structuring transactions. The use of such different structures may result in a Fund's investors receiving different proceeds in a transaction.

Investors should consult their own tax advisors to determine the potential tax-related consequences of investing in a Fund.

Hedging Risks

The Adviser may hedge some or all of a Fund's investments or other assets by entering into hedging arrangements with a broker, a bank or other organizations. Hedging against a decline in the value of an investment or other asset of a Fund does not completely eliminate risks associated with fluctuations in the values of such investment or asset, or prevent losses if the values of such investment or asset decline. In addition, any hedging arrangements may limit a Fund's opportunity for gain if the values of the investment or asset subject to hedging increase. Furthermore, hedging entails its own costs, and it is often not possible to hedge fully or perfectly against all risks. There can be no assurance that the Adviser will choose to hedge against any of the risks relating to a Fund's investments.

Bank Loans

Certain Funds may invest in interests in loans originated by banks and other financial institutions. The loans invested in by the Funds may include term loans and revolving loans, may pay interest at a fixed or floating rate and may be senior or subordinated. Purchasers of bank loans are predominantly commercial banks, investment funds and investment banks. As secondary market trading volumes for bank loans increase, new bank loans are frequently adopting standardized documentation to facilitate loan trading which should improve market liquidity. The recent financial crisis resulted in unprecedented levels of illiquidity and volatility in the bank loan market. A decline in current market conditions could result in similar levels of illiquidity and volatility, which could decrease demand for bank loan trading. In addition, the

Funds make investments in stressed or distressed bank loans which are often less liquid than performing bank loans.

Certain Funds may acquire interests in bank loans either directly (by way of sale or assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. Participation interests in a portion of a debt obligation typically result in a contractual relationship only with the institution participating out the interest, not with the borrower. In purchasing participations, the Funds generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, and the Funds may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Funds will assume the credit risk of both the borrower and the institution selling the participation.

Fraudulent Conveyance and Preference Considerations

Various federal and state laws enacted for the protection of creditors may apply to the purchase of investments by a Fund, by virtue of such Fund's role as a creditor with respect to the borrowers under such investments. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a borrower, such as a trustee in bankruptcy or the borrower as debtor-in-possession, were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest or other lien securing such investment, and, after giving effect to the incurring of such indebtedness, the borrower (i) was insolvent, (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness and such security interest or other lien as fraudulent conveyances, could subordinate such indebtedness to existing or future creditors of the borrower or could allow the borrower to recover amounts previously paid by the borrower to the creditor (including to a Fund) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness. In addition, in the event of the insolvency of an issuer of an investment, payments made on a Fund's investment could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year) before insolvency depending on a number of factors, including the amount of equity of the borrower owned by the Fund and its affiliates and any contractual arrangement between the borrower, on the one hand, and such Fund and its affiliates, on the other hand. The measure of insolvency for purposes of the foregoing will vary depending on the law of the jurisdiction which is being applied. Generally, however, a borrower would be considered insolvent at a particular time if the sum of its debts was greater than all of its assets at a fair valuation or if the then-present fair saleable value of its assets was less than the amount that would be required to pay its probable liabilities on its then-existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether a borrower was insolvent after giving effect to the incurrence of the loan or that, regardless of the method of evaluation, a court would not determine that the borrower was "insolvent" upon giving effect to such incurrence.

In general, if payments on an investment are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as a Fund) or from subsequent transferees of such payments, including investors in the Funds.

Item 9. Disciplinary Information

Item 9 is not applicable

Item 10. Other Financial Industry Activities and Affiliations

The Adviser is affiliated with certain other advisers and general partners (together with the Adviser, the “Affiliate Advisers”), including, as described under Item 4 above, the following General Partners:

- Golden Gate Capital Management, LLC;
- Golden Gate Capital Management II, LLC;
- GGC Opportunity Fund Management, LP;
- GGCOF Co-Invest Management, L.P.;
- GGCOF Executive Co-Invest, LP;
- Emerald Gate Liquidity Management Account GP, L.P.; and
- Emerald Gate Management, L.P.

The General Partners are deemed registered with the SEC under the Advisers Act pursuant to the Adviser’s registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business and serve as managers or general partners of the Funds and other pooled vehicles and typically share common owners, officers, partners, employees, consultants or persons occupying similar positions.

The Adviser is affiliated with Green Street Advisors, LLC (together with its subsidiaries, “Green Street”), which is a portfolio company of the Opportunity Fund, and is also affiliated with Angel Island Capital Management, LLC (“AICM”) and Angel Island Capital Services, LLC (“AICS”), which are both part of a separate portfolio company (the “Angel Island Portfolio Company”) of the Opportunity Fund. AICM is registered as an investment adviser with the Securities and Exchange Commission. AICM provides investment advisory services to certain vehicles and accounts, including without limitation, AIC Credit Opportunities, LLC and other entities comprising part of the Angel Island Portfolio Company, that, either directly or through total return swaps, invest primarily in indebtedness and debt-related securities (including derivative instruments tied to indebtedness or debt securities). AICM will also serve as sub-adviser to certain Funds, including Emerald Gate Diversified Portfolio, LLC, a Fund whose limited partners include operating partners, operating executives, strategic partners and/or employees of the Adviser and/or their family members and related vehicles. AICM also serves as sub-adviser to certain other funds or accounts including, without limitation, Emerald Gate and the Treasury

Products. Sub-advisory services are generally performed on a non-discretionary basis under the overall direction of the Adviser, but with AICM also granted transaction execution authority in many instances. The Adviser may provide an extensive personal network and access to vertical industry expertise to AICM, and certain Adviser Personnel (as defined in Item 11 below) and senior management of the Adviser are expected to participate in the investment activities and/or operations of AICM. On occasion, clients of AICM (“AIC Clients,” and together with the Funds, “Clients”) benefit from attractive non-traditional investment opportunities from the Adviser.

AICS is registered as a broker-dealer with the Securities & Exchange Commission, Financial Industry National Regulatory Association and the California Department of Business Oversight. Certain Adviser Personnel (as defined in Item 11 below) are also involved with the management and operations of AICM and AICS. AICS may place securities and instruments issued by certain private investment funds, including, but not limited to, funds that the Adviser and related entities manage individually or through their principals.

AICS has in the past, and expects in the future, from time to time, to manage or otherwise participate in underwriting syndicates and/or selling groups with respect to securities and instruments issued by portfolio companies of a Fund and/or third parties, or be involved in the public or private placement of such securities. AICS does not currently expect to be the lead underwriter in such syndicates or groups. In connection with these transactions, AICS may directly or as part of an underwriting syndicate buy from such portfolio companies of Funds and/or third parties the securities issued. AICS may also, from time to time, participate in the syndication of opportunities to co-invest in portfolio companies alongside certain Funds and/or third parties and provide advisory services to portfolio companies of Funds and/or third parties.

AICS and other affiliates of the Adviser will receive fees, commissions and other compensation in respect of the foregoing activities (such fees may be in addition to Transaction Fees earned by the Adviser and are not expected to be included for offset purposes (as discussed previously herein)). AICS and other affiliates of the Adviser may, in connection with such activities, from time to time hold positions in instruments or securities issued by portfolio companies of certain Funds. Furthermore, there are circumstances in which AICS, which is owned and controlled by certain PE Funds, will participate as an underwriter, bookrunner or arranger for a security offering of a portfolio company that is owned, in full or in part, by a predecessor PE Fund, which does not have an ownership interest in AICS. In such cases, investors in the predecessor PE Fund will not benefit from any fees earned by AICS in connection with such activities. Furthermore, any compensation earned by AICS from a portfolio company in connection with its activities will be in addition to those fees payable to the Adviser (including, for the avoidance of doubt, any Transaction Fees or Corporate Service Fees) and will not be included for offset purposes (if any).

AICS may (but is not currently anticipated to) act as the placement agent for a Fund in respect of securities or instruments issued by a Fund (although no commissions or other compensation would be received by AICS from such Funds or their investors for such service). While fees, commissions and other compensation paid to AICS would be, in the judgment of the Adviser and its affiliates, reasonable and generally charged at rates that the Adviser believes are at market rate for the relevant activities, such compensation may not in each case be negotiated at arm’s

length and from time to time may be in excess of fees, commissions or other compensation that would be charged by an unaffiliated third party.

The relationship the Adviser has with AICS may give rise to a conflict of interest between the Adviser and the Funds that have an interest in any portfolio companies or investment vehicles with respect to which AICS provides services. In particular, the Adviser may have an incentive to seek to influence the decision by a portfolio company's management to retain AICS, or to otherwise transact with AICS, instead of other unaffiliated broker-dealers or other service providers or counterparties that may be more effective or offer better terms. The Adviser could also have an incentive to structure portfolio company transactions, including related co-investment opportunities, so that they require the use of a broker-dealer (and consequently provide an opportunity for AICS to be retained by a portfolio company or acquisition company established for the relevant transaction and generate commissions, syndication fees, arranging fees or other compensation).

The Adviser generally will evaluate any such transactions on a case-by-case basis to address any such conflicts. Transactions involving a Fund and AICS will also be reviewed with regard to the appropriateness of the transaction and any fiduciary obligations. In addition, it is expected that the Adviser will review such transactions to ensure that the requirements of Section 206(3) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), in respect of principal transactions between any Fund and the Adviser or its affiliates (including AICS) are complied with in the context of such transactions.

For a description of material conflicts of interest created by the Adviser's relationship with AICS, please see Item 11 below.

Certain of the PE Funds have taken, and may in the future take, a controlling interest in companies that operate within the broadly defined financial services industry. Certain of those companies may themselves be, or may have affiliates that are, registered with U.S. and/or foreign regulatory agencies or with State insurance agencies. Historically, these companies have included banking institutions, insurance and reinsurance entities, investment advisers and broker-dealers. Although existing portfolio companies of the PE Funds (other than AICM) have generally been operationally independent from the Adviser, it is anticipated that in the future certain portfolio companies that operate within the financial services industry will have varying degrees of less operational independence from the Adviser in that (i) the Adviser will in some cases have some or substantial business dealings with such companies in connection with the advisory services that the Adviser provides to the Funds, (ii) the Adviser may conduct limited shared operations with such companies, (iii) there may be cross-referral of clients between the Adviser and such companies, and (iv) the Adviser may share certain supervised persons or premises with such companies.

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

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its officers and employees, as well as officers and employees of its affiliates and certain independent contractors

(collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain reporting obligations and pre-clearance of any proposed purchase of any initial public offering or limited offering. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, a letter of censure or suspension or termination of the employment of the violator. Adviser Personnel are required to annually acknowledge compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to:

Jim O’Connor
Golden Gate Private Equity, Inc.
One Embarcadero Center, 39th Floor
San Francisco, CA 94111
(e) joconnor@goldengatecap.com

Participation or Interest in Client Transactions

The Adviser and certain employees and affiliates of the Adviser have invested, and may in the future invest, in and alongside the Funds, either through the Adviser, as direct investors in the Funds or otherwise. A Fund or the Adviser, as applicable, have reduced, and may in the future reduce, all or a portion of the Advisory Fee and Incentive Allocation related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a Fund (including potential investors in a Co-Investment Vehicle (as defined below) or purchaser of a limited partner’s interests in a secondary transaction) often ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Potential Conflicts of Interest

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account (and/or for certain accounts of their family members or related persons) and for the account of other investment funds, and providing transaction-related, investment advisory, legal, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of the Adviser, other Funds, Co-Investment Vehicles (as defined below) or their

respective affiliates. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

The Adviser has established, and may in the future establish, from time to time, certain investment vehicles through which certain employees of the Adviser or its affiliates, key service providers, operating partners, operating executives, certain business associates, other friends of the firm, or other persons invest alongside one or more Funds in a particular investment opportunity. Such vehicles, referred to herein as “Co-Investment Vehicles,” generally are required, as a condition of investment, to exit their investments in each investment opportunity at substantially the same time as the applicable Fund that is invested in that investment opportunity.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s best judgment, but in its sole discretion. In resolving conflicts, the Adviser may consider various factors, including the interests of the applicable Fund with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Adviser or applicable sub-adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Governing Documents;
- (3) Certain Funds have established an advisory board, consisting of representatives of investors not affiliated with the Adviser. The advisory boards meet as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion; and
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used or referenced in resolving conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price or transaction pricing established by knowledgeable third parties.

Conflicts

There are numerous perceived and actual conflicts of interest among the Adviser, the Affiliate Advisers, other Clients and the Funds. The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this Brochure and the Brochure should be read in its entirety for other conflicts of interest. In addition, new and difficult types of conflicts of interest may subsequently arise.

Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which may include, but are not limited to, the following:

- The Funds;
- AIC Clients;
- Any Co-Investment Vehicles that have been formed to invest side-by-side with one or more Funds in particular transactions entered into by such Fund(s) (the investors in such Co-Investment Vehicles typically include employees, key service providers, operating partners, operating executives, business associates and other friends and family of the Adviser or its personnel; individuals and entities that are also investors in one or more Funds (“Adviser Investors”); and/or individuals and entities that are not investors in any Fund (“Third Parties”));
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s);
- Adviser Investors and/or Third Parties acting as “co-sponsors” with the Adviser with respect to a particular transaction;
- Accounts or pooled investment vehicles that could have an investment strategy that may be similar, but not identical, to certain of the Funds and are for the benefit of Adviser Investors and/or Third Parties; and
- Certain proprietary vehicles, including Emerald Gate Diversified Portfolio, LLC.

The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith.

The Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”), which will also apply directly or indirectly to certain Co-Investment Vehicles with investments contractually tied to the Funds. Investment Allocation Requirements are generally set forth in the Governing Documents. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds will participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure. A Fund’s investment objectives, strategies and structure typically are reflected in the Fund’s Governing Documents.

Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s).

Once the Funds that will participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Adviser considers some or all of a wide range of factors, which may include, but are not necessarily limited to, the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing;
- Each Fund's liquidity and reserves;
- Each Fund's diversification;
- Lender covenants and other limitations;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment;
- Each Fund's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment;
- Composition of each Fund's portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the applicable offering and organizational documents of each Fund.

The Adviser then will determine if the amount of an investment opportunity exceeds the allocation to the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisors to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Adviser to be in the best interest of the applicable Fund), and any such excess may be offered to

one or more co-investors pursuant to the procedures included in the applicable Governing Documents.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons, (iv) certain persons other than investors in the Funds (e.g., Third Parties) may be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons, and (v) co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the potential co-investors, the Adviser considers some or all of a wide range of factors, which may include, but are not limited to, the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns the Adviser may have that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed

investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and

- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, Co-Investment Vehicles, Adviser Investors and Third Parties, and in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Governing Documents, the Adviser may consider the factors listed above in exercising such discretion. Subject to any restrictions in the Governing Documents of the applicable Fund, the Adviser or its related persons may be asked to identify a limited number of Adviser Investors or Third Parties to potentially acquire the interest being transferred.

It should be noted that the existence of accounts established for the benefit of Adviser Investors and/or Third Parties that could have a similar, but not identical, investment strategy as certain of the Funds may create conflicts of interest that cannot be fully mitigated. For example, such accounts may, on occasion, invest in the same security and/or in the same issuer as the Funds. In addition, certain Adviser Personnel may be responsible for the management and/or operations of such accounts and those responsibilities may take away from the time such persons can spend on the activities of the Adviser (and, indirectly, the Funds).

The appropriate allocation between Funds, Adviser Investors and Third Parties of expenses and fees generated in the course of evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion, consistent with the Governing Documents of the Funds, as applicable. There are occasions when the Adviser or one Fund (the "Payor Client") pays an expense common to multiple clients (the "Allocated Client") (e.g., legal expenses for a transaction in which all such Funds participate). On such occasions, each Allocated Client will reimburse the Payor Client for its share of such expense, without interest, promptly after the payment is made by the Payor Client. While highly

unlikely, it is possible that one of the Allocated Clients could default on its obligation to reimburse the Payor Client.

A Fund may sell down an interest in its portfolio companies to co-investors. Subject to the applicable Governing Documents, the Adviser may charge (or may decide not to charge) a co-investor (such as an Adviser Investor or Third Party) interest or similar costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser may be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser may have an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit.

In addition, principal executive officers and other personnel of the Adviser are permitted to invest directly in Co-Investment Vehicles and may therefore participate alongside the Funds in investments made by the Funds. Such interests will vary Co-Investment Vehicle by Co-Investment Vehicle. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund or a Co-Investment Vehicle.

Principal Transactions

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and its clients, on the other hand. Very generally, if an adviser (or an affiliate) purchases a security from or sells a security to a client, the adviser must disclose the terms of the transaction to the client and obtain the consent of the client prior to engaging in the principal transaction. In connection with the Adviser's management of the Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 be made to the applicable Fund regarding any proposed principal transactions and that any required prior consent is received before executing a principal transaction.

Cross-Transactions

A cross-transaction generally refers to a transaction where one Fund managed by the Adviser or its affiliates seeks to acquire an investment that another Fund seeks to sell. Cross-transactions may create conflicts of interest because a Fund is on both sides of the transaction. The Adviser may on occasion purchase a security or securities for one Fund at the same time as a sale of the same security or securities for another Fund or may effect cross transactions between Funds.

Conflicts Related to Purchases and Sales

Conflicts may arise when a Fund makes an investment in (or purchases debt or equity securities from) an entity, in conjunction with an investment being made by other Clients or in a

transaction in which another Client has already made a previous investment. Investment opportunities may be appropriate for Funds and certain other Clients at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts may arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. Certain clients of the Adviser invest in debt and securities of companies in which other clients hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of such Fund may be in conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. In addition, a conflict may arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one client of the Adviser in a portfolio company may also raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser. While expected to be very infrequent, similar conflicts could arise to the extent that AICS holds or is involved in activities relating to securities of a portfolio company. Employees and related persons of the Adviser have made or may make capital investments in or alongside certain Funds, and therefore may have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in 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.

A Fund may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested.

From time to time the Adviser may, in its discretion, enter into transactions with investors in one or more Funds to dispose of all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser may consider some or all of the factors listed under Item 10 above. The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transactions or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or

advantageous course of action for the applicable Fund(s). Any such transactions will comply with the Governing Documents of the applicable Fund(s).

The Adviser or one or more members of its professional staff may manage multiple investment funds, including the Funds. Most of the officers and employees responsible for managing a Fund will have responsibilities with respect to those other funds. Conflicts of interest may arise in allocating time, services, or functions of these officers and employees.

Participation of AICS in Fund Transactions

As noted under Item 10 above, the Adviser has an affiliate, AICS, which is registered as a broker-dealer with the Securities & Exchange Commission and Financial Industry National Regulatory Association. AICS is expected to from time to time participate in underwriting syndicates and/or selling groups with respect to securities or instruments issued by portfolio companies of the Funds and/or third parties, or may otherwise be involved in the public or private placement of such securities or instruments and the syndication of opportunities to co-invest alongside certain Funds and third parties. AICS does not currently expect to be the lead underwriter in such syndicates or groups. In connection with these transactions, AICS may directly or as part of an underwriting syndicate buy from such portfolio companies of the Funds and/or third parties the securities issued. AICS and other affiliates of the Adviser may receive fees, commissions and other compensation in respect of the foregoing activities (such fees may be in addition to Transaction Fees earned by the Adviser and are not expected to be included for offset purposes (as discussed previously herein)), and AICS, the Adviser and affiliates of the Adviser may, in connection with such activities, from time to time hold positions in instruments or securities issued by portfolio companies. AICS may (but is not currently anticipated to) act as the placement agent for a Fund (although no commissions or other compensation would be received by AICS from such Funds or their investors for such service). AICS may provide services and receive compensation from Funds, or one or more portfolio companies of such Funds, which do not have an ownership interest in AICS.

It is expected that the Adviser will review such transactions to ensure that the requirements of Section 206(3) of the Advisers Act in respect of principal transactions between any Fund and the Adviser or its affiliates (including AICS) are complied with in the context of such transactions.

Management of the Funds

The Adviser manages a number of Funds that have investment objectives similar to each other. The Adviser may in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See “*Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities*” above. In addition, it is expected that employees of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser, including Funds that may be raised in the future or Funds in which Adviser Personnel have invested. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

The appropriate allocation among the Funds of expenses and fees generated in the course of evaluating and making investments often may not be clear, especially where more than one Fund participates. For instance, if a Fund and another Fund are considering making an investment that is not consummated, allocation of the expenses generated for the account of such Funds (such as expenses of common counsel and other professionals), to the extent borne by the Funds and not the Adviser under such Funds' Governing Documents, will be made in good faith.

The Funds may enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount. The Funds will only enter into such joint and several borrowing arrangement when the Adviser determines it is in the best interests of the Funds.

Conflicts Relating to AICM

AICM serves as the investment adviser to AIC Credit Opportunities, LLC and other entities comprising part of the Angel Island Portfolio Company and has served, and is expected in the future to serve, as sub-adviser to certain other Funds. Both AICM and AICS are part of the Angel Island Portfolio Company and, in turn, are indirectly owned by the Opportunity Fund. As such, all of AICM's expenses (including compensation for its personnel, certain entertainment, meals and travel expenses, which occasionally include expenses for chartered or first class travel incurred by AICM or reimbursement of the payment by AICM for payments made to its employees, consultants, and/or operating executives) are indirectly borne by the Opportunity Fund. As the Adviser earns Advisory Fees and Incentive Allocation from the Opportunity Fund and other Clients of AICM for which the Adviser earns an Advisory Fee and/or Incentive Allocation, the Adviser will benefit from the assets and gains of the Angel Island Portfolio Company and such other Clients, but is not expected to bear any expenses of AICM.

With respect to clients of AICM other than the entities within the Angel Island Portfolio Company, the Adviser serves as the investment adviser and AICM serves as the sub-adviser. As AICM is indirectly wholly owned and controlled by the Opportunity Fund, which in turn is controlled by the Adviser, the Adviser may be deemed to control AICM. As a result of this control, the Adviser has influence on the determination of the terms of these sub-advisory arrangements (including the fees to be paid by the Adviser to AICM) and such terms are not disclosed to investors in the Opportunity Fund (nor will any fees paid reduce the amount of Advisory Fees paid by the Opportunity Fund to the Adviser). Although any such sub-advisory terms (including fees) are intended to be based on arms-length, market terms, given that the Adviser controls AICM, but does not have a direct ownership interest in AICM, a conflict of interest may exist in the determination of such terms (including fees) in the applicable sub-advisory agreements.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may

participate in releveraging and recapitalization transactions involving portfolio companies in which a predecessor Fund has already invested or will invest, which may result in significant dilution to the investment by the predecessor Fund. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Investor Due Diligence Information

Due in part to the fact that potential investors in a Fund (including potential investors in a Co-Investment Vehicle or purchaser of a limited partner's interest in a secondary transaction) often ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners. In addition, certain investors in the Funds may also be strategic investors directly or indirectly into the Adviser, which may result in such investors receiving greater or different information regarding the Adviser.

Conflicts Relating to the Adviser

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

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

The Adviser, its affiliates, and equityholders, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to Funds. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by Funds. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. Furthermore, the Adviser advises a proprietary investment vehicle that generally has different strategies and objectives than other Funds and Co-Investment Vehicles. However, the proprietary investment vehicle may from time to time invest in portfolio investments with respect to which other Funds and/or Co-Investment Vehicles have made, may make or will make an investment. If officers,

principals and employees of the Adviser have made large capital investments in or alongside the Funds, or in a proprietary investment vehicle advised by the Adviser, they may have conflicting interests with respect to these investments. Please see “Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities” *above* for additional information relating to how allocations of investment opportunities are generally addressed by the Adviser.

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

Fee Structure

Because, for certain Funds, there is a fixed investment period after which capital from investors in the Funds may only be drawn down in limited circumstances and because Advisory Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure may create an incentive to deploy capital when the Adviser may not otherwise have done so.

Additionally, as discussed above in Item 6, the Adviser is entitled to Incentive Allocation under the terms of the Governing Documents of certain Funds. The existence of Incentive Allocation may create an incentive for the Adviser to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

The Adviser is responsible for the valuation of a Fund’s assets, in accordance with such Fund’s valuation policies. Securities and all other assets for which no market prices are available will be valued at such value as the Adviser may reasonably determine. With respect to certain Funds, the exercise of such discretion by the Adviser may give rise to conflicts of interest, since the Incentive Allocation with respect to certain Funds is calculated based on these valuations.

Related Services

As described in Item 5 above, the Adviser, its affiliates and/or their personnel will perform, and have historically performed, Related Services for, and will receive (and have received) fees from, actual or prospective portfolio companies or other investment vehicles of the Funds. Such fees are in addition to any Advisory Fees or Incentive Allocation paid by the Funds to the Adviser. Consistent with the applicable Governing Documents, the Adviser may incur expenses, and a portfolio company typically reimburses the Adviser for such expenses (including, without limitation, certain entertainment, meals and travel expenses, which have included, any may in the future include, expenses for chartered or first class travel incurred by the Adviser or reimbursement of the payment by the Adviser for payments made to its employees, consultants, operating partners and/or operating executives) incurred by the Adviser in connection with its performance of services for such portfolio company. Such reimbursements are not subject to the sharing arrangements described below. Additionally, the agreements with the portfolio companies providing for Corporate Service Fees may have prolonged terms possibly exceeding ten years and/or be subject to automatic extensions and renewal, and there are certain circumstances (such as the occurrence of an initial public offering or strategic exit) which may

accelerate the payment of such Corporate Service Fees. Corporate Service Fees may be substantial, particularly in the event any such circumstances occur early in the life of the Fund's investment in such portfolio company. This may create a conflict of interest between the Adviser and its affiliates and the Funds and their investors because the amounts of these fees and reimbursements may be substantial and the Funds and their investors generally do not have an interest in these fees and reimbursements. The Adviser determines the amount of these fees for Related Services and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements are typically not (except in connection with the reductions described below) be disclosed to investors in the Funds. The Adviser will in some circumstances reduce or offset the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of the applicable Fund's share of such fees (other than Third Party Fees). The amount and nature of this reduction or offset varies from Fund to Fund and may vary in a particular Fund based on the types of services, which will be determined by the Adviser, and is set forth in the Governing Documents of the applicable Fund. Entities other than Funds that participate in investments alongside the Funds (such as entities through which the Adviser and certain employees and affiliates of the Adviser invest alongside the Funds) may have a right to share in such fees, and Advisory Fees will generally not be reduced in connection with the receipt of such entities' share of such fees. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds.

A Fund's general partner and/or its portfolio companies will from time to time retain other companies and individuals ("Operations Support Advisers"), which may be affiliates of the Adviser, employees of such affiliates, portfolio companies of other Funds, third party consultants, "operating partners", "operating executives" or "senior advisers". The Operations Support Advisers are engaged to provide operational support, specialized operations and consulting services and similar or related services to, or in connection with, one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies ("Operations Support Services"). These services typically include support to the Fund's general partner or portfolio companies regarding, among other things, the company's management (including serving in management positions or participating in determining corporate strategy), the company's supply chain and procurement practices, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters, intellectual property matters and similar operational matters. While Operations Support Advisers are sometimes referred to as "operating partners", "operating executives" or "senior advisers," they are not partners or employees of the Adviser or any of its affiliates, but rather consultants engaged by or on behalf of certain Funds and/or portfolio companies. In addition to their activities in connection with the Funds and/or portfolio companies, such individuals are sometimes engaged or retained by other alternative investment firms which may currently, or in the future, directly compete with the Funds and/or portfolio companies. Such outside activities may result in conflicts of interest with respect to such individuals. Please see the discussion below in Item 11 under the sub-heading "Resolution of

Conflicts” for a description of the means by which the Adviser and its related persons seek to alleviate conflicts of interest among the Funds, portfolio companies or other persons.

Pursuant to the Governing Documents of the applicable Fund, fees and expenses associated with Operations Support Services (“Operations Support Expenses”) have been, and will in the future be paid and/or reimbursed by portfolio companies and/or the Fund. Operations Support Expenses (including Operations Support Expenses incurred in connection with an affiliated Operations Support Adviser) are determined at the discretion of the Fund’s general partner taking into account the particular Operations Support Services, frequently include a profits or equity interest in the Fund and/or portfolio company or other incentive-based compensation to the Operations Support Adviser, and may otherwise be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Support Adviser, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such companies. The determination of whether a service is an Operations Support Service will be made by the Fund general partner in its good faith discretion and will be based in part on whether third parties often provide such services to investment advisers or companies. Operations Support Expenses have been, and may in the future also be, incurred in respect of portfolio companies prior to the closing of the investment. In the event one or more Operations Support Advisers (directly or indirectly) is providing services with respect to a Fund and one or more other Funds, subject to the Governing Documents of the applicable Funds, such Operations Support Expenses generally will be allocated among the Fund and the relevant other Funds as determined by applicable Funds’ general partners in a fair and equitable manner. To the extent any such Operations Support Expenses are payable to any affiliated Operations Support Adviser by the Fund or a portfolio company, such Operations Support Expenses will not reduce any fees otherwise payable to the Adviser or its affiliates. Each general partner’s good faith determination as to whether a service is an Operations Support Service, the categorization of any fees and expenses (e.g., as Operations Support Expenses) and the allocation of such fees and expenses shall be binding on each applicable Fund and its investors.

In addition, the Adviser frequently arranges for the engagement of Nob Hill Law Group, P.C. to provide legal services to or on behalf of portfolio companies of the Funds, the Adviser, the Funds and/or their respective affiliates. The President of Nob Hill Law Group, P.C. serves as General Counsel of the Adviser and certain other Adviser Personnel also from time to time serve as employees or independent contractors of Nob Hill Law Group, P.C. Due to the relationship between the Adviser and Nob Hill Law Group, P.C., the Adviser may have an incentive to recommend the services of Nob Hill Law Group, P.C. to the Funds and their portfolio companies, even though the services recommended may not necessarily be the lowest cost or most effective available to the Funds or the portfolio companies. In addition, the fees earned by Nob Hill Law Group, P.C. for services provided to the Funds and the portfolio companies are not shared with the Funds or their investors, except to extent they result in the reduction or offset of Advisory Fees pursuant to the Governing Documents of such Funds (in which case, such fees and expenses are treated in the same manner as other applicable Corporate Service Fees, as described above). The fees paid by the Funds and the portfolio companies generally will be determined based on prevailing market rates for comparable services.

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. A Fund may structure an investment in a portfolio company with respect to certain investors through the use of a blocker entity or another structure in seeking to accommodate the tax objectives of such investors and the Adviser has broad discretion in structuring transactions. The use of such different structures may result in a Fund's investors receiving different proceeds in a transaction. In selecting and structuring investments appropriate for a Fund, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

Business with Portfolio Companies and Investors

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Funds have invested, there are often situations where the Adviser is in the position of recommending portfolio company services to other portfolio companies. The Adviser may have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds.

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

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

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

The Adviser has service providers, including for example, investment bankers, outside legal counsel and pension consultants, who are investors in Funds and/or who provide services to businesses that are competitors of the Adviser. The Adviser may have a conflict of interest with

the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. There is a possibility that the Adviser, 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. In these instances the Adviser uses reasonable efforts to mitigate such conflicts and uses good faith efforts to negotiate market terms for such law firm and service providers' services. For example, certain key service providers, including a law firm and a consulting firm, participate in Co-Investment Vehicles that make investments side-by-side with one or more Funds. To monitor any conflicts with its key service providers, the Adviser will perform periodic evaluations of its key service providers.

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

Positions with Portfolio Companies

Employees of the Adviser may serve as directors of portfolio companies. Such employees may be required to remit a portion of any remuneration they may receive as directors to the applicable Funds, consistent with the terms of the Governing Documents of such Funds. In addition, employees of the Adviser may leave the employment of the Adviser or its affiliates and become an officer or employee of a portfolio company. Employees are prohibited from receiving consulting, management or other fees personally from portfolio companies.

Side Letter Agreements

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

In addition, the Adviser may establish separate accounts with portfolios material similar to those of one or more Funds. Consequently, the relevant separate account client may have access to information about such portfolio holdings before investors in such Fund.

Conflicts Relating to the Treasury Products

It is anticipated that each of the Adviser and the Funds and their respective portfolio companies and affiliates may make investments in the Treasury Products. Each of the foregoing may have a different interest with respect to such investments and there may be decisions made that favor one interest over another.

Conflicts of interest may arise due to the ability of the Treasury Products to make short-term advances to its participants. The Treasury Products may make such short-term advances to a Fund in order to, among other things, cover capital requirements with respect to distributions or

to a portfolio company to, among other things, cover add-on investments pending capital calls by a Fund. Such an advance to a Fund or portfolio company may put the capital of another Fund at risk if the borrowing Fund or portfolio company is unable to repay the advanced amount due to, among other things, liquidity constraints, failed investments, the failure of a Fund's limited partners to timely contribute capital, or other unforeseen events.

In addition, a Treasury Product may make, with the consent of the advisory board of the Fund investing in the Treasury Product, short-term advances to the Adviser, which may create a conflict of interest, as the Adviser would have the role of determining the terms of such advances and the circumstances and conditions under which each is made.

Other Potential Conflicts

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser, the Funds, and the portfolio companies of the Funds may engage other common service providers. In such circumstances, there may be a conflict of interest between the Adviser, on the one hand, and the Funds and portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies. In addition, the Adviser and its affiliates, including its employees, may, from time to time, receive discounts on services and/or products from portfolio companies. Such discounts are generally equal to, or less than, the discounts provided by the portfolio company to its own employees.

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

The Adviser may represent creditors or debtors in proceedings under Chapter 11 of the Bankruptcy Code or prior to such filings. From time to time, the Adviser may serve as advisor to creditor or equity committees. This involvement, for which the Adviser may be compensated, may limit or preclude the flexibility that the Funds may otherwise have to make investments.

If a Fund purchases in the secondary market at a discount indebtedness or debt securities of a company in which a Fund has, for example, a substantial equity interest, (a) a court might require a Fund to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Fund might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

The Governing Documents of certain Funds permit the Adviser, each such Fund's General Partner or certain of their affiliates to make certain interim contributions to the applicable Fund in anticipation of an upcoming investment or payment by such Fund, pending receipt of capital contributions in an equal amount from such Fund's limited partners, the proceeds of which would be distributed such General Partner as a return of such interim contribution, with an interest charge. Such arrangements create potential conflicts of interest between the Adviser, the applicable General Partner or affiliate and the Fund acting as borrower.

The Governing Documents of certain Funds permit the Adviser to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The Adviser may elect to withhold certain information to such limited partners for reasons relating to the Adviser's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

The Adviser may permit newly admitted investors to participate in all investments held by certain Funds at the time of such investor's admission, irrespective of when such investment was originally made. The existing investors' participation in each investment of such Fund will be reduced pro rata based on their respective capital account balances. In general, each capital contribution by a newly admitted investor will entitle such investor to an interest in the Fund equal to such contribution amount divided by such Fund's aggregate net asset value. Valuation of the Fund's assets may be difficult, as there generally will be no established market for the securities of privately-held companies and other assets held by the Funds. As a result, investors who make capital contributions to, or redeem their interests from, such a Fund on days when such Fund is holding assets without readily ascertainable market values may receive a greater or lesser interest in such Fund, or greater or lower redemption proceeds, than they would have received if such Fund had held liquid assets with readily obtainable market prices and/or narrower bid-ask spreads.

The Adviser or general partners of certain Clients (if applicable) may from time to time utilize the services of limited partners of or investors in the Clients and their affiliates on an arm's length basis, as they deem appropriate.

One or more Funds or other Clients may hold "plan assets" subject to ERISA. With respect to those plan assets, if any, Golden Gate and its Affiliated Advisers may be classified as "fiduciaries" under ERISA. ERISA imposes certain general and specific responsibilities and restrictions on fiduciaries with respect to plan assets. As a result, a Fund may be restricted from entering into certain transactions if the investment would violate ERISA with respect to the Fund or such other Clients, or may be obligated to take certain actions or refrain from taking certain actions in order to avoid a violation of ERISA with respect to the Fund or such other Clients.

Different conflicts may exist with respect to investments in different Funds. The Adviser and/or General Partner are granted broad discretion under the Funds' Governing Documents, including on matters such as expense or fee/offset allocation, transaction structuring and other matters, and such discretion could create a conflict between the Adviser and/or General Partner and a Fund.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Item 12. Brokerage Practices

The Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

For each of the Funds, the Adviser has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration:

- A broker's execution capabilities with respect to the relevant type of order;
- The commissions charged by a broker, which may be based on the size of the order, the price of the security, and whether the receipt of products or services is involved;
- The broker's reputation and responsiveness to requests for trade data and other financial information
- The amount of business with each broker-dealer and the justification for directing trades to those broker-dealers, such as the quality of research provided by the broker-dealer;
- The gross compensation paid to each broker-dealer;
- The competitiveness of commission rates and spreads, including the documentation to support such competitiveness, i.e., comparison of "standard" commission rates or "minimum" transaction costs between broker-dealers offering comparable products and services;

- Statistics or other information by independent consultants on the relative quality of executions/financial services by each broker-dealer;
- The financial strength (net capital) of each broker-dealer, if relevant;
- The broker-dealer's ability to respond promptly to inquiries during volatile markets;
- The value of privacy considerations, liquidity, price improvement and lower commission rates on electronic communications;
- The broker-dealer's general reputation and ability to execute an order in an appropriate time frame (i.e., the overall responsiveness of the broker-dealer, as expressed in how well the broker-dealer serves the Adviser and its clients); and
- To the extent consistent with achieving best execution, the Adviser may consider other business a particular broker or dealer may have done with the Adviser, such as identifying investment opportunities, performing investment banking services and providing services to the Adviser's principals.

In order to monitor best execution, the Adviser will periodically work with the relevant Adviser Personnel to monitor trades in public securities to confirm the Adviser complies with its fiduciary duty with respect to seeking to obtain "best execution" for the Funds.

Aggregation of Trades

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally aggregates trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The Funds primarily invest in securities that are private, illiquid and long-term in nature although certain Funds also invest in public securities and debt instruments. Accordingly, the review process for most Funds is not typically directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors companies in which the Funds invest, and Golden Gate's General Counsel, either alone or working together with other Adviser Personnel,

periodically checks to confirm that each Fund is maintained in accordance with its stated objectives. Such checks are performed more frequently with respect to Funds that are more heavily invested in public securities.

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund. In addition, investors in the PE Funds typically receive quarterly performance reports generally within 45 days after each fiscal quarter end. Investors in Emerald Gate Diversified Portfolio, LLC generally receive semi-annual performance reports within 60 days after each fiscal quarter end. It is expected that investors in any Emerald Gate funds will receive quarterly performance reports within 60 days after each fiscal quarter end. As there are no investors in the Treasury Products, no investor-level reports are expected. The Adviser may from time to time, in its sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies.

While not a client solicitation arrangement, the Adviser may from time to time engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors (though no placement agents have historically been engaged in connection with Fund offerings). Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Advisory Fees received by the Adviser are generally reduced by the amount of such fees.

Item 15. Custody

As the Adviser relies on the “audit exemption” under the Advisers Act custody rule (i.e., Rule 206(4)-2(b)(4)), investors in the Funds will not receive account statements from the Funds’ custodians.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Services are provided to the Funds in accordance with each such Fund’s Governing Documents. Investment restrictions for the Funds, if any, are generally established in the Governing Documents of the applicable Fund.

The Adviser or applicable sub-adviser has the discretion to determine, without consent of the Funds or the investors in the Funds, the particular securities or instruments to be bought and sold

in accordance with the terms and conditions of the applicable Governing Document of each Fund. The Adviser or applicable sub-adviser will provide investment advice to the Funds, possibly subject to certain limitations and restrictions on the Funds as to diversification and type of permitted investments. Funds will typically make direct investments in companies, although the Adviser or applicable sub-adviser may in its discretion form a special purpose vehicle with respect to particular investments.

Alternative investment vehicles are generally established in order to invest alongside or in the place of one or more Fund in a particular investment opportunity or opportunities, and the Adviser or applicable sub-adviser typically has limited discretion to invest the assets of the alternative investment vehicles independent of these limitations as set forth in the Governing Documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account the relevant Fund’s investment horizon, the contractual obligations under the relevant Governing Documents, and all other relevant facts and circumstances at the time of the vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the relevant Adviser investment professional after consulting with the Adviser’s Compliance Team (if deemed appropriate or necessary), the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Funds generally cannot direct the Adviser’s Vote.

All Voting decisions initially are referred to the appropriate investment professional(s) for a voting decision. In most cases, the investment professional(s) covering the particular investment will make the decision as to the appropriate vote for any particular Vote. In making such decision, he or she may rely on any of the information and/or research available to him or her as well as the standard Voting positions adopted by the Adviser pursuant to its Voting policies and procedures. If the investment professional is making the Voting decision, the investment professional will inform the Adviser’s Compliance Team or their designee of any such Voting decision, and barring any issues from his or her conflict of interest review, the Vote will be voted in such manner. If the investment professional and the Compliance Team or their designee are unable to arrive at an agreement as to how to vote, then the Adviser’s Compliance Team may be consulted as to the appropriate vote. The Compliance Team will then review the issues and arrive at a decision based on the overriding principle of seeking the maximization of the economic value of the relevant Funds’ holdings.

The Adviser has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All Voting decisions will require a mandatory conflicts of interest review in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according to the first priority to the best interest of the relevant Funds.

Where deemed appropriate, unaffiliated third parties, including an advisory board of Fund investors unaffiliated with the Adviser, may be used to help resolve conflicts. In this regard, the Adviser shall have the flexibility to retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to:

Jim O'Connor
Golden Gate Private Equity, Inc.
One Embarcadero Center, 39th Floor
San Francisco, CA 94111

Item 18. Financial Information

The Adviser 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.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.