

This ADV brochure, dated March 29, 2016,  
provides information about the qualifications and business practices of:

## **GoldPoint Partners LLC**

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*If you have any questions about the contents of this brochure, please contact us at (212) 576-6500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about GoldPoint Partners LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Registration with the Securities and Exchange Commission does not imply a certain level of skill or training on the part of GoldPoint Partners LLC.*

## **SUMMARY OF MATERIAL CHANGES**

Since our last update, filed December 7, 2015, no material changes were made.

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Annex A - Audited balance sheet as of December 31, 2014

## **I. Advisory Business**

- A. GoldPoint Partners LLC (we) has been registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser since April 5, 2002, and was formed in 1999. Prior to our formation, our founding principals were employed in the Investment Department of New York Life Insurance Company (New York Life), which at that time was a registered investment adviser. We are currently managed by six managing principals and our head of business development and chief operating officer, who are supported by a dedicated investment staff of ten professionals, including three principals, two vice presidents, and five associates. We are a wholly-owned subsidiary of New York Life Investment Management Holdings LLC, which, in turn, is a wholly-owned subsidiary of New York Life Insurance Company.
- B. Our advisory services include the origination and recommendation of investments for single-investor managed accounts and private investment funds that we manage. Our private investment funds include equity co-investment funds, mezzanine funds and funds-of-funds.

Our advisory services also include direct equity investments, direct mezzanine investments and limited partnership investments in private leveraged buyout, venture, distressed, mezzanine and secondary funds for single-investor separately managed accounts.

Our advisory services are limited to the types of investments described above.

- C. Our advisory services are tailored to the individual needs of our clients.

For our single-investor separately managed accounts, our clients access our advisory services by entering into a written investment management agreement with us. These agreements include the investment strategy, terms and limitations on the types of investments we are permitted to make.

For our private investment fund clients, we enter into separate investment management agreements with the fund, or alternatively, the terms, limitations and conditions of our advisory services are set forth in the fund's limited partnership agreement. Each type of fund has its own investment strategy, including express restrictions on the types of investments that we are permitted to make on its behalf.

- D. As of December 31, 2015, we managed approximately \$11.02 billion of assets on a discretionary basis. We do not manage any assets on a non-discretionary basis.

## **II. Fees and Compensation**

- A. The current fee schedule and investment strategy for the separately managed accounts and private investment funds we manage is provided below.
- Separately Managed Accounts. Advisory fees are negotiated for single-investor separately managed accounts, depending upon a variety of factors including the nature and size of the account and services to be provided.
    - Our annual management fees range from 0.16% to 0.70% depending on the fees that have been mutually agreed with our clients. These fees are generally payable in arrears, except in limited circumstances where our clients have agreed

to pay us in advance.

- The fee schedules for the investment strategies for the separately managed accounts that we manage for our affiliated clients are set forth below. Management fees are based on invested capital for some accounts, on invested capital plus remaining capital commitments for some accounts, and on the average monthly value account for other accounts.
  - International Partnership Portfolio: 0.22% annual management fee for investments before January 1, 2009; and 0.50% annual management fee for investments January 1, 2009 and after.
  - International Direct Portfolio: 0.16% annual management fee.
  - Venture Partnership Portfolio: 0.22% annual management fee.
  - Venture Direct Portfolio: 0.19% annual management fee.
  - Leveraged Buyout Partnership Portfolio (Domestic and Western Europe):
    - 0.50% annual management fee for commitments made prior to January 1, 2012;
    - 0.45% annual management fee for commitments made January 1, 2012 and after; and
    - for commitments made January 1, 2012 and after, we are entitled to receive a performance-based fee of 1.0% on a calendar-by-calendar year basis, if with respect to such calendar year, the proceeds received plus the current value of the remaining investments (net of prior paid performance-based fees) exceeds our client's contributed capital plus a 9% per annum preferred return thereon; provided we will not be entitled to receive the performance-based fee for any calendar year on the gains in excess of a 25% internal rate of return to our clients.
- Long Term Care Portfolio:
  - 0.45% annual management fee for commitments; and
  - a performance-based fee of 1.0% on a calendar-by-calendar year basis, if with respect to such calendar year, the proceeds received plus the current value of the remaining investments (net of prior paid performance-based fees) exceeds our client's contributed capital plus a 9% per annum preferred return thereon; provided we will not be entitled to receive the performance-based fee for any calendar year on the gains in excess of a 25% internal rate of return to our clients.
- Private Equity Separate Account (Pension) Portfolio: 0.70% annual management fee.
- Mezzanine Advisory Portfolio:
  - 0.50% annual management fee for commitments made before January 1, 2009;
  - 0.45% annual management fee for commitments January 1, 2009 and

- after;
- 0.40% annual management fee for commitments made January 1, 2012 and after;
- annual performance-based fee of 15% for commitments before January 1, 2009 if the investment portfolio's annual internal rate of return exceeds a 10.5% hurdle rate; and
- for commitments made January 1, 2012 and after, we are entitled to receive a performance-based fee of 1.0% on a calendar-by-calendar year basis, if with respect to such calendar year, the proceeds received plus the current value of the remaining investments (net of prior paid performance-based fees) exceeds our client's contributed capital plus an 8% per annum preferred return thereon; provided we will not be entitled to receive the performance-based fee for any calendar year on the gains in excess of a 25% internal rate of return to our clients.

We do not currently manage separately managed accounts for unaffiliated clients. If we were to manage such accounts for unaffiliated clients, the fees would be subject to negotiation and might be different than the fees set forth above.

- Private Investment Funds. Advisory fees for our private investment funds are set forth in the relevant fund's limited partnership agreement and are generally not negotiable. However, some large investors have entered into separate investment vehicles on more favorable economic terms than the investors in certain of our primary funds. These separate investment vehicles generally invest pro rata on a side-by-side basis with these primary funds based upon the available capital balance of the primary fund and the separate investment vehicle.

The management fee schedule for the private investment funds we manage is:

- Equity Co-Investment Funds: An annual fee equal to 1.0% of an investor's capital commitment payable semi-annually in advance during the fund's commitment period; and then an annual fee of 1.0% of an investor's invested capital thereafter payable semi-annually in advance through the end of such fund's term; provided no management fees may be charged to investors following extension of a fund's term beyond its original term plus the two successive one-year periods in which we are unilaterally permitted to extend its term. Consequently, no management fees are being charged with respect to our first and second co-investment funds because investors approved an extension beyond their original terms plus the two successive one-year periods. Although the original term of our third co-investment fund expired, we exercised our unilateral right to extend that fund's term by one year and in accordance with its limited partnership agreement continue to charge management fees to investors in that fund;
- Mezzanine Funds: An annual fee equal to 1.25% to 1.5% of an investor's capital commitment payable semi-annually in advance during the fund's commitment period; and then an annual fee of 0.9% to 1.25% of an investor's invested capital thereafter payable semi-annually in advance. The limited partnership agreement of our fourth mezzanine fund requires management fees to terminate upon the

earlier of the end of the fund's term and its twelfth year. The limited partnership agreements of our prior mezzanine funds require management fees to terminate upon the end of the fund's term; however, we have the unilateral right to extend their terms for up to two successive one-year periods and charge management fees during these extended periods. Investors approved the extension of our first mezzanine fund's term beyond its twelfth year on the basis that management fees no longer be charged to investors in this fund; and

- Funds-of-Funds: An annual fee equal to 0.50% to 1.0% of an investor's capital commitment payable semi-annually in advance during each fund-of-fund's commitment period. These fees are reduced after the third anniversary of each such fund-of-fund's initial closing by 10% each year of an investor's original capital commitment until the ninth anniversary following each such fund-of-fund's initial closing. On the tenth anniversary following a fund-of-fund's initial closing, the management fee will be further reduced with respect to each investor by an additional 5% of such investor's original capital commitment. Management fees will continue to be charged until expiration of each fund-of-fund's term, including during any of the two successive one-year periods in which we extend the fund-of-fund's term. An investor in our funds-of-funds will also in effect pay management fees with respect to commitments made by our funds-of-funds to underlying funds – see “Material Risks Involved with respect to our Fund-of-Funds” under Section V.B for more information.

The general partners of these funds, which are our direct or indirect subsidiaries, are entitled to receive performance fees, also known as carried interest, following the return of the relevant fund investor's applicable invested capital plus a hurdle rate.

- The general partners of our equity co-investment funds are entitled to carried interest of 12.5% for our earlier funds and 10% for our more recent funds.
- The general partner of our initial mezzanine fund is entitled to carried interest of 15% to 20% depending on the size of an investor's capital commitment. The general partners for our subsequent mezzanine funds are entitled to carried interest of 18% to 20%, depending on the size of an investor's capital commitment.
- The general partners of our funds-of-funds are entitled to carried interest of 5% for fund investments and 15% for equity co-investments.

Some investors in our private investment funds negotiate side letters with the general partner and the fund in which they are investing, which side letters generally set forth additional limitations on our authority with respect to such investor and to the relevant fund as a whole.

- B. All of the private investment funds we manage are required to pay management fees to us semi-annually in advance. The private investment funds periodically call capital from their investors for the amount of our management fees as they become due.

For our separately managed accounts, we send monthly, quarterly or semi-annual bills to our clients, depending on the terms of the relevant investment management agreement. These separately managed accounts are generally billed in arrears, except in limited circumstances

where the client has agreed to billing in advance.

- C. In addition to the management fees discussed above, investors, through their interests in the private investment funds we manage, bear their proportional share of expenses incurred in the organization of our funds in which they invest, as well as the costs of offering the interests in such funds (excluding placement agent fees). Our funds include a maximum amount of organizational expenses that may be borne by the applicable fund; any excess organizational expenses are borne by the general partner of the applicable fund. These general partners are either directly or indirectly controlled by us. Investors in our private investment funds also bear the operating expenses particular to the fund in which they invest (including any applicable custodial fees), which may include, without limitation, the following:
- costs, expenses and liabilities related to the fund's operations, including fees, costs and expenses related to the purchase, holding and sale of portfolio investments (to the extent not reimbursed);
  - taxes;
  - fees and expenses of third party accountants and counsel;
  - costs and expenses of a fund's advisory committee and the meetings of such committee;
  - costs related to compliance with laws and regulations applicable to us, the fund and its general partner, including the European Union Alternative Investment Fund Managers Directive;
  - litigation expenses and other extraordinary expenses; and
  - third-party expenses incurred as a result of transactions pursued but not consummated (to the extent not reimbursed).

To the extent possible, third-party costs are charged to portfolio companies.

Any brokerage fees incurred in connection with our purchase of securities on behalf of our clients are typically paid by the issuer of the securities we are purchasing. The brokerage firms through which we purchase securities generally act solely in an agency capacity and are paid for placement services by such issuers. Please see **Brokerage Practices** in Section IX for a more thorough description of our brokerage practices and expenses.

- D. Most of our separately managed account clients are billed in arrears for their management fees, at the end of each month, fiscal quarter or semi-annual period, as required by the applicable investment management agreement. To the extent that these clients are billed in advance and the applicable investment management agreement is terminated before the end of a management fee period, we will adjust the management fee so that the client is charged only for the actual number of days that we provided advisory services, and any unearned fee will be refunded to the client.

The private investment funds we manage are assessed management fees in advance, as of the first day of each payment period. Because investors in our funds-of-funds, equity co-investment and mezzanine funds are not permitted to withdraw their funds during the applicable fund's term, the only partial payment periods would occur at the end of a fund's term if the fund terminates in the middle of a payment period. At the expiry of a fund, if applicable, we will adjust the management fee so that the fund's investors are charged only for the actual number of days that we provided advisory services, and any unearned fee will be refunded to the investors.



E. Some of our employees, including some of our executive officers and members of our investment committees, are registered with the Financial Industry Regulatory Association (FINRA) as representatives and/or principals of NYLIFE Distributors LLC (NYLIFE Distributors). NYLIFE Distributors is our affiliate and is registered as a broker-dealer with the SEC and a member of FINRA. By virtue of their FINRA registrations, these employees may sell interests to investors in our private investment funds. Our registered employees do not receive any transaction-based compensation for selling interests in the private investment funds.

F. We have entered into, and in the future may enter into, strategic relationships pursuant to which we receive consulting fees and a share of a third party sponsor's management fees and/or performance fees in connection with investments made with such sponsors on behalf of our affiliated separately managed accounts. In the event that we receive such fees, we will do so in accordance with the applicable agreements and regulations and make the appropriate disclosures in the context of each specific relationship, service or contract. Our private investment funds may invest in equity and mezzanine investments alongside sponsors in which we receive these fees; however, we do not have, nor do we expect to have, any voting rights or control with respect to a sponsor's decision with respect to these investments and our private investment funds do not pay management fees or performance based fees to third party sponsors in connection with investments they make.

### **III. Performance-Based Fees and Side-By-Side Management**

General partners of the private investment funds managed by us may receive performance-based fees, also known as carried interest. We directly or indirectly control these general partners. These fees are based on realized net gains from the portfolio investments, and include each investor's proportional share of current income generated by portfolio investments held by the applicable fund.

We may also receive performance-based fees in connection with our management of certain separately managed accounts.

All of our clients who are charged a performance-based fee are also charged a management fee.

Although the investment mandates and objectives of our clients vary significantly, in the course of advising our separately managed accounts and managing our private investment funds, we may identify investment opportunities that are appropriate for both a separately managed account and a private investment fund, for multiple accounts, or for multiple funds. Because we receive performance-based fees from our private investment funds, and not from some of our separately managed accounts, we face a potential conflict of interest when we identify an investment opportunity that is appropriate for both a separately managed account that does not charge a performance based fee and a private investment fund that does.

As a registered investment adviser we are under an obligation to treat each of our clients fairly. We have adopted an allocation policy that sets forth our procedures when allocating an investment opportunity among accounts. Pursuant to this policy, we make allocation determinations based upon the appropriateness of the investment for the client. Our allocation policy prohibits us from favoring one client over another client. Our allocation policy also prohibits our investment professionals from allocating or re-allocating securities to enhance the

performance of one account over another account or to favor any affiliated account or any other account in which an employee has any interest. In instances when we have clients with overlapping investment mandates and objectives, we will generally allocate investments proportionally among those clients.

In cases where client accounts or private investment funds have overlapping mandates, and we make an allocation that favors one or more particular private investment funds or accounts over others, we disclose that fact to the private investment fund(s) and its investors or the client(s) receiving the less favorable allocation. We document our reasoning in circumstances where any client could be deemed to receive a less favorable allocation.

#### **IV. Types of Clients**

We provide advisory services to two types of clients, private investment funds and affiliated institutional investors for which we manage separate accounts.

Our private investment funds are pooled investment vehicles, each type having its own distinct investment strategy, including funds-of-funds, mezzanine funds and equity co-investment funds. These funds are exempt from registration as investment companies with the SEC pursuant to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940.

In our mezzanine funds, the minimum capital commitment by an investor is \$10 million, and in our funds-of-funds, this amount is \$5 million. We do not have a minimum capital commitment requirement for our equity co-investment funds. The respective general partners of our private investment funds may waive an investor's minimum capital commitment and in fact have done so.

We serve as investment manager for various lines of business for the general account and for a separate pension plan account of New York Life Insurance Company (New York Life), our ultimate parent. We also serve as investment manager for a line of business for New York Life Insurance and Annuity Corporation (NYLIAC), which is one of our affiliates. We also invest these affiliates' capital in certain limited partner and general partner interests of the private investment funds we manage. These assets managed on behalf of New York Life and NYLIAC represent a substantial portion of our assets under management.

We do not have a minimum capital commitment for separately managed accounts.

#### **V. Methods of Analysis, Investment Strategies and Risk of Loss**

A. Our managing principals currently use an investment strategy and analysis with respect to our private investment funds and separately managed accounts, which is comprised of five key elements:

- originate deal flow primarily through core partner relationships;
- minimize principal loss by leveraging a unique due diligence network;
- strictly adhere to established investment criteria;
- follow a disciplined investment process; and
- actively monitor portfolio companies.

In addition to this investment strategy and analysis, we use fundamental investment research to

invest in private equity transactions, mezzanine debt securities and private equity funds.

***Investing in the private investment funds that we manage involves a risk of loss that all fund investors should be prepared to bear. Similarly, investments that we make on behalf of our separately managed account clients involve a risk of loss that all clients should be prepared to bear.***

In addition to the five elements above, each of our private investment funds and separately managed accounts has the distinct investment strategies described below.

Fund Advisory Program (for Separately Managed Accounts).

- Our fund advisory program focuses on identifying and investing in private investment fund offerings by a select group of top-performing private equity financial sponsors with a demonstrated expertise within a target area of investing and a definable value-added approach to their portfolio companies (our core partners). We seek to develop long-term relationships with our core partners through equity co-investment and mezzanine financing, advisory board roles, and investments in successive funds over time.
- We invest for our clients on a discretionary basis, in a broad range of private equity strategies, including international and domestic leveraged buyout funds, private equity co-investments, and mezzanine and other debt investment partnerships.
- The typical commitment size for these fund investments ranges from \$20 to \$130 million.
- We attempt to identify critical industry trends and select investment managers who we believe are well-positioned to generate attractive risk-adjusted returns. We have relationships with many financial intermediaries and sponsors and attempt to identify the most promising partnership opportunities.
- All fund opportunities go through a due diligence process geared toward selecting managers with proven track records and a sustainable value added approach.

Funds-of-Funds.

- The investment strategy for our funds-of-funds is to invest primarily in a portfolio of interests in U.S. based middle market buyout funds. The middle market for our first fund-of-funds is defined to include managers raising private equity funds with targeted fund sizes of up to \$1.0 billion. The middle market for our second and third fund-of-funds is defined to include those funds which target companies with enterprise values between \$50 million and \$500 million, and that generally have targeted fund sizes of up to \$1.0 billion.
- Our investment philosophy is to create a focused portfolio of key relationships with top-performing financial sponsors utilizing a core partner strategy. Our core partner strategy is based on identifying top-performing private equity financial sponsors with a demonstrated expertise within a target area of investing and a definable value-added approach to their portfolio companies.
- We attempt to identify critical industry trends and select investment managers who we

believe are well-positioned to generate attractive risk-adjusted returns. We have relationships with many financial intermediaries and sponsors and attempt to identify the most promising partnership opportunities.

- All fund opportunities go through a due diligence process geared toward selecting managers with proven track records and a sustainable value added approach.

#### Mezzanine Funds.

- The investment strategy for our mezzanine funds is to invest primarily in privately placed, unrated, non-investment grade subordinated debt and other mezzanine securities.
- The majority of our mezzanine funds' deal flow is generated through our core partner relationships and pre-screened by these top-performing financial sponsors prior to our involvement. We conduct independent due diligence to assess the credit profile of the target company and confirm the sponsor's investment thesis prior to investing on behalf of our clients.

#### Equity Co-Investment Funds.

- The investment strategy for our equity co-investment funds is to make equity and equity-like co-investments, primarily alongside our core partners, and other buy-out sponsors.
- We apply an active management style to our co-investment portfolio. We source co-investment deal flow through strong relationships with top performing financial sponsors and then conduct due diligence on each opportunity to independently verify both the investment premise and fit with the sponsor's key areas of expertise.
- Due to the depth of our core partner relationships, our managing principals can identify and focus on those transactions in which the sponsor has relevant expertise and a history of success. Core partners often bring us opportunities before they are widely marketed, providing us with additional time for due diligence and the ability to work alongside the sponsor early in the transaction.
- We confirm the sponsor's investment thesis and the target company's prospects through independent due diligence prior to investing. In addition, through the core partners' portfolio companies and our affiliates' private placement portfolios, we have access to the management teams of many private companies that may be customers, suppliers, or competitors of the target company. Through this due diligence network, we often gain proprietary insights into target companies, industries and management teams.

B. *The material risks involved in the above investment strategies and the securities in which they invest are described below. A more detailed discussion of the risks related to our private investment funds is included in the confidential offering memorandum for each private investment fund.*

#### Material Risks for All Private Investment Funds.

- The success of our private investment funds will significantly depend upon the ability of the core partners to identify attractive investment opportunities and in turn, to provide high quality deal flow to our private investment funds.

- Our private investment funds' investments will generally be highly illiquid.
- Interests in our private investment funds have not been registered under the federal securities laws or any other securities law and investors may not sell, transfer, or pledge their interests except with the consent of the applicable general partner, which may be withheld in its sole discretion. The interests will not be redeemable, and voluntary withdrawals by investors will not be permitted, except when necessary to comply with particular laws, statutes, and regulations. There is currently no public market for fund interests.
- The success of our private investment funds depends in part upon the skill and expertise of our investment professionals, particularly our managing principals. The departure of a managing principal or another of our key employees could have an adverse impact on the performance of our private investment funds.
- Investors in our private investment funds will have no opportunity to participate in the funds' day-to-day operations, including investment and disposition decisions, of our private investment funds. In order to safeguard their limited liability from the liabilities and obligations of our private investment funds, investors must rely entirely on the general partner and us to manage the affairs of the funds.
- A private investment fund's co-investment with third parties, including core partners, involves risks, including the possibility that a third party investor may have economic or business interests or goals that are inconsistent with ours, or that a third party may be in a position to take (or block) actions in a manner contrary to our investment objectives.
- Our private investment funds may participate in a limited number of investments and, as a result, the unfavorable performance of any single investment may have a significant adverse effect on the performance of a particular fund.
- If an investor fails to make all or any portion of its capital contributions to a private investment fund when due, such default might cause injury to the fund and to the other investors. Non-defaulting investors could be required to make additional capital contributions to the fund to cover any shortfall resulting from other investors' defaults.
- Our private investment funds may not have sufficient cash flow to permit them to make distributions in the amount necessary for their respective investors to pay all tax liabilities resulting from their ownership of interests in our funds. As a result, investors may be required to use funds from other sources to satisfy tax liabilities resulting from their investments.
- For purposes of compliance with applicable regulations under the Employee Retirement Income Security Act of 1974 (ERISA), some of our private investment funds are managed to qualify as "venture capital operating companies," and as such, these funds may be precluded from making certain investments. These funds may also be required to liquidate investments at disadvantageous times, resulting in lower proceeds to a fund than that fund might otherwise receive.
- Also, the assets of two of our funds-of-funds are treated as "plan assets" for purposes of ERISA. Accordingly, we serve as a "qualified professional asset manager" under ERISA with respect to these funds. As a result, these funds are precluded from engaging in non-

exempt prohibited transactions under ERISA and the Internal Revenue Code, including certain investments and other transactions. In addition, these funds are not permitted to invest in certain underlying funds. ERISA compliance activities could expose the assets of these funds to claims by a portfolio company, its security holders and its creditors. While we intend to manage these funds in a way to minimize the exposure to these risks, the possibility of successful claims under ERISA cannot be precluded.

- The general partners of our private investment funds are entitled to receive carried interest if specified performance criteria are met. Certain of our executive officers and affiliates invest in the general partners and are therefore able to participate in a portion of the carried interest that the general partners earn. The potential to earn carried interest may create an incentive for the general partner and its affiliates, including us, to make more speculative investments than would otherwise have been made in the absence of such performance-based compensation programs.
- Non-U.S. investments by a private investment fund involve certain factors not typically associated with U.S. investments, including risks related to currency exchange matters; differing accounting, auditing, financial reporting and legal standards; economic, social and political risks; foreign taxes; and the risk of laws and regulations of foreign jurisdictions, which may impose additional restrictions on a fund's activity.
- Following global market volatility and dislocations, financial institution failures and financial frauds in recent years, governmental authorities in the United States and elsewhere have called for and instituted financial system and participant regulatory reform, including additional regulation of investment funds (which in certain circumstances includes our private investment funds) and their managers and their activities, including compliance, risk management, and anti-money laundering procedures; restrictions on certain types of investments; restrictions on the provision and use of leverage; implementation of capital requirements; and books and records, reporting, and disclosure requirements.
- If a private investment fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to all of the fund's assets and may not be limited to any particular asset, such as the investment giving rise to the liability.
- Under certain circumstances, payments to our funds and distributions by our funds to their investors may be reclaimed if a court or other adjudicatory body determines that a portfolio company within the fund has made an unlawful preferential payment.
- While we actively monitor each investment, the management of each portfolio company is primarily responsible for managing its day-to-day operations, and we will not generally have the right to exert significant influence on a portfolio company. As a result, our funds are significantly reliant on the existing management and board of directors of such companies, which may include representation of other unaffiliated investors whose interests may conflict with ours.
- When we value fund investments that do not have active trading markets, we may consider one or more subjective factors and use our own professional judgment. Accordingly, these valuations may not agree with the valuations made by others, including industry and investment professionals. These valuations should not be viewed as accurate predictions of the ultimate values that will be realized if and when such

investments are sold or otherwise disposed of.

- Our private investment funds may invest in businesses with little or no operating history.
- Each private investment fund we manage has its own distinct investment committee, and we have another separate investment committee with respect to the accounts that we manage under our Fund Advisory program. Each investment committee is comprised of our six managing principals, head of business development, and chief operating officer and requires an affirmative majority vote to approve investments. In addition, in accordance with New York State insurance law, an officer of New York Life Insurance Company, our ultimate parent company, sits on the investment committees of our Fund Advisory Program and private investment funds in which New York Life Insurance Company and its affiliates' capital commitments equal 40% or more of such fund's aggregate capital commitments and such funds do not own securities in other subsidiaries. An additional New York Life Insurance Company officer sits on the investment committees of our Fund Advisory Program. With respect to such investment committees, New York State insurance law requires that the affirmative majority vote include the officer of our ultimate parent company. As a result, investment decisions with respect to the Fund Advisory Program and such private investment funds may empower the senior executive representative. Currently, while not required by New York State insurance law, the senior executive also sits on the investment committee of our most recent co-investment fund.
- Under New York State insurance law, New York Life may be required to review and ratify investments made by certain of our private investment funds. If any investment were not ratified by New York Life, the fund may be required to dispose of such investment at a significant discount to the purchase price originally paid by the fund.
- In connection with the disposition of an investment in a portfolio company, our private investment funds are sometimes 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 be responsible for the contents of disclosure documents under applicable securities laws. Additionally, from time to time, members of our investment team sit on the board of directors or board of managers of a portfolio company, which may subject such individuals to derivative or other similar claims brought by security holders of these companies. Our funds may also be required to indemnify the purchasers of such investment or underwriters in the event that the portfolio company is subject to an initial public offering 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 the investors in our private investment funds.
- Because of the indemnification provisions contained in our private investment funds' governing documents, investors in our funds may have a more limited right of action against us, our managing principals, and our affiliates than they would have in the absence of such provisions.
- The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (FATCA), supplemented by certain foreign legislation and regulations passed pursuant or in relation thereto, generally impose a reporting and 30% withholding tax regime with respect to certain U.S. source income (including dividends and interest) and, after December 31, 2016, gross proceeds from the sale or other disposition of

property that can produce U.S. source interest or dividends (withholdable payments). As a general matter, the rules are designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the IRS, and the 30% withholding tax regime applies if there is a failure to provide any required information. As a result, some of our private investment funds are required to enter into an agreement with the IRS or comply with any applicable intergovernmental agreements between the United States and a foreign taxation authority and to provide certain information, including information regarding their limited partners, to the IRS or to such applicable foreign taxation authority. These funds comply with these requirements in order to avoid withholding taxes under FATCA. FATCA also mandates that payments from our funds to any limited partner that are attributable to withholdable payments will be subject to the 30% withholding tax unless the limited partner provides such information as may be required to comply with the provisions of the new rules, including, in the case of a non-U.S. limited partner, information regarding certain U.S. direct and indirect owners of such non-U.S. limited partner. The failure of a limited partner to provide such information may also result in other adverse consequences applying to the limited partner, including such limited partner being required to transfer its interest in the applicable fund or otherwise withdraw from the fund. A limited partner that is treated as a "foreign financial institution" will generally be subject to withholding unless it enters into an agreement with the IRS or, in the case of a limited partner in a jurisdiction that has entered into an intergovernmental agreement with the United States, complies with the requirements of such agreement.

- The European Union Alternative Investment Fund Managers Directive (AIFMD) regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area (EEA). Our current mezzanine fund is, and our future private investment funds may be, actively marketed to investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available: (i) our current mezzanine fund is, and our future private investment funds may be, subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in our private investment funds incurring additional costs and expenses; (ii) our current mezzanine fund is, and our future private investment funds, their general partners and/or we may become, subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in our private investment funds incurring additional costs and expenses or otherwise affect their management and operations; and (iii) our current mezzanine fund is, and our future private investment funds may be, required to make detailed information relating to our private investment funds and their investments available to regulators and third parties. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for our private investment funds to raise its targeted amount of capital commitments.

#### Material Risks Involved with respect to our Equity Co-Investment Funds.

- Equity securities that we purchase for our equity co-investment funds are typically subordinated to large amounts of senior and mezzanine debt and are typically unsecured. This means that distributions to equity holders are available only after satisfaction of claims of senior and mezzanine creditors and any senior classes of equity. Therefore, if a portfolio company does not generate adequate cash flow to service its debt obligations, our funds that have invested in that company's equity securities may suffer a partial or



total loss of invested capital.

- Investments in equity securities of companies with substantial amounts of indebtedness involve a high degree of risk. Companies with substantial amounts of indebtedness are inherently more sensitive to adverse business or financial developments or economic factors, including declines in company revenues, increases in company expenses, rising interest rates, downturns in the economy, increasing competition and deteriorating industry conditions.
- The price of equity securities varies with the performance of the company that issued the securities, and with the performance of equity markets as a whole. Therefore, if the issuer or the securities markets experience a decline in performance against which value the fund is unable to hedge, the value of the funds' portfolios may also decline.

Material Risks Involved with respect to our Mezzanine Funds.

- Investments in mezzanine securities of companies with substantial debt involve a high degree of risk. Highly leveraged companies are inherently more sensitive to adverse business or financial developments or economic factors, including declines in company revenues, increases in company expenses, rising interest rates, downturns in the economy, increasing competition, and deteriorating industry conditions. There can be no assurance that a portfolio company will generate sufficient cash flow to service its debt obligations.
- Mezzanine securities typically are subordinated to substantial amounts of senior debt, all or a significant portion of which may be secured. As a result, distributions to mezzanine holders are available only after all senior creditors' claims have been satisfied.
- Certain of our mezzanine funds are permitted to borrow money (also known as "using leverage") to make investments or finance their operations. If a fund were to employ leverage, there can be no assurance that it will have sufficient cash flow to repay its debt. As a result, the fund's losses may be increased due to the illiquidity of its investments. Further, a portfolio company may not generate enough cash to make regular interest or dividend payments, to service its debt obligations or to return principal or capital invested, which may cause a fund to suffer a partial or total loss of invested capital with regard to that company.
- General fluctuations in the market prices of securities and interest rates, whether caused by government policy or otherwise, could increase interest expenses or reduce the availability of capital for portfolio companies, which in turn could adversely affect the financial performance of a mezzanine fund.
- As a result of the lack of availability of financing and volatile market conditions, the core partners may not be able to identify a sufficient number of investments meeting the investment objectives of our mezzanine funds, and/or may not offer such investment opportunities to us or to our funds. As a result, the funds may not be able to invest fully their committed capital.
- Our ability to influence a portfolio company's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. Accordingly, we may not be able to take the steps necessary to protect

our mezzanine investments in a timely manner or at all.

- A mezzanine fund's investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer's repaying the principal on an obligation held by such fund earlier than expected. If early redemption of an investment occurs, we may not be able to reinvest the proceeds in a comparable investment.
- Certain mezzanine fund investments, including debt obligations issued at a discount, may require a fund's investors to recognize taxable income even though the investors have not received any cash in connection with the transaction giving rise to the tax liability.
- If a portfolio company becomes insolvent or files for bankruptcy protection, there is a risk that a court may subordinate a fund's investment to other creditors, or require a mezzanine fund to return amounts previously paid to it by the portfolio company. A fund's exercise of management rights in a portfolio company may also lead creditors of the portfolio company or other parties to assert claims against the fund.
- Although our mezzanine funds intend to structure their mezzanine investments to include protective terms and conditions, a fund's investments may not always be protected by financial covenants or limitations upon the borrower's assuming additional indebtedness, may have limited liquidity and may not be rated by a credit rating agency. Debt securities in general are also subject to other creditor risks, including:
  - the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws;
  - so-called lender liability claims by the issuer of the obligations; and
  - environmental liabilities that may arise with respect to collateral securing the obligations.
- While they have not historically done so on a regular basis, our mezzanine funds may borrow money to fund the cost of non-U.S. investments in order to hedge exposure to fluctuations in the exchange rate between the U.S. dollar and other currencies. A fund may also borrow money on a short-term basis in anticipation of receiving additional capital called from investors or distributions from its portfolio companies. The extent to which a fund borrows to fund its activities may have important consequences to the investors in such fund, including:
  - greater fluctuations in the value of the net assets of the fund;
  - the use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes;
  - to the extent that the fund's revenues are required to meet principal payments on indebtedness, the investors in that fund may be allocated income (and therefore tax liability) in excess of cash available for distribution;
  - the use of leverage may result in unrelated business taxable income for tax-exempt investors;
  - in certain circumstances the fund may be required to prematurely dispose of

investments to service its debt obligations;

- the terms of any indebtedness may restrict the flexibility of the fund to make distributions to its investors or sell assets that are pledged to secure such indebtedness; and
- if interest rates were to increase, the interest expense on any floating rate indebtedness (debt obligations that are periodically refinanced at then-current market rates to pay for a company's ongoing operations) would increase, perhaps significantly.
- Equity securities that we purchase for our mezzanine funds are typically subordinated to large amounts of senior and mezzanine debt and are typically unsecured. This means that equity distributions are available generally only after satisfaction of claims of senior and mezzanine creditors and any senior classes of equity. Therefore, if a portfolio company does not generate adequate cash flow to service its debt obligations, our mezzanine funds that invested in that company's equity securities may suffer a partial or total loss of its invested equity capital.
- While we do not currently manage any separately managed accounts with an investment strategy similar to our mezzanine funds, our current mezzanine fund permits us to allocate a portion of mezzanine investment opportunities to separately managed accounts. However, the limited partnership agreement of our current mezzanine fund provides that we allocate mezzanine investment opportunities consistent with its investment objectives to the fund and one or more separately managed accounts on a fair and reasonable basis in accordance with its allocation policies, based on a variety of factors we deem appropriate. Unless our current mezzanine fund has fully satisfied its desired commitment with respect to a mezzanine investment opportunity originated by or presented to us, until the termination of the fund's investment period no more than 25% of such mezzanine investment opportunity may be allocated by us to separately managed accounts and the fund will have priority over the first \$20.0 million of any such mezzanine investment opportunity available to us. There may be situations where we determine it is not appropriate for the fund to take up its full priority share of such investment opportunity. As a result, our current mezzanine fund may co-invest with separately managed accounts, and in connection with any such investments, the fund on the one hand, and any separately managed accounts on the other hand, may have conflicting interests and investment objectives, and such conflicts may not be resolved in favor of the fund.

Material Risks Involved with respect to our Funds-of-Funds and Fund Advisory Program.

- Based on historical realization periods for private investment funds that may be purchased by our funds-of-funds or for a client to which we provide fund advisory services (underlying funds), no significant return, if any, from disposition of an underlying fund's investments will likely occur until a substantial number of years from such fund's closing.
- Our funds-of-funds and our fund advisory program clients invest primarily in underlying funds sponsored by third parties, which means that we do not have an active role in the management of the investments that these funds make. As a result, our clients' account

performance depends significantly on the investment and other decisions made by third parties, which can have a material adverse effect on the returns that clients receive.

- Some sponsors of underlying funds may have relationships with other private investment funds that we manage and/or New York Life and its affiliates that may create conflicts of interests between our fund-of-funds and fund advisory clients, on the one hand, and such private investment funds and New York Life affiliates, on the other hand.
- The portfolio companies in which the underlying funds invest face their own operating and financial risks and may face intense market competition. These factors may adversely impact the performance of the portfolio companies and the underlying funds.
- Interests in the underlying funds are difficult to value because they are illiquid. Any valuation that we make will be based on our good faith determination as to the fair value of those interests, and may not equal or approximate the price at which such interests ultimately may be realized.
- We generally use the valuations provided by the managers of the underlying funds or co-investments after determining in good faith that such valuations best approximate fair value. If we observe issues or have concerns with the valuation methodology employed or the resulting valuation provided by the manager of an underlying fund, we may decide not to use the valuation in that particular instance. If we do not accept such valuation, we will value that investment based on good faith determination of its fair value.
- The potential to earn carried interest may create an incentive for a general partner of an underlying fund to make more speculative investments on behalf of a fund than such general partner would otherwise make in the absence of such performance-based compensation.
- If the general partner or manager of an underlying fund determines that the continued participation of our client or clients in the underlying fund would have a material adverse effect on the underlying fund or its assets, that fund may terminate the client's interest in the underlying fund, or otherwise penalize the client(s).
- The underlying funds may employ leverage in connection with investment activities and may borrow amounts before calling capital from investors to finance an investment. Leverage magnifies the opportunity for gain and risk of loss from investment activities, and will result in interest expense and other costs to the underlying funds.
- Because of the indemnification provisions contained in the underlying funds' governing documents, our fund advisory clients and the investors in our funds-of-funds may have a more limited right of action against the general partners of such funds than they would have in the absence of such provisions.

#### Material Risks Involved with respect to our Funds-of-Funds.

- Our funds-of-funds permit total commitments to underlying funds and co-investments up to 120% of their aggregate capital commitments. This over-commitment strategy makes it more likely that these funds will face a liquidity shortage if distributions and other cash resources are less than their cash needs, whether attributable to delays in realizations of investments, defaults by their partners or other reasons. If our funds-of-funds are unable

to borrow, establish sufficient reserves, or otherwise raise funds to meet their obligations in order to make capital contributions when due to any of their underlying funds, they may be subject to significant penalties under the terms of the underlying funds' governing documents, which could have a material adverse effect on the value of their respective investment in such underlying fund, and their overall financial condition.

- Our funds-of-funds invest in funds that invest in middle market companies. Investments in such companies may entail greater risks than are customarily associated with investments in large companies. Medium-sized companies may have more limited product lines, markets, and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors.
- An investor in our funds-of-funds will pay, in effect, two sets of management fees: one directly at the fund level and one indirectly through the funds at the underlying fund level. These fees reduce the actual returns to investors both in the underlying fund and in the fund-of-funds. Fees and expenses of the funds-of-funds and the underlying funds will generally be paid regardless of whether the funds or underlying funds produce positive investment returns, and could result in the amount received by an investor in a fund being less than its total capital contributions to the fund. Consequently, the return to an investor in a fund-of-funds will be lower than those of a direct investor in the underlying funds.
- An investor in the funds-of-funds will pay, in effect, two sets of carried interests: one directly to the fund-of-funds' general partner and one indirectly through the fund to the underlying funds in which it invests. Consequently, the return to an investor in a fund-of-funds will be lower than those of a direct investor in the underlying funds.
- In some cases, due to confidentiality restrictions imposed by the underlying funds in which a fund-of-funds has invested, investors may not have sufficient information to evaluate to their full satisfaction the risks of investing in the fund or of the investments made by the fund in underlying funds.
- Investments made by a fund-of-funds or by the underlying funds may require investors to recognize taxable income even though they have not received cash. In such an event, an investor would have to use other funds to satisfy any resulting tax liability.
- In order to meet capital recall obligations (including indemnification obligations) to underlying funds, the funds-of-funds may, subject to certain limitations, recall from their investors their required share of any such distributions made by the funds to their investors.
- Our Chief Executive Officer is a member of the board of directors of an affiliated investment adviser that, among other things, manages a fund-of-funds with investment objectives similar to those of our funds-of-funds. In order to separate these two roles and prevent our CEO's activities from limiting our funds-of-funds' ability to make or dispose of investments, we have established certain guidelines that may, in limited circumstances,

restrict our CEO's participation with respect to certain potential or consummated fund-of-funds investments.

- It is anticipated that, in certain situations, a fund-of-funds will invest alongside our other clients and may obtain special economics or other favorable terms that would not have been available to the fund-of-funds in the absence of the commitments made by our other clients. In circumstances where we deem it appropriate, we are authorized to allocate all or a portion of the benefits associated with the special economics to our other clients on a basis that is disproportionate to the amounts committed.
- For purposes of compliance with applicable regulations under the Employee Retirement Income Security Act of 1974 (ERISA), some of the underlying funds in our funds-of-funds may be managed to qualify as "venture capital operating companies". As such, these underlying funds, and indirectly, our fund-of-funds, may be precluded from making certain investments. These underlying funds may also be required to liquidate investments at disadvantageous times, resulting in lower proceeds to an underlying fund, and in turn, our fund-of-funds, than either might otherwise receive.
- The assets of two of our fund-of-funds are treated as "plan assets" for purposes of ERISA. Accordingly, we serve as a "qualified professional asset manager" under ERISA with respect to these funds. As a result, these funds are precluded from engaging in non-exempt prohibited transactions under ERISA and the Internal Revenue Code, including certain investments and other transactions. In addition, these funds are not permitted to invest in certain underlying funds. ERISA compliance activities could expose the assets of these funds to claims by a portfolio company, its security holders and its creditors. While we intend to manage these funds in a way to minimize the exposure to these risks, the possibility of successful claims under ERISA cannot be precluded.

## **VI. Disciplinary Information**

None.

## **VII. Other Financial Industry Activities and Affiliations**

We are part of a group of affiliated companies engaged in various financial service businesses. In certain cases, we may have business arrangements with our related companies that are material to our advisory business or to our clients. These material business arrangements are described below.

- A. **Broker Dealers:** A number of our employees are registered with FINRA as representatives and/or principals of NYLIFE Distributors. NYLIFE Distributors is our affiliate and is registered as a broker-dealer with the SEC and a member of FINRA. By virtue of their FINRA registrations, these employees may sell interests in our private investment funds to investors. These private investment funds are not required to be registered with the SEC as investment companies nor are they offered pursuant to an SEC-registered offering. Our registered employees do not receive any transaction-based compensation for selling the private investment funds.

From time to time, we may enter into arrangements with our affiliated broker-dealer, NYLIFE Distributors, with whom certain employees of our affiliated investment advisers are also registered as representatives. In connection with these arrangements, we may pay a fee and transaction-based compensation to NYLIFE Distributors as compensation for the efforts of the registered employees of our affiliated investment advisers in selling or promoting the sale of interests in our private investment funds.

From time to time, we may enter into arrangements with our affiliated investment advisers to recommend clients to each other. If we pay a cash fee to anyone for soliciting clients on our behalf or if we receive a cash fee from another investment adviser for recommending clients to it, we will comply with the requirements of the SEC's cash solicitation rule to the extent that they apply. This rule requires a written agreement between the investment adviser and the person soliciting clients on its behalf. The rule requires that the soliciting person provide a disclosure document to the potential client at the time that the solicitation is made. As required by the rule, we will not engage another person to solicit clients on our behalf if that person has been subject to securities regulatory or criminal action within the preceding ten years.

Outside of selling private investment funds to our clients and other investors, we do not use broker-dealers that are affiliated with us in executing securities transactions for our clients.

- B. **Investment Advisers:** In certain instances our private investment funds and separately managed accounts may receive publicly traded equity securities as the result of a stock distribution, a going public transaction or through a bankruptcy restructuring. If we then elect to dispose of such securities, we may use the services of our affiliated investment adviser, NYL Investors LLC (SEC File No. 801-78759), to sell the securities on our behalf. When this occurs, NYL Investors LLC will execute the transactions consistent with obtaining best price and execution. Aside from this trading arrangement, our investment management and operations functions and those of our affiliates are generally autonomous, and operate separately from each other. This policy is intended to limit the dissemination of material non-public information and to permit the investment management, trading and operations functions of each firm to operate without regard to or interference from the other. If we share information with, or receive information from, certain of our advisory affiliates in connection with prospective or existing investments in the private market, appropriate controls are implemented with respect to the exchange of such information in order to limit potential

conflicts of interest and to ensure that the sharing of such information does not violate our internal information policy or contravene applicable law or regulation.

- C. **Pooled Investment Vehicles:** We serve as investment manager to several private investment funds that are exempt from registration as investment companies under the Investment Company Act of 1940. The general partner of each of these private investment funds is an affiliate. A number of our employees and certain of our affiliates also invest in the general partners of these private investment funds, and share in the performance-based compensation (known as carried interest) earned by such general partners. Our affiliated separately managed account clients have been, and in the future may be, solicited to invest in the private investment funds that we manage or in other similar funds that we may form. Investors that are not otherwise our clients may also invest in our private investment funds.
- D. **Insurance Companies:** Pursuant to investment management agreements, we serve as investment manager for the general account and a separately managed account of New York Life Insurance Company (New York Life), our ultimate parent, and for a separately managed account for another affiliate, New York Life Insurance and Annuity Corporation (NYLIAC). We also invest these affiliates' capital in the limited and general partner interests of the private investment funds we manage. Assets that we manage on behalf of New York Life and NYLIAC, both through separately managed accounts and as investors in our private investment funds, represent a substantial portion of our assets under management.

We are also a party to a service agreement with New York Life, in which New York Life provides us services, including legal, compliance (including compliance with the SEC's Rule 206(4)-7), and other services for which we are billed.



## **VIII. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics and Personal Trading:**

Our fiduciary relationship with our clients requires that we and our employees place the interests of our clients first. As such, our Code of Ethics (the Code) covers all employees and sets forth guidelines that promote ethical conduct generally. In addition to the Code's policies regarding personal securities trading, the Code requires our employees to follow policies and procedures relating to the conduct standards of our Code including: conflicts of interest, inside information and information barriers, gifts and entertainment, personal political contributions, and selective disclosure of mutual fund portfolio holdings. A copy of our Code is available upon request. Our contact information appears on the cover page of this brochure.

While we permit our officers and employees to engage in personal securities transactions, as a company we recognize that these transactions may raise potential conflicts of interests. This is particularly true when they involve securities owned by, or considered for purchase or sale for, a client account.

Our Code addresses potential conflicts of interests by requiring that, with regard to investments and investment opportunities, our employees' first obligation is to our clients. The Code requires all of our employees to adhere to the highest duty of trust and fair dealing. In addition, all employees must conduct their personal securities transactions in a manner that does not interfere with any client's portfolio transactions, or take inappropriate advantage of an employee's relationship with a client.

The Code covers all of our officers and employees, and all officers and employees are considered "Access Persons" under the Code. Access Persons are defined as officers or directors or persons who have access to non-public information regarding any client's purchase or sale of securities, or information regarding the portfolio holdings of any client account advised by us or our affiliates. Specifically, all officers and employees are subject to the following restrictions subject to certain exceptions that may be granted by our chief compliance officer, if appropriate:

- May not purchase or sell "Covered Securities" without pre-clearance through our Compliance Department. Covered Securities include everything except: i) transactions involving direct obligations of the US Government; ii) shares of unaffiliated open end investment companies; iii) commercial paper; iv) certificates of deposit; and v) high quality short term investments and interests in qualified state college tuition programs.
- They may not trade in securities of issuers that appear on our restricted list.
- They may not trade while in possession of material, non-public information.
- They may not engage in short-term trading (the purchase and sale or sale and purchase within 30 days) of any mutual fund advised or subadvised by any affiliated investment advisor.
- They must complete and keep current an annual conflicts of interest questionnaire concerning any potential conflicts.
- They must adhere to restrictions regarding the receipt and giving of gifts and entertainment.

- They may not profit from the purchase and sale or sale and purchase of the same Covered Security within 60 days.
- They may not purchase securities in initial public offerings or in connection with private placements except with the express written prior approval of our chief compliance officer.
- They may not participate in investment clubs.
- They must file quarterly reports and certifications of covered trading activity.
- They may not purchase or sell securities (subject to a *de minimis* threshold) for their own account if such securities have been purchased or sold for a client account in the prior seven days, or can reasonably be expected to be purchased or sold for a client account in the next seven days.

Further, we require “Investment Personnel” to adhere to additional provisions in the Code as described below unless an exemption is granted. Investment Personnel are defined as officers and employees who in connection with their regular functions make or participate in making recommendations regarding the purchase or sale of securities for client accounts (i.e., portfolio managers, traders and analysts):

- May not purchase or sell securities (subject to a *de minimus* threshold) for their own account if such securities have been purchased or sold for a client account in the prior seven days, or can reasonably be expected to be purchased or sold for a client account in the next seven days.
- May not trade in options with respect to individual securities.

#### Participation or Interest in Client Transactions:

In the ordinary course of providing our investment advisory services, we may also recommend that our clients purchase or sell securities or interests in which we or our affiliates have a material financial interest. For example:

- We may recommend that our affiliates, New York Life and NYLIAC, buy or sell securities that may also be appropriate for the private investment funds that we manage. This may lead to conflicts of interest between our affiliated clients and our private investment funds.
- We may invest the capital of our affiliated accounts in the limited and general partner interests of the private investment funds we manage.
- The general partner of each of the private investment funds that we manage is an affiliate. A number of our employees and certain of our affiliates also invest in the general partners of these private investment funds, and share in the performance-based compensation (known as carried interest) earned by such general partners.
- We have entered into, and in the future may enter into, strategic relationships pursuant to which we receive consulting fees and a share of a third party sponsor’s management fees and/or performance fees in connection with

investments made with such sponsors on behalf of our affiliated separately managed accounts. In the event that we receive such fees, we will do so in accordance with the applicable agreements and regulations and make the appropriate disclosures in the context of each specific relationship, service or contract. Our private investment funds may invest in equity and mezzanine investments alongside sponsors in which we receive these fees; however, we do not have, nor do we expect to have, any voting rights or control with respect to a sponsor's decision with respect to these investments and our private investment funds do not pay management fees or performance based fees to third party sponsors in connection with investments they make.

- We may permit certain of our officers and employees to invest in the private investment funds that we manage. When an officer or employee is responsible for managing a private investment fund and an advisory separate account, such person has a conflict of interest in connection with investment decisions since the person may have an incentive to direct the best investment ideas to the fund in which he or she is invested or otherwise entitled to share in the fees received.
- Our mezzanine private investment funds may invest in the mezzanine securities of a portfolio company when one of our existing equity co-investment funds, or one or more of our affiliates (including New York Life or NYLIAC), has invested in the same portfolio company's equity securities. As a result, our mezzanine private investment funds and clients that hold the equity securities may have conflicting interests and investment objectives, particularly if the portfolio company is distressed, insolvent, or engaged in a restructuring or considering or entering bankruptcy. These conflicting interests may cause us to take actions that we otherwise would not have taken or refrain from taking actions we otherwise would have taken on behalf of our mezzanine investment fund, equity co-investment fund or New York Life and NYLIAC.
- We may recommend investments to our clients that the clients of our advisory affiliates also own.

As a result of these recommendations and potential transactions, potential conflicts of interest could arise between us and our clients. These potential conflicts include:

- Unfair allocation of limited investment opportunities between our affiliated and unaffiliated accounts.
- Preferential allocation of investment opportunities to our accounts that pay a performance-based management fee.

To mitigate these potential conflicts of interest, we have adopted a *Trading Practices and Allocation Policy* that governs allocations across client accounts. This policy requires us to treat each of our advisory clients in a manner consistent with our fiduciary obligations and prohibits us from favoring any particular account because of the ownership or economic interests of GoldPoint, its affiliates, or employees (see *Performance-Based Fees and Side-By-Side Management* above).

In cases where client accounts or private investment funds have overlapping mandates, and we make an allocation that favors one or more particular private investment fund or account over

others, we disclose that fact to the private investment fund(s) and its investors or the account(s) receiving the less favorable allocation. When such conflicts do arise, they are mitigated by the fact that we often arrange for New York Life and NYLIAC to purchase and sell such securities at the same time and at the same price and terms at which our other clients purchase and sell such securities. Also, New York Life and NYLIAC are not typically offered an opportunity to purchase such securities until other accounts with a similar investment strategy have first been offered an opportunity to purchase the full amount of such securities that they desire.

With respect to the conflicts that may arise when our mezzanine funds invest in the mezzanine securities of a portfolio company when one of our existing equity co-investment funds, or one or more of our affiliates has invested in the same portfolio company's equity securities, we note the following:

- The equity investments that we make on behalf of our clients are passive minority co-investments alongside a control sponsor. Our equity co-investment funds and affiliated clients typically own less than 10% of a particular portfolio company's equity securities, and therefore it is the control sponsor, and not our equity co-investment fund and affiliated clients, that engages in the upfront negotiations with lenders, oversees the management of the company post closing, and leads any necessary restructuring efforts should the company become troubled during the life of the investment. While we have the right to participate on behalf of our equity co-investment funds and clients in a restructuring once it has been negotiated between the control sponsor and the lenders, we do not direct or control these restructuring activities.
- Additionally, in those instances where both our mezzanine and equity co-investment funds are investors in a particular portfolio company, we will ensure that there is either a third party mezzanine provider involved in the transaction (to confirm that the mezzanine investment has been made on market terms) or we will bring that transaction to the advisory committee of our mezzanine fund. The voting members of the advisory committee for our mezzanine fund are comprised of non-affiliated third party investors. Following the making of such investment, if the company becomes troubled, our investment team may split into two separate teams, with one team responsible for negotiating on behalf of our mezzanine funds and the other team responsible for negotiating on behalf of our equity co-investment fund. If appropriate, separate counsel or restructuring experts may also be hired.

In order to mitigate potential conflicts of interest with our affiliated investment advisers, we and our affiliated investment advisers operate independently of each other with respect to investment strategy, trading and operations. We are generally not privy to each other's information (i.e., investment decisions, research, client information) that may potentially raise conflicts of interest concerns. Specifically, we and our affiliated investment advisers have established information barrier policies designed to limit dissemination of material non-public information.

#### Allocation of Equity Co-Investments to Fund Limited Partners and Third Parties Policy:

From time to time, we may offer to existing and prospective investors in the funds and separate accounts that we manage, as well as to other third parties, the opportunity to co-invest in equity and mezzanine investments made by our funds if we deem it advisable in our sole discretion.

We have created two separate co-investment entities – one for investments alongside our mezzanine fund, and one for investments alongside our co-investment fund. These entities do not charge management fees or a performance based fee. When offering a co-investment opportunity in accordance with our co-investment policy, we may, in our discretion, offer interests in these entities or offer the opportunity to invest directly in the same securities purchased by our equity and mezzanine funds.

Because of the potential for conflicts of interest that could arise with respect to the allocation of co-investments, any allocation of an investment opportunity to a co-investor is subject to the applicable provisions of fund partnership agreements, investor side letters, investment management agreements for our separately managed account clients and to our co-investment allocation policy. The allocation policy is intended to be consistent with, and to complement, the applicable provisions of such partnership agreements, side letters, investment management agreements and provisions in other agreements related to the funds and separately managed accounts. In particular, certain investors have expressed (or may express) an interest in participating in co-investment opportunities. Additionally, we are currently obligated to offer certain investors in our equity co-investment fund and mezzanine fund a pro rata portion of co-investment opportunities offered to other investors in the relevant fund. To the extent that the terms of our allocation policy are inconsistent with the terms of any such partnership agreement, side letter, investment management agreements or other applicable agreement, the terms of such agreement will govern. We may implement additional protocols we deem reasonably necessary to mitigate the potential for conflicts of interest that may arise with respect to the allocation of co-investments.

We may offer co-investment opportunities in fund investments to one or more third party co-investors that are not existing investors in our funds if we deem it advisable and in the best interests of the relevant fund or separately managed account, as applicable, regardless of whether we offer a given co-investment opportunity to our existing investors.

We maintain a list of all of our investors that have expressed interest in being presented co-investment opportunities. If we determine to offer a co-investment opportunity to one of our existing investors, we will take this list into consideration, but will not be required to offer co-investment opportunities to any particular investor in any particular instance (other than with respect to certain investors in our equity co-investment fund and mezzanine fund that require that we offer a pro rata portion of co-investment opportunities offered to other investors in the relevant fund). Investors generally may transfer the opportunity to participate in a co-investment opportunity in whole or in part through their affiliates or third parties managing their co-investment rights.

As a general rule, an investor with a capital commitment of less than \$10 million to a fund will not be considered eligible to receive offers of co-investment opportunity absent a demonstration by such investor of its ability to execute such a transaction in a timely manner and/or that its participation in the particular co-investment opportunity would otherwise add value to the fund.

When allocating a co-investment opportunity among our existing investors, we will consider, the allocation provisions set forth in the applicable partnership agreements, side letters, investment management agreements, other applicable agreements, and one or more of the following factors:

- an investor's interest in making co-investments (as communicated by the investor in side letter requests or otherwise expressly stated to us);

- an investor's ability to execute a transaction in a timely manner;
- the nature of the investor, including an investor's reliability and history of making co-investments;
- an investor's sophistication and experience in the relevant asset class, including a specialized knowledge or access that may enhance the value of the investment and/or the ability of the fund to consummate the investment;
- an investor's availability of funds with which to make the investment, including whether the investor has readily available resources (such as cash on hand or unconditional commitments of its investors) to make the investment and to support the investment following closing with any additional funding requirements (including follow-ons);
- an investor's creditworthiness and general reputation;
- whether there are any foreseeable restrictions related to the identity of an investor (e.g., tax, ERISA or regulatory restrictions) that could hinder or endanger the transaction; and
- any other matter that causes us to believe an investment by a particular co-investor would be in the best interest of the applicable fund.

If we reasonably determine that multiple investors satisfy the foregoing factors, we will generally allocate the opportunity on a pro rata basis according to demand.

## **IX. Brokerage Practices**

In negotiating and consummating private investments, we do not select brokers to execute purchase transactions on behalf of clients. The brokers from whom we purchase securities on behalf of our clients act solely in an agency capacity and are paid for placement services by the issuer whose securities we are purchasing.

Our private investment funds and separately managed accounts infrequently receive publicly traded equity securities as the result of a stock distribution, merger with a public company, a going public transaction or through a bankruptcy restructuring. If we elect to dispose of such securities, we will execute the transaction in a manner that we believe is in the best interests of our clients. We may use the services of our affiliated investment adviser, NYL Investors LLC, to sell the securities on our behalf. That firm will execute the transactions consistent with obtaining best price and execution. In certain instances when securities must have restrictive legends removed or be deposited with a broker or clearing agency in order to be tradeable, we may determine that it is in the best interest of our clients to use a third party broker who will facilitate and accelerate the process.

We generally do not use the services of an affiliated broker-dealer in conducting our business, with the exception of offering interests in our private investment funds to clients and to other investors through NYLIFE Distributors. Our registered employees receive no transaction-based compensation for selling interests in our private investment funds. We may, however, compensate NYLIFE Distributors as compensation for the efforts of FINRA registered employees of affiliated investment advisers in promoting the private investment funds that we manage.

## **X. Review of Accounts**

- A. We review our clients' investments and accounts on a regular basis. We believe that active monitoring of investments is critical to the successful performance of our private investment funds and separately managed accounts. The investment professionals assigned to the investment for any given transaction typically maintain frequent contact with both company management and the core partner sponsor, attend board meetings as appropriate, and conduct regular financial reviews. Each investment team typically consists of two managing principals, one principal, and one senior associate or associate. Financial performance is analyzed and tracked against our original underwriting case and disseminated among the managing principals in ongoing monitoring reports. In addition, we maintain a portfolio scorecard that highlights those investments that require special attention or review. These investments are then reviewed in detail at our quarterly portfolio review meetings and through frequent interactions with both the company's management and the core partner sponsor.
- B. A client account would be reviewed other than on a periodic basis if one of the following situations were to arise:
- a client were to approach us regarding a potential change to the strategy employed for its separately managed account; or
  - in response to our own review and evaluation of an investment sector or current portfolio exposures, we consider a change to a strategy for one of our separately managed accounts or private investment funds.
- C. Our clients receive regular written reports on the following schedule:
- Investors in the funds-of-funds, mezzanine funds and equity co-investment funds that we manage receive quarterly reports that include unaudited financial statements for the applicable fund and detailed write-ups on the investment portfolio companies, as well as annual audited financial statements. In addition, the investors in these funds receive annual meeting presentation reports, and investors in the equity co-investment funds receive management reports with respect to each fund investment and the fund's carrying values of such investments.
  - We prepare weekly cash activity reports and quarterly portfolio reviews for our affiliated clients, New York Life and NYLIAC, in respect of their investment portfolios. The quarterly portfolio reviews are delivered to an affiliate, New York Life Investments, which then distributes this information, together with other financial information, to New York Life and NYLIAC. We also prepare and deliver to New York Life and NYLIAC a quarterly schedule of market values and remaining commitments for each of the investments made by us on behalf of New York Life's and NYLIAC's general account portfolios.
  - We prepare quarterly portfolio performance and review reports for certain other separate accounts that we manage on behalf of our affiliates, including for affiliated pension and retirement trusts.
- D. Pursuant to a service agreement with New York Life, GoldPoint's Chief Compliance Officer is a member of the New York Life Corporate Compliance Department, and with assistance from members of the New York Life Corporate Compliance Department and attorneys at New York

Life Office of General Counsel, is responsible for the oversight and maintenance of the compliance function at GoldPoint.

GoldPoint is an investment adviser registered with the SEC under Section 203 of the Investment Advisers Act of 1940 (the Advisers Act). As a registered investment adviser and pursuant to Rule 206(4)-7 under the Advisers Act, it is unlawful for us to provide investment advice to clients unless we: (i) have written policies and procedures in place that are reasonably designed to detect and prevent violations of the Advisers Act; (ii) review no less frequently than annually, the adequacy of our policies and procedures and the effectiveness of their implementation; and (iii) designate a Chief Compliance Officer responsible for administering the policies and procedures under the Rule. Pursuant to the Rule, we have put in place a comprehensive program that includes written policies and procedures that are reasonably designed to detect and prevent violations of the Advisers Act and other governing laws and regulations. Such policies and procedures include those relating to investment and allocation practices, code of ethics, personal trading, information barrier, books and records, sales and marketing, valuation, proxy voting, anti-money laundering, privacy and business continuity (the Compliance Program).

As part of the Compliance Program, Compliance maintains an assessment calendar that provides for a portion of our policies and procedures to be assessed by calendar quarter. Testing criteria includes ensuring that each policy and procedure properly reflects current implementation practices and applicable rules and regulations. Procedures are revised as needed throughout the year to better reflect implementation practices or to reflect changes in applicable laws and regulations. The results of these reviews, including procedural revisions, are reported to our Chief Operating Officer and Board of Managers on an annual basis.

## **XI. Client Referrals and Other Compensation**

From time to time, we may enter into arrangements with our affiliated broker-dealer, NYLIFE Distributors, with whom certain employees of our affiliated investment advisers are also registered as representatives. In connection with these arrangements, we may pay a fee and transaction-based compensation to NYLIFE Distributors as compensation for the efforts of the registered employees of our affiliated investment advisers in selling, or promoting the sale of, interests in our private investment funds.

From time to time, we may enter into arrangements with our affiliated investment advisers to recommend clients to each other. If we pay a cash fee to anyone for soliciting clients on our behalf or if we receive a cash fee from another investment adviser for recommending clients to it, we will comply with the requirements of the SEC's cash solicitation rule to the extent that they apply. This rule requires a written agreement between the investment adviser and the person soliciting clients on its behalf. The rule also requires that the soliciting person provide a disclosure document to the potential client at the time that the solicitation is made. As required by the rule, we will not engage another person to solicit clients on our behalf if that person has been subject to securities regulatory or criminal action within the preceding ten years.

Outside of selling private investment funds to our clients and other investors, we do not use broker-dealers that are affiliated with us in executing securities transactions for our clients.

## **XII. Custody**

With respect to the separate accounts that we manage, we do not consider the assets of our



affiliates, New York Life and NYLIAC, to be in our custody.

We are deemed to have indirect custody of the assets of our funds by virtue of our (or our affiliates') role as general partner or investment manager to these funds. We provide investors in our funds with audited financial statements within 120 days from the end of each fiscal year (or 180 days in the case of our funds-of-funds). Investors should carefully review those statements. As a result, these funds' custodians are not required to supply separate monthly account statements to investors, and we are not required to engage an independent public accounting firm to conduct an annual surprise audit of our operation, as would otherwise be required by rules under the Investment Advisers Act of 1940.

### **XIII. Investment Discretion**

We accept discretionary authority to manage securities accounts on behalf of our clients, both in respect of separately managed accounts and of our private investment funds.

A separate investment management agreement is executed by us and by the authorized client signatory for each separately managed account. These agreements confer limited investment discretion to us as investment manager, as well as set forth the investment guidelines applicable to such accounts.

Either a limited partnership agreement or a separate investment management agreement is executed by us and the general partner of each private investment fund we manage on behalf of itself and on behalf of each investor in the relevant fund pursuant to a power of attorney granted by the investors in their subscription documents for the relevant fund. These agreements appoint us as investment manager of the relevant fund and confers discretionary authority to the fund's general partner and us as investment manager of the fund. The terms of these agreements are negotiated in good faith by us and the investors in our private investment funds. Some investors negotiate side letters with the general partners and the fund in which they are investing, which typically set forth additional limitations on our authority with respect to such investor, or to the relevant fund as a whole. Additionally, some large investors enter into separate investment vehicles on more favorable economic terms than the investors in certain of our primary funds. These separate investment vehicles generally invest pro rata on a side-by-side basis with these primary funds based upon the size of the primary fund and the size of the separate investment vehicle.

### **XIV. Voting Client Securities**

In the course of our direct investing activities, we typically invest in private companies, not public ones. Therefore, we generally are not called upon to vote securities on behalf of clients.

However, in the event that we are called upon to vote securities on behalf of a client, we have adopted proxy voting policies and procedures that are reasonably designed to ensure that where clients have delegated proxy voting authority to us, all proxies are voted in the best interest of such clients without regard to our interests or those of our affiliates.

Where clients (whether separately managed accounts or one of our private investment funds) have delegated authority to vote proxies to us, we will vote these proxies in accordance with the

recommendation of Institutional Shareholder Services (ISS), which provides proxy research voting recommendation services. For clients or investments that provide us with proxy voting guidelines different from the ISS Guidelines, we will make voting determinations in accordance with such modified guidelines.

To override an ISS recommendation, one of our managing principals must submit a written override request to our chief compliance officer. Our procedures require that the chief compliance officer review each such override request for potential material conflicts of interest between our clients, on the one hand, and us and our affiliates, on the other. In the event that our chief compliance officer determines that a material conflict exists, the matters will be referred to our proxy voting committee for appropriate resolution.

A copy of our proxy voting policies and procedures or information as to how proxies were voted for securities held in their account is available upon request. Our contact information appears on the cover page of this brochure.

#### **XV. Financial Information**

Please see our audited balance sheet as of December 31, 2014, attached as Annex A.

#### **XVI. Requirements for State-Registered Advisers**

GoldPoint Partners LLC is registered with the SEC. We are not registered with any state securities authorities.

**GoldPoint Partners LLC and Subsidiaries**  
**(An Affiliate of New York Life Insurance Company)**  
**Consolidated Statement of Financial Position**  
**December 31, 2014**

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**Assets**

Cash and cash equivalents	\$ 101,356,832
Cash held in escrow	28,360,544
Short term investments	42,946,112
Interest receivable	4,980,752
Due from affiliates	29,111,694
Management fees receivable from NYLIC and NYLIAC	5,571,721
Other assets	<u>106,208</u>
Total current assets	212,433,863
Investments held by Partnerships	1,967,715,125
Investments in other partnerships	15,172,176
Deferred tax asset	5,792,459
Income tax receivable	<u>5,949,239</u>
Total assets	<u><u>\$ 2,207,062,862</u></u>

**Liabilities and Members' Capital**

Accounts payable and accrued liabilities	14,845,480
Due to affiliates	42,785,768
Other payables	<u>3,930,117</u>
Total current liabilities	<u>61,561,365</u>
Member's equity	161,415,058
Noncontrolling interest	<u>1,984,086,439</u>
Total equity	<u>2,145,501,497</u>
Total liabilities and equity	<u><u>\$ 2,207,062,862</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

**GoldPoint Partners LLC and Subsidiaries**  
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**Notes to Consolidated Financial Statements**  
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**1. Organization and Business**

GoldPoint Partners LLC (“GPP”) is a Delaware limited liability company formed on December 8, 1999 to act as the Investment Manager of the following private equity funds (“Partnerships”) sponsored by New York Life Insurance Company (“NYLIC”):

<b>Partnership Name</b>	<b>Acronym</b>	<b>Final Closing Date</b>	<b>Scheduled Termination Date **</b>
New York Life Capital Partners, L.P.	NYLCP, LP	December 29, 1999	December 31, 2015
New York Life Capital Partners II, L.P.	NYLCP II, LP	August 1, 2001	December 31, 2016
New York Life Capital Partners III, L.P.	NYLCP III, LP	June 19, 2006	June 19, 2016
New York Life Capital Partners III-A, L.P.	NYLCP III-A, LP	October 10, 2005	June 19, 2016
New York Life Capital Partners IV, L.P.	NYLCP IV, LP	January 8, 2008	January 8, 2018
New York Life Capital Partners IV-A, L.P.	NYLCP IV-A, LP	January 8, 2008	January 8, 2018
NYCAP 2010 Co-Invest, L.P.	NYLCAP 2010, LP	April 22, 2010	April 22, 2020
GoldPoint Partners Co-Invest V, LP	GPP V, LP	December 31, 2014	December 31, 2024
New York Life Investment Management Mezzanine Partners, LP	NYLIMMP, LP	July 30, 2003	December 31, 2016
NYLIM Mezzanine Partners Parallel Fund, LP	NYLIMMPPF, LP	July 30, 2003	December 31, 2016
New York Life Investment Management Mezzanine Partners II, LP	NYLIMMP II, LP	October 31, 2007	July 31, 2016
NYLIM Mezzanine Partners II Parallel Fund, LP	NYLIMMPPF II, LP	December 22, 2006	July 31, 2016
NYLCAP Mezzanine Partners III, LP	NYLCAPMP III, LP	November 9, 2012	April 16, 2020
NYLCAP Mezzanine Partners III Parallel Fund, LP	NYLCAPMPPF III, LP	December 9, 2011	April 16, 2020
NYLCAP Mezzanine Partners III-K, LP	NYLCAPMPF III-K, LP	March 30, 2012	April 16, 2020
NYLCAP Mezzanine Partners III 2012 Co-Invest Fund, LP	NYLCAPMPPF III	November 9, 2012	April 16, 2020
NYLCAP Select Manager Fund, LP	NYLCAP SMF, LP	January 8, 2010	July 11, 2022
NYLCAP Select Manager Fund II, LP	NYLCAP SMF II, LP	December 30, 2013	January 17, 2025

\*\* As defined per the Limited Partnership Agreements, unless terminated earlier or extended in accordance with such agreement.

NYLCP III, LP and NYLCP III-A, LP are collectively referred to as the “NYLCP III Funds”.  
 NYLCP IV, LP and NYLCP IV-A, LP are collectively referred to as the “NYLCP IV Funds”.  
 NYLIMMP, LP and NYLIMMPPF, LP are collectively referred to as the “Mezzanine Funds”.  
 NYLIMMP II, LP and NYLIMMPPF II, LP are collectively referred to as the “Mezzanine II Funds”.  
 NYLCAPMP III, LP, NYLCAPMPPF III, LP, NYLCAPMPF III-K, LP and NYLCAPMPF III Co Inv, LP are collectively referred to as the “Mezzanine III Funds”.

GPP also serves as investment manager for NYLIC’s existing Leverage Buy Out (“LBO”), Venture and International Direct and Fund investment programs and Mezzanine Fund program, New York Life Insurance and Annuities (“NYLIAC”) Mezzanine Fund program, and New York Life Insurance Company’s Separate Account 39. GPP is a wholly owned subsidiary of New York Life Investment Management Holdings LLC (“NYLIMH”), a wholly owned subsidiary of NYLIC.

**GoldPoint Partners LLC and Subsidiaries**  
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**Notes to Consolidated Financial Statements**  
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The following table states the name of the General Partner and the unfunded commitment of each of the Partnerships.

Partnership Name	General Partner	Acronym	Unfunded Commitment at December 31, 2014
NYLCP, LP	New York Life Capital Partners, L.L.C.	NYLCP, LLC	\$ 919,000
NYLCP II, LP	New York Life Capital Partners II, L.L.C.	NYLCP II, LLC	6,001,000
NYLCP III, LP	New York Life Capital Partners III GenPar, L.P.	NYLCP III GenPar, LP	247,000
NYLCP III-A, LP	New York Life Capital Partners III GenPar, L.P.	NYLCP III GenPar, LP	1,972,000
NYLCP IV, LP	New York Life Capital Partners IV GenPar, L.P.	NYLCP IV GenPar, LP	2,081,000
NYLCP IV-A, LP	New York Life Capital Partners IV GenPar, L.P.	NYLCP IV GenPar, LP	1,326,000
NYLCAP 2010, LP	NYLCAP 2010 Co-Invest GenPar, L.P.	NYLCAP 2010 GenPar, LP	69,000
GPP V, LP	GoldPoint Partners Co-Invest V GenPar, LP	GPP V, GenPar, LP	24,060,000
NYLIMMP, LP	NYLIM Mezzanine GenPar, LP	Mezz GenPar, LP	7,300,000
NYLIMMPPF, LP	NYLIM Mezzanine GenPar, LP	Mezz GenPar, LP	3,308,000
NYLIMMP II, LP	NYLIM Mezzanine II GenPar, LP	Mezz II GenPar, LP	5,027,000
NYLIMMPPF II, LP	NYLIM Mezzanine II GenPar, LP	Mezz II GenPar, LP	1,225,000
NYLCAPMP III, LP	NYLCAP Mezzanine III GenPar, LP	Mezz III GenPar, LP	11,758,000
NYLCAPMPPF III, LP	NYLCAP Mezzanine III GenPar, LP	Mezz III GenPar, LP	1,621,000
NYLCAPMP III-K, LP	NYLCAP Mezzanine III GenPar, LP	Mezz III GenPar, LP	331,000
NYLCAPMP III 2012 Co-Inv, LP	NYLCAP Mezzanine III GenPar, LP	Mezz III GenPar, LP	1,052,000
NYLCAP SMF, LP	NYLCAP Select Manager GenPar, LP	NYLCAP SMF GenPar, LP	-
NYLCAP SMF II, LP	NYLCAP Select Manager II GenPar, LP	NYLCAP SMF GenPar II, LP	746,000

**General Partner ("GP")**

**General Partner of GP\***

NYLCP III GenPar, LP	New York Life Capital Partners III GenPar GP, LLC
NYLCP IV GenPar, LP	New York Life Capital Partners IV GenPar GP, LLC
NYLCAP 2010 GenPar, LP	NYLCAP 2010 Co-Invest GenPar GP, LLC
GoldPoint Partners Co-Inv V GenPar, LP	GoldPoint Partners Co-Investment V GenPar GP, LLC
Mezz GenPar, LP	NYLIM Mezzanine GenPar GP, LLC
Mezz II GenPar, LP	NYLIM Mezzanine II GenPar GP, LLC
Mezz III GenPar, LP	NYLCAP Mezzanine III GenPar GP, LLC
NYLCAP SMF GenPar, LP	NYLCAP Select Manager GenPar GP, LLC
NYLCAP SMF II GenPar, LP	NYLCAP Select Manager II GenPar GP, LLC

\* The General Partner of each GP respectively is a wholly owned subsidiary of GPP LLC.

**2. Significant Accounting Policies**

**Basis of Presentation**

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

**GoldPoint Partners LLC and Subsidiaries**  
**(An Affiliate of New York Life Insurance Company)**  
**Notes to Consolidated Financial Statements**  
**December 31, 2014**

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**Income and Expense Recognition**

Income is recognized on the accrual basis. Expenses are accrued for as incurred.

**Consolidation and Financial Statements**

The consolidated financial statements include the accounts of GPP and its subsidiaries (collectively "the Company"). The General Partners and Partnerships are voting interest entities that consolidate into GPP and General Partners, respectively. Intercompany transactions have been eliminated in consolidation. The limited partners of the Partnerships have limited kickout rights and, therefore, the respective Partnerships consolidate into the General Partners. Certain prior year amounts have been reclassified to conform to current year presentation.

The following table states the General Partners ownership as a percentage of the Partnership:

<b>Partnership</b>	<b>General Partners</b>	<b>General Partner as a Percentage of its Partnership</b>
NYLCP, LP	NYLCP, LLC	5.00 %
NYLCP II, LP	NYLCP II, LLC	10.00 %
NYLCP III Funds	NYLCP III GenPar, LP	5.00 %
NYLCP IV Funds	NYLCP IV GenPar, LP	5.00 %
NYLCAP 2010, LP	NYLCAP 2010 GenPar, LP	1.00 %
Mezzanine Funds	NYLIM Mezz GenPar, LP	5.00 %
Mezzanine II Funds	NYLIM Mezz II GenPar, LP	5.00 %
NYLCAPMP III, LP	Mezz III GenPar, LP	5.00 %
NYLCAP SMF, LP	NYLCAP SMF GenPar LP	1.88 %
NYLCAP SMF II, LP	NYLCAP SMF II GenPar LP	1.31 %
GPP Co-Inv V, LP	GPP Co-Inv V GenPar LP	5.00 %

**Cash and Cash Equivalents**

Cash includes cash held on deposit in a segregated account with GPP's custodian, and generally exceed the FDIC insurable limits. Cash equivalents are short-term, highly liquid investments that are readily convertible and have an original maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value and is a Level I asset in the Fair Value hierarchy as defined in Note 4. Money Market funds will be valued at the reported net asset value. The money market funds that the Company invests in are managed in a way to preserve a stable value of \$1.00 per share, however, there is no guarantee that the value remains at that level and could drop below \$1.00 per share. Effective October 14, 2014 the SEC implemented a new rule no longer permitting these money market funds' specialized pricing and valuation conventions. As such, the daily NAV per share will be valued by and the shares transacted at the daily floating rated based on the market value of the underlying asset. The final SEC Rule provides a two-year transition period.

Pursuant to the governing documents of the General Partnerships, General Partners are required to maintain an interest bearing escrow account into which an agreed upon percentage of certain proceeds attributable to certain members are deposited. These amounts will be released pursuant to such governing documents. As of December 31, 2014, the balance in the escrow accounts established by the General Partners was \$28,360,544.

# **GoldPoint Partners LLC and Subsidiaries**

(An Affiliate of New York Life Insurance Company)

## **Notes to Consolidated Financial Statements**

**December 31, 2014**

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### **Investments in the Short Term Investment Fund**

The New York Life Short Term Investment Fund ("STIF") is a partnership, managed by New York Life Investment Management, LLC ("NYLIM") a wholly owned subsidiary of NYLIC, whose purpose is to pool and invest the cash and liquid assets of its partners, which consist of NYLIC and various affiliates. GPP's investment in the STIF is carried at fair value and is a Level I asset in the Fair Value hierarchy as defined in Note 4. Interest income earned from STIF account was \$59,198 for 2014.

### **Investments and Fair Valuation of Financial Instruments**

Investments held in the Partnerships are valued at fair value as determined by the General Partners and under the supervision of the Partnership's respective Advisory Committees. Although the General Partners use their best judgment in estimating the fair value of investments, there are inherent limitations in any estimation technique. Therefore the values are not necessarily indicative of the amounts the Partnerships would realize in an actual transaction. Future confirming events will also affect the estimates of fair value and the effect of such events on the estimates of fair value, including the ultimate liquidation of the investments, could be material to the consolidated financial statements.

Securities with a readily available market (listed on a securities exchange or traded in the over-the-counter market) are valued at the market price on the date of valuation or at an appropriate discount or premium to such price, as determined by the General Partner.

### **Foreign Currency Translation**

The Partnerships invest in assets and securities of non-U.S. issuers. Certain investments in foreign companies, limited partnerships or limited liability companies with investments in foreign companies are denominated in foreign currencies. Such investments are translated into U.S. dollars using the prevailing exchange rate as of the date of the financial statements. Purchases and sales of investments and income and expense items denominated in foreign currencies are translated into U.S. dollars on the respective date of such transactions. Such fluctuations are included with either the net realized or unrealized investment gains and losses in the Consolidated Statement of Income

### **Foreign Currency Contracts**

GPP and/or its subsidiaries may enter into forward contracts with approved counterparties in an attempt to hedge against foreign currency fluctuation related to foreign currency investment positions. Forward currency contracts are over-the-counter contracts for delayed delivery of currency in which the buyer agrees to buy and the seller agrees to deliver an amount of a specified currency at a specified price on a specified date. Because the terms of forward currency contracts are not standardized, they are not traded on organized exchanges and generally can be terminated or closed-out only by agreement of both parties to the contract. All commitments are "marked to market" on each valuation date at the applicable foreign exchange rate and any resulting change in unrealized gain or loss is recorded on such date. The Company recognizes realized gains and/or losses at the time the forward currency contracts are closed.

### **Income Taxes**

For U.S. federal income tax purposes, GPP is treated as a limited liability company whose federal taxable income or loss flows through to its parent, NYLIC, and is included in the group's U.S. federal consolidated income tax return. The consolidated income tax provision or benefit is allocated amount the members of the group in accordance with a tax allocation agreement. The tax allocation agreement provides that GPP is allocated its share of the consolidated tax provision

**GoldPoint Partners LLC and Subsidiaries**  
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or benefit, determined generally on a separate company basis and may, where applicable, include the tax benefits of operating or capital losses utilizable in NYLIC's consolidated return. Intercompany tax balances are generally settled quarterly on an estimated basis with a final settlement within 30 days of the filing of the consolidated return. Current federal income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year and any adjustments to such estimates from prior years.

State and local tax returns are generally filed separately. In those cases where the GPP's results are included with NYLIC's state tax filings, GPP is charged or credited for state taxes paid by NYLIC only to the extent that GPP's income/loss increases or reduces NYLIC's state tax liability. However, in years where NYLIC's own income level requires it to pay a flat state tax and GPP's income/loss does not affect NYLIC's state tax liability, no state tax liability or benefit is allocated to GPP pursuant to the tax allocation agreement.

Deferred federal income tax assets and liabilities are recognized for expected future tax consequences of temporary differences between GAAP and taxable income. Temporary differences are identified and measured using balance sheet approach whereby GAAP and tax balance sheets are compared. Deferred income taxes are generally recognized based on enacted tax rates and a valuation allowance is recorded if it is more likely than not any portion of the deferred tax asset will not be realized.

In accordance with the authoritative guidance related to income taxes, the Company determines whether it is more likely than not that a tax position will be sustained upon examination by the appropriate tax authorities before any part of the benefit can be recorded in the financial statements. The amount of tax benefit recognized for an uncertain tax position is the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. Unrecognized tax benefits are income within other liabilities, and are charged to earnings in the period that such determination is made. The Company classifies interest and penalties related to tax uncertainties as income tax expense.

**Profit and Loss Allocations of GPP**

Profits and losses are allocated 100% to NYLIMH in accordance with GPP's Limited Liability Company Agreement.

**New Accounting Pronouncements**

In May 2014, the FASB issued updated guidance on accounting for revenue recognition, which supersedes most existing revenue recognition guidance. The guidance requires an entity to recognize revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to, in exchange for those goods or services. The guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments, changes in judgments and assets recognized from cost incurred to obtain or fulfill a contract. The new guidance is effective for annual periods and interim periods within those annual periods, beginning after December 15, 2016, and must be applied using one of the two retrospective application methods. Early adoption is not permitted. The Company will adopt this guidance on January 1, 2017. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.



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In February 2015, the FASB issued updated guidance that changes the rules regarding consolidations. The pronouncement is intended to improve targeted areas of the consolidation guidance for legal entities such as limited partnerships, limited liability companies, and securitization structures, and removes the indefinite deferral for certain investment funds. The new guidance is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

**3. Investment and Consolidation of the General Partners and the Partnerships and Partnership Terms**

**General Partners**

Profits and losses of NYLCP, LP are allocated to its partners in accordance with the NYLCP, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 5% to NYLCP, LLC and 95% to the limited partners based upon their respective percentage interests in NYLCP, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, NYLCP, LLC is entitled to receive a “carried interest” of 12.5% of amounts distributed with respect to investments and the remaining 87.5% is distributed to the limited partners.

Profits and losses of NYLCP II, LP are allocated to its partners in accordance with the NYLCP II, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 10% to NYLCP II, LLC and 90% to the limited partners based upon their respective percentage interests in NYLCP II, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, NYLCP II, LLC is entitled to receive a “carried interest” of 12.5% of amounts distributed with respect to investments and the remaining 87.5% is distributed to the limited partners.

Profits and losses of NYLCP III, LP are allocated to its partners in accordance with the NYLCP III, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 1.09% to NYLCP III GenPar, LP and 98.91% to the limited partners based upon their respective percentage interests in NYLCP III, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, NYLCP III GenPar, LP is entitled to receive a “carried interest” of 12.5% of amounts distributed with respect to investments and the remaining 87.5% is distributed to the limited partners.

Profits and losses of NYLCP III-A, LP are allocated to its partners in accordance with the NYLCP III-A, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 9.09% to NYLCP III GenPar, LP and 90.91% to the limited partners based upon their respective percentage interests in NYLCP III-A, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, NYLCP III GenPar, LP is entitled to receive a “carried interest” of 12.5% of amounts distributed with respect to investments and the remaining 87.5% is distributed to the limited partners.

Profits and losses of NYLCP IV, LP are allocated to its partners in accordance with the NYLCP IV, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 3.68% to NYLCP IV GenPar, LP and 96.32% to the limited partners based upon their respective percentage interests in NYLCP IV, LP. Limited partners are entitled to receive an 8% priority return

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on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, NYLCP IV GenPar, LP is entitled to receive a “carried interest” of 10% of amounts distributed with respect to investments and the remaining 90% is distributed to the limited partners.

Profits and losses of NYLCP IV-A, LP are allocated to its partners in accordance with the NYLCP IV-A, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 9.09% to NYLCP IV GenPar, LP and 90.91% to the limited partners based upon their respective percentage interests in NYLCP IV-A, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, NYLCP IV GenPar, LP is entitled to receive a “carried interest” of 10% of amounts distributed with respect to investments and the remaining 90% is distributed to the limited partners.

Profits and losses of NYLCAP 2010, LP are allocated to its partners in accordance with the NYLCAP 2010, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 1% to NYLCAP 2010 GenPar, LP and 99% to the limited partners based upon their respective percentage interests in NYLCAP 2010, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, NYLCAP 2010 GenPar, LP is entitled to receive a “carried interest” of 10% of amounts distributed with respect to investments and the remaining 90% is distributed to the limited partners.

Profits and losses of NYLIMMP, LP are allocated to its partners in accordance with the NYLIMMP, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 5% to Mezz GenPar, LP and 95% to the limited partners based upon their respective percentage interests in NYLIMMP, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, Mezz GenPar, LP is entitled to receive a “carried interest” of 20% of amounts distributed with respect to investments and the remaining 80% is distributed to the limited partners. In the case of distributions attributable to a limited partner having an aggregate capital commitment of at least \$50,000,000, “carried interest” for NYLIM Mezz GenPar, LP will be reduced from 20% to 15% and experience an 85/15 split, respectively.

Profits and losses of NYLIMPPF, LP are allocated to its partners in accordance with the NYLIMPPF, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 5% to Mezz GenPar, LP and 95% to the limited partners based upon their respective percentage interests in NYLIMPPF, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, Mezz GenPar, LP is entitled to receive a “carried interest” of 20% of amounts distributed with respect to investments and the remaining 80% is distributed to the limited partners. In the case of distributions attributable to a limited partner having an aggregate capital commitment of at least \$50,000,000, “carried interest” for NYLIM Mezz GenPar, LP will be reduced from 20% to 15% and experience an 85/15 split, respectively.

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Profits and losses of NYLIMMP II, LP are allocated to its partners in accordance with the NYLIMMP II, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 5% to Mezz II GenPar, LP and 95% to the limited partners based upon their respective percentage interests in NYLIMMP II, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, Mezz II GenPar, LP is entitled to receive a “carried interest” of 20% of amounts distributed with respect to investments and the remaining 80% is distributed to the limited partners.

Profits and losses of NYLIMMPPF II, LP are allocated to its partners in accordance with the NYLIMMPPF II, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 5% to Mezz II GenPar, LP and 95% to the limited partners based upon their respective percentage interests in NYLIMMPPF II, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, Mezz II GenPar, LP is entitled to receive a “carried interest” of 20% of amounts distributed with respect to investments and the remaining 80% is distributed to the limited partners.

Profits and losses of NYLCAPMP III, LP are allocated to its partners in accordance with the NYLCAPMP III, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 5.6% to Mezz III GenPar, LP and 94.4% to the limited partners based upon their respective percentage interests in NYLCAPMP III, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, Mezz III GenPar, LP is entitled to receive a “carried interest” of 20% of amounts distributed with respect to investments and the remaining 80% is distributed to the limited partners.

Profits and losses of NYLCAPMPPF III, LP are allocated to its partners in accordance with the NYLCAPMPPF III, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 5% to Mezz III GenPar, LP and 95% to the limited partner based upon their respective percentage interests in NYLCAPMPPF III, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, Mezz III GenPar, LP is entitled to receive a “carried interest” of 18% of amounts distributed with respect to investments and the remaining 82% is distributed to the limited partner.

Profits and losses of NYLCAPMPF III-K, LP are allocated to its partners in accordance with the NYLCAPMPF III-K, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 1% to Mezz III GenPar, LP and 99% to the limited partner based upon their respective percentage interests in NYLCAPMKF III-K, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, GoldPoint Partners LLC is entitled to receive a “carried interest” of 18% of amounts distributed with respect to investments and the remaining 82% is distributed to the limited partner.

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Profits and losses of NYLCAPMPF III Co-Inv, LP are allocated to its partners in accordance with the NYLCAPMPF III Co-Inv, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 5% to Mezz III GenPar, LP and 95% to the limited partner based upon their respective percentage interests in NYLCAPMPF III Co-Inv, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, Mezz III GenPar, LP is entitled to receive a “carried interest” of 20% of amounts distributed with respect to investments and the remaining 80% is distributed to the limited partner.

Profits and losses of NYLCAP SMF, LP are allocated to its partners in accordance with the NYLCAP SMF, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 1.88% to NYLCAP SMF GenPar, LP and 98.12% to the limited partners based upon their respective percentage interests in NYLCAP SMF, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, NYLCAP SMF GenPar, LP is entitled to receive a “carried interest” of 5% of amounts distributed with respect to fund investment gain or 15% of amounts distributed with respect to co-investment gain and the remaining amount is distributed to the limited partners.

Profits and losses of NYLCAP SMF II, LP are allocated to its partners in accordance with the NYLCAP SMF II, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 1.31% to NYLCAP SMF II GenPar, LP and 98.69% to the limited partners based upon their respective percentage interests in NYLCAP SMF II, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, NYLCAP SMF II GenPar, LP is entitled to receive a “carried interest” of 5% of amounts distributed with respect to fund investment gain or 15% of amounts distributed with respect to co-investment gain and the remaining amount is distributed to the limited partners.

Profits and losses of GPP V, LP are allocated to its partners in accordance with the GPP V, LP Partnership Agreement, which generally calls for the profits and losses to be allocated 5% to GPP V GenPar, LP and 95% to the limited partner based upon their respective percentage interests in GPP V, LP. Limited partners are entitled to receive an 8% priority return on investments including a “catch-up” for capital contributions related to losses on investments. Thereafter, GPP V GenPar, LP is entitled to receive a “carried interest” of 10 % of amounts distributed with respect to investments and the remaining 90% is distributed to the limited partners.

The Partnerships have been consolidated based on GPP and the General Partners’ claim on the net assets of the Partnerships, which include the effect of the carried interest and the management fees paid by the Partnerships to GPP in determining the noncontrolling interest in the net assets and earnings or losses of the Partnerships. As of December 31, 2014, GPP’s claim on the net assets of the Partnerships included unrealized performance fee allocations of \$7,279,925 which decrease by \$180,510 during the year ended December 31, 2014.

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The following represent industry, country and security types for all investments held by the Partnerships as of December 31, 2014.

<b>Investments held by Partnerships</b>	<b>Fair Value</b>	<b>Percentage of Total Fair Value</b>
Aerospace	\$ 50,489,666	2.6%
Automobiles & Components	17,373,791	0.9%
Business Services	309,202,488	15.7%
Casinos and Gaming	11,325,626	0.6%
Commercial Services & Supplies	122,309,079	6.2%
Consumer Discretionary	44,996,225	2.3%
Consumer Durables and Apparel	6,014,879	0.3%
Consumer Goods	39,199,577	2.0%
Consumer Products & Services	246,386,810	12.5%
Consumer Staples	5,417,379	0.3%
Derivative	1,041,828	0.1%
Distribution	72,954,651	3.7%
Education	60,565,397	3.1%
Energy	92,624,859	4.7%
Financials	74,979,335	3.8%
Government Services	4,093,420	0.2%
Healthcare	213,398,832	10.8%
Hotels, Restaurants & Leisure	8,551,967	0.4%
Industrials	226,790,722	11.5%
Information Technology	70,830,557	3.6%
Insurance	50,520,307	2.6%
Materials	40,898,189	2.1%
Media and Publishing	95,420,399	4.8%
Retailing	35,485,649	1.8%
Technology	24,633,770	1.3%
Telecommunication	51,086,571	2.6%
Other <sup>(1)</sup>	(8,876,848)	-0.5%
<b>Total</b>	<b>\$ 1,967,715,125</b>	<b>100.0%</b>

<sup>(1)</sup> Other is comprised of the carried interest accruals due to underlying fund sponsors plus the Partnership's allocable share of other assets and liabilities at the underlying funds.

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	<b>Fair Value</b>	<b>Percentage of Total Fair Value</b>
Common Stock/Warrants	\$ 251,527,941	12.8%
Escrow receivables	1,831,754	0.1%
Forward Currency Exchange Contract	1,041,828	0.1%
LLC/LP Interests	1,007,742,557	51.2%
Mezzanine and Debt Securities	576,773,697	29.3%
Preferred Stock	128,797,348	6.5%
Total	<u>\$ 1,967,715,125</u>	<u>100.0%</u>

	<b>Fair Value</b>	<b>Percentage of Total Fair Value</b>
United States	\$ 1,462,170,350	74.3%
Europe	406,181,827	20.6%
Canada	71,781,928	3.6%
South America	26,864,918	1.4%
Australia	716,102	0.1%
Total	<u>\$ 1,967,715,125</u>	<u>100.0%</u>

**4. Fair Value Measurements**

The Company follows FASB ASC 820, "*Fair Value Measurements and Disclosures*". This pronouncement defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosure amount for fair value measurements.

FASB ASC 820 establishes a hierarchal disclosure framework which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted price (unadjusted) in active markets for identical investments (Level I) and the lowest priority to unobservable inputs (Level III).

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level I Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments in this category generally include listed equities and debt securities.
- Level II Pricing inputs are other than quoted prices included within Level I that are observable, either directly or indirectly through corroboration with observable market data. The types of investments in this category generally include equity and/or debt securities valued at quoted prices adjusted for restrictions specific to these investments, as applicable, and publicly traded securities held through co-investment vehicles. Certain over-the-counter derivatives, such as forwards, have inputs which can generally be corroborated by market data and are therefore classified within Level II.

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Level III Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The types of investments in this category generally include equity and/or debt securities and limited partnership or limited liability company interests in private equity investments.

A security for which no market quotation is available is referred to as a private security, and the valuation is usually based on one or more of the following methods:

- Comparable Trading Multiples / Public Comps
- Comparable Transaction Multiples / Precedent Transactions
- Discounted Cash Flow Analysis
- Net Asset Value

**Portfolio Companies**

***Comparable Trading Multiples / Public Comps***

The Company determines comparable public companies based on industry, size, developmental stage, strategy, etc., and then calculates a trading multiple for each comparable company identified by dividing the enterprise value of the comparable company by its earnings before interest, taxes, depreciation and amortization (EBITDA). The trading multiple may then be discounted for considerations such as differences between the comparable companies and the subject company based on company specific facts and circumstances. The concluded multiple is then applied to the subject company to calculate the value of the subject company.

***Comparable Transaction Multiples / Precedent Transactions***

The Company applies comparable precedent transaction multiples where such comparable multiples are available and appropriate. The transaction multiple may then be discounted for considerations such as differences between the comparable companies and the subject company based on company specific facts and circumstances.

***Discounted Cash Flow Analysis***

The discounted cash flow analysis involves working with the subject company to develop its free cash flow projections based on information on growth rates relative to the company's development stage. An appropriate terminal value is estimated based primarily on the exit multiple method while also considering the perpetuity growth model. The discount rate or weighted average cost of capital is calculated based on company specific factors and market participant assumptions like risk free rate and equity risk premium. The enterprise value of the subject company is calculated by discounting the projected cash flows and the terminal value to net present value. The fair value of debt is reduced from the enterprise value to determine the equity value.

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**Portfolio Funds**

***Net Asset Values***

For investments in Portfolio Funds, the Company considers several factors in appropriately classifying the investments in the Portfolio Funds in the fair value hierarchy. An investment is generally classified as Level II if the Company has the ability to redeem its investment with the Portfolio Fund at NAV at the measurement date. An investment is generally classified as Level III if the Company does not have the ability to redeem its investment with the Portfolio Fund at NAV at the measurement date. If the Company cannot redeem its investment with a Portfolio Fund at NAV, the Company considers the length of time until the investment will become redeemable in determining whether the fair value measurement of the investment should be classified as a Level II or Level III fair value measurement.

The valuation process for the Portfolio Funds (including Level III measurements) is performed on a quarterly basis and is subject to review and oversight. In connection with this process, the Company reviews the details of the reported information obtained from the general partner of the Portfolio funds and considers: (i) the measurement date of the NAV provided, (ii) the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the Portfolio Funds. The Company may make adjustments to the NAV of various Portfolio Funds to obtain the best estimate of fair value, which is consistent with the measurement principles of an investment company.

The above methodologies are used by the Company to estimate a reasonable range of fair value. One or more of the above methodologies may be used in determining the reasonable range of fair values. As such, the fair value determined by the Company may not be the direct result of the calculations, but selected from the indicated range.



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The following table summarizes the Partnerships' investments by the above FASB ASC 820 fair value hierarchy levels as of December 31, 2014:

	Quoted Prices in Active Markets for Identical Assets Level I	Significant Observable Inputs Level II	Significant Unobservable Inputs Level III	Total
Mezzanine and debt securities	\$ -	\$ -	\$ 548,630,907	\$ 548,630,907
Equity and equity related securities	2,319,961	14,941,350	438,213,690	455,475,001
Debit	-	-	28,142,784	28,142,784
LLC/LP interest	-	140,823,772	792,257,381	933,081,153
Escrow receivable	-	-	1,343,452	1,343,452
Forward Currency exchange contract	-	1,041,828	-	1,041,828
	<u>\$ 2,319,961</u>	<u>\$ 156,806,950</u>	<u>\$ 1,808,588,214</u>	<u>\$ 1,967,715,125</u>

The changes in the Partnerships' investments measured at fair value for which the Partnerships used Level III inputs to determine fair value are as follows:

	Mezzanine and Debt Securities	Equity and Equity-Related Securities	Debt	LLC/LP Interest	Escrow Receivable	Total
<b>Balance, December 31, 2013</b>	\$ 484,870,634	\$ 438,559,636	\$ 34,060,142	\$ 775,096,091	\$ 6,235,688	\$ 1,738,822,191
Total Gain/(Loss)						
Realized Gain/(Loss)	11,184,523	60,942,353	1,844,782	107,401,266	6,889,451	188,262,375
Unrealized Gain/(Loss)	(30,766,516)	(31,267,563)	(4,382,725)	(1,800,419)	(4,888,352)	(73,105,575)
Purchases	189,755,475	91,897,891	(115,601)	186,138,338	-	467,676,103
Accretion of Int/amortization	26,155,312	530,602	2,567,544	-	-	29,253,458
Proceeds from sales	(132,568,521)	(114,019,684)	(5,831,358)	(215,165,245)	(6,893,335)	(474,478,143)
Transfer in/out	-	(8,429,545)	-	(59,412,650)	-	(67,842,195)
<b>Balance, December 31, 2014</b>	<u>\$ 548,630,907</u>	<u>\$ 438,213,690</u>	<u>\$ 28,142,784</u>	<u>\$ 792,257,381</u>	<u>\$ 1,343,452</u>	<u>\$ 1,808,588,214</u>
Change in unrealized appreciation/(depreciation) relating to assets still held as of the reporting date	<u>\$ (29,927,839)</u>	<u>\$ (12,412,730)</u>	<u>\$ (2,956,625)</u>	<u>\$ 33,990,758</u>	<u>\$ (1,267,234)</u>	<u>\$ (12,573,670)</u>

The transfer out balance above reflects the movement of the fair value from Level III to Level II at the beginning of year values as the underlying portfolio companies within the Partnerships had initial public offerings in 2014.

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The following table set forth a summary of valuation techniques and quantitative information utilized in determining the fair values of the Level III investments as of December 31, 2014.

Security Type	Valuation Technique	Significant Unobservable Input <sup>(1)</sup>	Fair Value December 31, 2014	Low	High
Common Stock/ Warrants	Average of Public Comps	EBITDA Multiple <sup>(4)</sup>	\$ 694,267	6.1	6.1
	Combination of Comparable Trading & Comparable Transaction Multiples	EBITDA Multiple <sup>(4)</sup>	174,686,071	6.7	12.7
	Combination of Comparable Trading and Discounted Cash Flow Analysis <sup>(2)</sup>	Terminal EBITDA multiple Discount Rate	10,359,757	6.2 10.0%	6.2 10.0%
	Combination of Public Comps & Precedent Transactions	EBITDA Multiple <sup>(4)</sup>	4,474,282	7.1	10.5
	Comparable Trading Multiples	EBITDA Multiple <sup>(4)</sup>	23,492,154	8.6	11.6
	Comparable Transaction Multiples	EBITDA Multiple <sup>(4)</sup>	9,000,000	8.0	10.7
	Discounted Cash Flow Analysis <sup>(2)</sup>	Terminal EBITDA Multiple Discount Rate	7,744,033	7.1 11.6%	11.5 12.2%
	Other <sup>(6)</sup>	EBITDA Multiple <sup>(4)</sup>	18,525,134	2.7	2.7
	Combination of Comparable Trading & Comparable Transaction Multiples	EBITDA Multiple <sup>(4)</sup>	28,142,784	6.4	10.6
	Other <sup>(3)</sup>	None	6,917,884		
Escrow Receivables	Combination of Comparable Trading & Comparable Transaction Multiples	EBITDA Multiple <sup>(4)</sup>	454,103,012	5.9	13.1
	Comparable Trading Multiples	EBITDA Multiple <sup>(4)</sup>	62,258,785	8.6	12.5
	Comparable Transaction Multiples	EBITDA Multiple <sup>(4)</sup>	62,878,927	6.2	19.9
	Discounted Cash Flow Analysis <sup>(2)</sup>	Terminal EBITDA multiple Discount Rate	45,476,455	5.3 7.7%	10.9 11.6%
	Discounted Cash Flow Analysis <sup>(2)</sup>	Cost of Debt Cost of Equity	26,864,918	9.5% 21.7%	9.5% 21.7%
	Other <sup>(5)</sup>	None	151,249,385		
	Other <sup>(8)</sup>	None	109,995		
LLC/LP Interests	Pending Transaction	None	44,923,023		
	Average of Public Companies	EBITDA Multiple <sup>(4)</sup>	48,687,302	4.6	6.1
	Combination of Comparable Trading & Comparable Transaction Multiples	EBITDA Multiple <sup>(4)</sup>	385,027,532	7.7	11.4
	Comparable Trading Multiples	EBITDA Multiple <sup>(4)</sup>	66,404,800	8.6	11.5
	Discounted Cash Flow Analysis <sup>(2)</sup>	Terminal EBITDA Multiple Discount Rate	9,418,575	11.5 11.6%	11.5 11.6%
	Pending Transaction	None	30,782,958		
Mezzanine & Debt Securities	Preferred contractual return	Rate of Return <sup>(7)</sup>	8,131,327	10.0%	10.0%
	Average of Public Companies	EBITDA Multiple <sup>(4)</sup>	1,149,323	4.6	4.6
	Combination of Comparable Trading & Comparable Transaction Multiples	EBITDA Multiple <sup>(4)</sup>	106,485,194	7.8	12.7
	Combination of Public Comps & Precedent Transactions	EBITDA Multiple <sup>(4)</sup>	3,580,984	9.3	10.3
Preferred Stock	Comparable Trading Multiples	EBITDA Multiple <sup>(4)</sup>	6,637,719	4.6	11.6
	Discounted Cash Flow Analysis <sup>(2)</sup>	Terminal EBITDA multiple Discount Rate	2,328,241	5.3 11.3%	11.5 11.6%
	Pending Transaction	None	8,053,393		
			<b>\$ 1,808,588,214</b>		

<sup>(1)</sup> The use of unobservable inputs, including the results of pricing models, requires a significant degree of judgment.

<sup>(2)</sup> The significant unobservable inputs used in the fair value measurement using a discounted cash flow analysis include a discount rate and terminal multiple.

<sup>(3)</sup> Fair value of escrow receivables is determined based on the expected recoverability of such amounts.

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- (4) EBITDA multiples are based on comparable public companies or comparable precedent transactions. In certain instances, the GP adjusts EBITDA and/or multiple as appropriate in the circumstance.
- (5) Based on reported NAV of underlying investment company.
- (6) Fair value was based on the implied multiple from an indication of interest that was received.
- (7) Under the issue terms, the preferred stock receives a contractual return that entitles the security to be redeemed at the greater of a 10.0% IRR or 1.4x MoC
- (8) Fair value of other receivables is determined on the expected recoverability of such amounts

**Derivatives**

From time to time the Company may enter into forward currency exchange contracts. The Company's financial statements provide disclosures in accordance with the authoritative guidance on derivative contracts and hedging activities disclosures under GAAP. Risk is further disclosed in Note 6 of the financial statements. The Company does not designate any derivative contracts as hedging instruments under this guidance.

During the period the forward foreign currency exchange contract is open, changes in the value of the contract are recognized as net change in unrealized gain (loss) on investments from Partnerships in the Consolidated Statement of Income. When the forward foreign currency exchange contract is closed, the Company recognizes a realized gain (loss) from Partnerships in the Consolidated Statement of Income equal to the difference between the proceeds from the closeout of the contract and the original contract price.

Because the Company is not a party to an International Swaps and Derivatives Association ("ISDA") Master Agreement with a counterparty, certain Partnerships requested NYLIM, a party to one or more ISDA Agreements, to enter into a forward currency contract on their behalf. In 2014, certain Partnerships entered into a reimbursement agreement with NYLIM in order to facilitate entering into forward currency exchange contracts, payment of any collateral requested, and settlement of proceeds. Thereafter, NYLIM entered into two forward currency contract with a single counterparty.

As of December 31, 2014, the Company holds, through NYLIM, two forward currency exchange contracts with a single counterparty. There were no other contracts that were opened and closed during the year. The outstanding notional of these contracts were £8,755,482 and £20,000,000, both to sell British Pounds for US Dollars and expires on June 30, 2015 and January 15, 2015 respectively, and no collateral was required to be posted or received at December 31, 2014. The Company's position in the forward foreign currency exchange contracts at December 31, 2014 was \$1,041,828 and is disclosed as part of due to affiliates on the Consolidated Statement of Financial Position. The Company's net unrealized gain/(loss) on the contract net of the underlying Partnerships pro-rata portion was \$1,041,828 and is disclosed on the Consolidated Statement of Income as part of net change in unrealized loss on investments from Partnerships.

The Company is required to disclose the impact of offsetting derivative assets and liabilities to enable users of the financial statements to evaluate the effect or potential effects of netting arrangements on its financial position. GPP is not subject to an enforceable master netting agreement or similar with a counterparty with respect to the forward currency exchange contract.

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**5. Related Party Agreements and Transactions**

**Administrative Charges**

GPP is a party to a service agreement with NYLIC ("Service Agreement"), whereby NYLIC provides services to GPP, including, legal, accounting, administrative, personnel and other services for which GPP is billed. GPP was charged for these services based upon (a) actual costs incurred, where they are separately identifiable, and (b) allocation of costs incurred by NYLIC developed through analyses of time spent on GPP matters. Administrative charges allocated to GPP by NYLIC were \$5,981,868 for 2014.

NYLIM paid certain GPP expenses and was reimbursed by GPP. Such direct expenses reimbursed by GPP totaled \$25,778,873 for 2014. Additionally, pursuant to the terms of the Service Agreement, GPP was charged an administrative charge for services provided by NYLIM, including legal, administrative, personnel and other services based upon allocation of costs incurred by NYLIM developed through analyses of time spent on GPP matters. Total administrative charge allocated to GPP by NYLIM was \$894,165 for 2014.

**Management/Advisory Fees**

GPP receives a semi-annual management fee from the limited partners of the Partnerships. During 2014, management fees earned from the Partnerships were as follows:

<b>Acronym</b>	<b>Annual Rate during 2014</b>	<b>Management Fee in 2014</b>
NYLCP III, LP *	1% of aggregate invested capital	\$ 814,464
NYLCP III-A, LP *	1% of aggregate invested capital	716,013
NYLCP IV, LP*	1% of aggregate invested capital	1,959,110
NYLCP IV-A, LP*	1% of aggregate invested capital	557,641
NYLCAP 2010, LP*	1% of aggregate invested capital	241,668
GPP V, LP	1% of commitment	9,760,088
NYLIMMP, LP *	1% of actively invested capital	221,187
NYLIMMPPF, LP *	1.25% of actively invested capital	127,587
NYLIMMP II, LP*	1% of actively invested capital	716,015
NYLIMMPPF II, LP*	1.25% of actively invested capital	220,754
NYLCAPMP III, LP	1.5% of commitment	10,913,250
NYLCAPMPPF III, LP	1.35% of commitment	1,350,000
NYLCAPMPF III-K, LP	1.35% of commitment	1,363,636
NYLCAPMPF III Co Inv, LP	1.5% of commitment	750,000
NYLCAP SMF, LP	1%, 0.875%, 0.75% of commitment	564,469
NYLCAP SMF II, LP	1%, 0.875%, 0.75%, 0.5% of commitment	1,211,813

Note: The above management fees are due semi-annually on January 1 and July 1.

\* Denotes entities which are outside of Investment Period, therefore, management fees are calculated based on aggregate invested capital/actively invested capital, as per the Limited Partnership agreements.

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In addition to the management fees earned from the Partnerships, GPP also earns management and advisory fees as described below.

NYLIC pays GPP a quarterly management fee of 0.5% per annum of the sum of (i) the aggregate amount of capital contributions made by NYLIC with respect to each LBO fund investment, plus (ii) NYLIC's remaining or unfunded capital commitment with respect to each LBO Fund Investment, less (iii) the aggregate amount of proceeds that constitute a return of capital to NYLIC with respect to such investments. During 2014, management fees of \$17,597,278 were earned and received from NYLIC's LBO fund investments.

NYLIC and NYLIAC pay GPP a quarterly management fee of 0.5% per annum of the invested capital of the Mezzanine Fund program, with respect to the investments committed prior to January 1, 2009. For the Mezzanine Fund program investments committed to after January 1, 2009, NYLIC and NYLIAC pay GPP a quarterly management fee of 0.45% per annum of the sum of invested capital plus remaining capital commitment until the expiration or termination of the investment period for each specific investment, thereafter, at a rate per annum equal to 0.45% of the invested capital. During 2014, management fees earned from the Mezzanine Fund program investments from NYLIC and NYLIAC were \$3,119,407 and \$874,994, respectively.

GPP has agreed to act as sub-advisor, on behalf of NYLIM, to certain International and Venture Capital investments owned by NYLIC. GPP receives a fee from NYLIM for its sub-advisory services. NYLIM calculates and pays GPP a monthly advisory fee of 0.22% per month of the mean asset value with respect to International and Venture Capital fund investments and 0.16% and 0.19% per month of the mean asset value with respect to International and Venture direct investments, respectively. During 2014, advisory fees of \$741,352 were earned and received.

GPP receives a semi-annual advisory fee of 0.35% of the sum of (i) the aggregate amount of capital contributions made by NYLIC with respect to each LBO fund investment plus (ii) NYLIC's remaining capital commitment with respect to each LBO Fund Investment from Separate Account 39 for management of the NYLIC Pension and Retirement account LBO partnership portfolio. During 2014, advisory fees of \$4,182,300 were earned from managing the Separate Account 39 LBO portfolio investments.

Each General Partner is liable for all obligations of the Partnership for which it is General Partner if the assets of the Partnership are insufficient to meet its liabilities.

**Performance Fees**

NYLIC pays GPP an annual performance fee of 2.5% of realized gains from all NYLIC LBO direct investments during the year if a compound annual rate of return of 10% is earned on (in) the original cost basis of the investment and (ii) the amounts previously unrecovered by NYLIC with respect to the cost basis of other realized investments and any unrealized investments that have been written down to reflect clear and permanent impairment in value below original cost. During 2014, no performance fees were earned.

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A Mezzanine Fund program performance fee, with respect to NYLIC and NYLIAC Mezzanine Fund program investments, committed prior to January 1, 2009, is calculated and paid annually or more frequently (as determined by NYLIC/NYLIAC and GPP) to GPP. Pursuant to the terms of the Investment Management Agreement between GoldPoint Partners LLC and NYLIC & NYLIAC, if the annual Internal Rate of Return is greater than the Priority Return of 10.5% per annum, an "Excess Amount" is determined. If the "Excess Amount", as reduced by any cumulative "Deficiency Amount", is greater than zero, then 15% of such amount is paid to GPP as a performance fee. NYLIC and NYLIAC Mezzanine Fund program investments made after January 1, 2009, are not subject to any performance fee calculation. During 2014, there were no Mezzanine Fund program performance fees earned by GPP.

**Advances to Principals and Team Members**

In order to facilitate the investment by the principals and team members of GPP in the Partnerships, GPP advances to each individual an agreed upon portion of each required capital contribution. The advances are full recourse to the individuals with an annual interest rate that ranges from 2.1293% to 8% varying by Partnership. Upon realization of an investment and distribution of proceeds to principals and team members, the advances are repayable as follows: (i) accrued and unpaid interest on all outstanding advances (ii) capital advances to fund the investment giving rise to the proceeds being distributed (iii) capital advances to fund previously realized investments to the extent not previously repaid and (iv) any additional amount necessary to ensure that the loan to value ratio, calculated after giving effect to the distribution and based on the most recent regularly prepared valuations, remains less than or equal to an agreed upon ratio. During the year ended December 31, 2014, GPP earned \$155,419 in interest on such advances. In accordance with authoritative literature for shareholder loans, the Company presents the receivable balances of these advances at period end as a deduction from noncontrolling interest or contra equity.

**Carried Interest Allocated to Principals and Team Members**

Certain Principals and Team members who are employees of GPP are allocated carried interest from the General Partners of the underlying Partnerships. Such carried interest based on the performance of the investments in the underlying Partnership is in the nature of a profits interest. The value of this profits interest is estimated by using hypothetical liquidation book value (HLBV) of the net assets of the underlying Partnerships. GPP records the change in the accrued profits interest for the year as compensation expense on the Consolidated Statement of Income. During the year ended December 31, 2014, GPP recorded compensation expense of \$10,906,737 which is included in Due to related parties on the Consolidated Statement of Financial Position.

Certain employees of GPP are entitled to long-term incentive compensation, which generally accrues over the plan's vesting period. The long-term incentive expense for the year is included as part of compensation expenses in the Consolidated Statement of Income.

**6. Business Risks and Uncertainties**

GPP, as the investment manager for the underlying Partnerships and managed accounts, is sensitive to movements in the fair value of these investments. Such volatility may affect its management or performance fee income.

GPP investments are subject to various risk factors including market, credit, and currency risk. The underlying Partnerships' investments are made in the United States and internationally and thus have concentrations in such regions. Further, investing in non-U.S. countries involves risks that

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may or may not be associated with the local U.S. market. The Partnership investments are also subject to the risks associated with investing in private equity securities. Investments in private equity securities are generally illiquid, and there can be no assurance that the underlying Partnerships will be able to realize the value of such investments in a timely manner.

GPP's underlying Partnerships' for purposes of capital appreciation have invested in various portfolio companies that vary by size, industry and geographical concentration. Details regarding the nature and purpose are shown in Note 3. Investment performance of an industry or sector in which the underlying Partnerships has a concentration of investments may have a significant impact on the performance of the underlying Partnerships and indirectly GPP.

The underlying Partnerships invest in assets and securities of non-U.S. issuers. Investments of this type may be subject to significant price fluctuations and above average risk. Investments in non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to currency exchange matters, differences between the U.S. and non-U.S. securities markets, certain economic and political risks and the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities.

In the normal course of business, the underlying Partnerships may transact in forward foreign currency exchange contracts primarily to offset the effects of foreign currency fluctuations relating to investments denominated in a foreign currency. These agreements contain among other conditions events of default and termination events, and various covenants and representations. If a default or termination event were to occur and not be cured by the underlying Partnerships, GPP or NYLIM or waived by the counterparties, the counterparties may decide to curtail or limit extension of credit, and the underlying Partnership may be forced to unwind its derivative positions which could result in material losses. In addition, entering into forward foreign currency exchange contracts involves the risk of dealing with counterparties and their ability to meet the terms of the contract. Market risk arises due to the possible adverse movements in foreign exchange rates. Credit risks arise as a result of the potential inability of the counterparty to meet the terms of the contract.

Legal and regulatory changes may occur during the duration of GPP and the underlying Partnerships which may adversely affect GPP. GPP may be subject to a variety of litigation risk, particularly if one or more of its investments face financial or other difficulties.

**7. Contingencies and Commitments**

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties that provide general indemnifications. GPP's maximum exposure under these agreements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

**Operating Lease Agreement**

GPP conducts its operations at 51 Madison Avenue, 16th floor, New York, NY, where facilities are leased from NYLIC under a ten year lease agreement. The lease requires monthly payments in the amount of \$59,453 for the first five years and monthly payments of \$66,885 for the remaining five years. During 2014, GPP incurred \$802,620 of rent expense, alongside other rent related expenditures.

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Future minimum commitments on the above agreement are as follows:

	<b>Amount</b>
<b>Period ending October 31,</b>	
2015	668,850
	<u>\$ 668,850</u>

8. **Line of Credit**

GPP is party to a credit agreement with NYLIMH, allowing GPP to borrow up to an aggregate of \$200,000,000 at a rate equal to the 90 day LIBOR. There were no borrowings during 2014.

9. **Other Management Fees**

GPP receives management fees from NYLIM JB Asset Management Co (Mauritius), LLC ("NYLIM-JB"), the Investment Manager of NYLIM India Fund II, LLC and India Fund III, LLC ("NYLIM JB III"). During 2014, GPP earned and received management fees of \$111,998 and \$554,372 from NYLIM-JB and NYLIM-JB III, respectively.

10. **Other Investments**

GPP is a shareholder in NYLIM-JB and NYLIM-JB III. GPP holds 24.66% of two classes of shares, designated as Management Shares and Co-Invest Shares in both NYLIM-JB and NYLIM-JB III. Both investments are accounted for under the equity method and are considered level III investments. GPP also is a shareholder in Evolvence Asset Management. GPP holds 24.50% of two classes of shares and are accounted for under the equity method and are considered level III investments.

11. **Income Taxes**

Pursuant to the tax allocation agreement (Note 2 - Significant Accounting Policies), as of December 31, 2014 GPP recorded a net income tax receivable from New York Life of \$5,949,239.

A summary of the components of the net total income tax expense (benefit) for the year ended December 31, 2014 including in the accompanying Consolidated Statement of Income is as follows:

<b>Federal</b>	
Current	\$ 4,919,392
Deferred	<u>6,442,025</u>
Total income tax expense	<u>\$ 11,361,417</u>

GPP's actual income tax expense for the year ended December 31, 2014, differs from the expected amount computed by applying the U.S. statutory federal income tax rate of 35% for the following reasons:



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**Rate reconciliation**

Income tax expense at statutory rate	\$ 83,435,779
Non controlling interest	<u>(69,725,285)</u>
Total income tax expense	<u>\$ 13,710,494</u>

Income tax expense at statutory rate excluding noncontrolling interest	\$ 13,710,494
Reversal of prior year tax provision	(699,939)
Deferred tax true-up	(1,407,249)
Other, net (including foreign tax credit)	<u>(241,889)</u>
<b>Total income tax expense</b>	<b><u>\$ 11,361,417</u></b>

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes.

The components of the net deferred tax asset (liability) reported as of December 31, 2014 are attributable to the following temporary differences:

**Deferred tax assets**

Limited Partnerships	\$ 4,180,027
Partnership syndication fees	1,260,105
Deferred Compensation	237,018
Other	<u>115,309</u>
Deferred tax asset	<u>5,792,459</u>

As of December 31, 2014, GPP has no federal net operating or capital loss carryforwards as they were fully utilized in the consolidated federal income tax return with NYLIC.

A valuation allowance against the deferred tax asset established with respect to US taxes at the date of the statement of financial position is not considered necessary because it is more likely than not the deferred tax asset will be realized.

GPP is a tax regarded entity and its taxable income is reported in NYLIC's federal income tax returns. NYLIC's federal income tax returns are routinely audited by the IRS and appropriate provisions are made in the financial statements of GPP in anticipation of the results of these audits. The IRS has completed audits through 2007 and in 2012, the IRS began its examination of the tax years 2008 through 2010. There were no material effects on GPP's Consolidated Statements of Income as a result of these audits. GPP believes that its recorded income tax liabilities are adequate for all open years.

GPP did not have any uncertain tax positions as of December 31, 2014.

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### **12. Subsequent Events**

GPP has performed an evaluation of subsequent events through the report date, the date the financial statements were available to be issued. GoldPoint Partners Select Manager Fund III, LP ('SMF III') had a pre-close on April 7, 2015 with capital commitment from NYL of \$75,000,000. GPP serves as the investment advisor of SMF III and will receive a management fee. On March 30, 2015 GPP made a \$20,000,000 dividend payment to NYLIMH.

There were no other subsequent events requiring recognition or disclosure in the financial statements.