

Camden Partners Holdings, LLC

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I. Cover Page

This brochure (this “Brochure”) provides information about the qualifications and business practices of Camden Partners Holdings, LLC. If you have any questions about the contents of this Brochure, please contact us at (410) 878-6800. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additionally, registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Additional information about Camden Partners Holdings, LLC, is available on the SEC’s website at www.adviserinfo.sec.gov.

Date: April 27, 2016

II. Material Changes

The following material changes have occurred at Camden Partners Holdings, LLC since its last annual update which was filed on March 30, 2016:

As of April 1, 2016, Wilmington Trust Corporation, a Delaware corporation, and its affiliated entities, including WT Investments, Inc. (collectively, “WTC”), have divested of their interests in all various entities affiliated with Camden Partners Holdings, LLC. This divestiture was at the request of WTC to permit WTC to comply with certain laws and regulations applicable to WTC. The interests formerly held by WTC have been acquired by other Camden personnel. The Registrant remains under actual control and management of the same Camden personnel as prior to the divestiture. Since WTC is no longer affiliated with the Registrant, we have not included details of the prior affiliations of WTC and the Registrant and its affiliates in this Brochure.

Currently, our Brochure may be requested by contacting J. Todd Sherman at (410) 878-6817 or tsherman@camdenpartners.com. Our Brochure is also available on our web site www.camdenpartners.com, free of charge.

Additional information about Camden Partners Holdings, LLC is available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Camden Partners Holdings, LLC who are registered, or required to be registered, as investment adviser representatives of Camden Partners Holdings, LLC.

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IV. Advisory Business

Camden Partners Holdings, LLC (the “Registrant”), together with Camden Partners Private Equity Advisors, LLC (“CPEA”), Camden Partners Equity Managers I, LLC (“CPEM”), and Camden Partners Strategic Manager, LLC (“CPSM”) provide investment advice to private investment funds. The Registrant is the sole owner of CPEA. CPEM and CPSM are under common control with the Registrant. CPEA, CPEM and CPSM are each registered as investment advisers with the SEC under the Investment Advisers Act of 1940, as amended. The Forms ADV prepared for CPEA, CPEM, and CPSM describe the activities of each of them in detail.

The Registrant has been providing investment advisory services since 2002 and is principally owned by David Warnock.

A. Advisory Services

The Registrant provides investment advisory services and acts as the investment adviser to the private investment funds discussed below (each, a “Fund” and collectively, the “Funds”). However, the Registrant is not the general partner of these Funds.

Camden Partners Strategic Fund II-A, L.P. and Camden Partners Strategic Fund II-B, L.P.

The Registrant provides investment advisory and management services to Camden Partners Strategic Fund II-A, L.P. and Camden Partners Strategic Fund II-B, L.P. (collectively “Fund II”). Camden Partners Strategic II, LLC is the general partner of Fund II. Fund II invests primarily in late stage private companies and to a lesser extent, smaller capitalization public companies. The Fund’s investments generally are made through direct negotiated transactions and consist primarily of senior equity and equity-linked debt securities. Fund II is closed to new investors and no longer makes new investments because it is in orderly liquidation.

Camden Partners Strategic Fund III, L.P. and Camden Partners Strategic Fund III-A, L.P.

The Registrant provides investment advisory and management services to Camden Partners Strategic Fund III, L.P. and Camden Partners Strategic Fund III-A, L.P. (collectively “Fund III”). Camden Partners Strategic III, LLC is the general partner of Fund III. Fund III invests primarily in late stage private companies and to a lesser extent, smaller capitalization public companies. The Fund’s investments generally are made through direct negotiated transactions and consist primarily of senior equity and equity-linked debt securities. Fund III is closed to new investors and no longer makes new investments because it is in orderly liquidation.

Camden Partners Strategic Fund IV, L.P. and Camden Partners Strategic Fund IV-A, L.P.

The Registrant provides investment advisory and management services to Camden Partners Strategic Fund IV, L.P. and Camden Partners Strategic Fund IV-A, L.P. (collectively “Fund IV”). Camden Partners Strategic IV, LLC is the general partner of Fund IV. Fund IV invests primarily in late stage private companies and to a lesser extent, smaller capitalization public companies. The Fund’s investments generally are made through direct negotiated transactions and consist primarily of senior equity and equity-linked debt securities. Fund IV is closed to new investors and no longer makes new investments, but is permitted under its limited partnership agreement to make follow-on investments.

Camden Partners Strategic Fund V, L.P., Camden Partners Strategic Fund V-A, L.P., Camden Partners Strategic Fund V (Cayman), L.P. and Camden Partners Strategic Director & Officer Fund, L.P.

The Registrant provides investment advisory and management services to Camden Partners Strategic Fund V, L.P., Camden Partners Strategic Fund V-A, L.P., Camden Partners Strategic Fund V (Cayman), L.P. and Camden Partners Strategic Director & Officer Fund, L.P. (collectively “Fund V”). Camden Partners Strategic V, LLC is the general partner of Fund V. Fund V invests primarily in late stage private companies and to a lesser extent, smaller capitalization public companies. The Fund’s investments generally are made through direct negotiated transactions and consist primarily of senior equity and equity-linked debt securities. Fund V is closed to new investors, but is permitted under its limited partnership agreement to make new and follow-on investments (its investment period is open).

B. Tailored Services

The Registrant provides investment advisory services to the Funds. Generally, the Registrant does not tailor advisory services to the individual needs of investors in the Funds. The general partner of each of the Funds exercises final approval over the selection of investments and determines the amount of capital committed to each investment. Each limited partnership agreement of the Funds has investment criteria that the general partner must adhere to when investing in certain securities.

C. Wrap Fee Programs

The Registrant does not provide portfolio management services to wrap fee programs.

D. Client Assets

The Registrant manages client assets. As of December 31, 2015, the following assets are under the Registrant's supervision:

Discretionary Basis	-
Non-Discretionary Basis	\$ 362,335,179
Total Assets under Management	<u>\$ 362,335,179</u>

V. Fees and Compensation

A. Management Fees

The Registrant provides investment advisory services for a percentage of the assets under its management. The Registrant is compensated through management fees as described below:

Fund	Timing of Fee Payment	Fee Calculation
Fund II	Quarterly in advance	Annual rate based on the capital committed to the Fund
Fund III	Quarterly in advance	Annual rate based on the capital committed to the Fund
Fund IV	Quarterly in advance	Annual rate based on the capital committed to the Fund
Fund V	Quarterly in advance	Annual rate based on the capital committed to the Fund

After the specified number of years set forth in the management agreement of each Fund, the management fee rate for each Fund will decrease.

Management fees are generally deducted from capital contributions made to each Fund by investors. All directors' fees, consulting fees, investment banking fees and other remuneration (besides management fees) paid to the Registrant will be credited against the management fees already discussed. Refer to the table above for details on the timing of management fees.

B. Additional Fees and Expenses

In addition to the management fees described above, each Fund is responsible for a number of expenses that are incurred by or on behalf of the Fund. Below is a list of general expenses and fees that have in the past, and could be expected in the future, to be incurred by the Funds:

- Commissions, brokerage fees or similar charges incurred due to the purchase and sale of securities; refer to Item XII – Brokerage Practices within this brochure for details
- Expenses relating to such Fund's annual and special meetings with its limited partners
- All expenses relating to litigation and threatened litigation involving such Fund
- Normal and extraordinary investment banking, investment management, legal, custodial, auditing, tax and accounting services provided to the Fund
- Other non-recurring or extraordinary expenses

The above list provides examples of the types of fees and expenses that may be incurred in managing the Funds. For more information, please refer to each Fund's offering documents.

C. Compensation for Sale of Securities or Other Investment Products

No officer, partner, director, or employee receives compensation for the sale of specific securities or other investment products.

VI. Performance-Based Fees and Side-By-Side Management

The Registrant does not directly receive performance-based fees. The general partner of each Fund, each an affiliate of the Registrant, receives a carried interest distribution from its Fund, which is indirectly borne by investors. Carried interest distributions are based on the return of a Fund in excess of the investors' original capital contributions plus a specified return. Such compensation arrangements may create an incentive for the Registrant to recommend investments in Portfolio Vehicles that are riskier or more speculative than would be the case absent such compensation arrangements. The principal owners of the Registrant or its affiliates are members of the general partner of Fund III, Fund IV and Fund V. Mr. Warnock is a member of the general partner of Fund II.

VII. Types of Clients

The Registrant provides investment advisory and management services to the Funds discussed above in Item IV – A. Advisory Services. Each of these Funds requires investors to make a specified minimum investment. The general partner of each Fund, at its sole discretion, may waive the minimum investment or reject any investment in the Fund. For some Funds, the minimum investment required is different depending on whether the investor is an institutional investor or an individual accredited investor. Refer to the table below for details on each Fund's minimum investment requirement:

Fund	Institutional Investor Min.	Individual Investor Min.	Negotiable?
Fund II	\$5,000,000	\$1,000,000	Yes
Fund III	\$5,000,000	\$1,000,000	Yes
Fund IV	\$5,000,000	\$1,000,000	Yes
Fund V	\$5,000,000	\$1,000,000	Yes

The Funds are closed to new investors and each Fund's investment activity, if any, is discussed in Item IV above. Institutional investors may include pension and other funds subject to the Employee Retirement Income Security Act of 1974, as amended. Each Fund may require certain customary representations or assurances from benefit plan investors (as defined in 29 C.F.R. §251 0.3-1 01) to determine the Fund's compliance with legal provisions applicable to them. Each Fund intends to ensure that its investors that are benefit plan investors, will not hold in the aggregate 25% or more of the aggregate value of any class of interests in that Fund.

VIII. Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis & Investment Strategies

The general partner of each Fund has developed unique investing strategies to identify potential portfolio company targets. These strategies have resulted in each Fund's performance as discussed below. As previously discussed, Fund II and Fund III are no longer making new investments, Fund IV may make follow-on investments and Fund V may make new and follow-on investments (its investment period is open).

Camden Partners Strategic Fund II-A, L.P. and Camden Partners Strategic Fund II-B, L.P.

Fund II invested primarily in late stage private and undervalued micro-cap public companies with superior risk-adjusted growth prospects and to a lesser extent, smaller capitalization public companies. Specifically, Fund II concentrates on companies in need of capital for expansion, financial restructuring, or significant ownership transfers. The Registrant identified and evaluated potential investments based on proprietary deal flow and original research. The Registrant is responsible for managing the Fund's existing investments. Through its senior securities investments, Fund II influences the affairs and corporate management of Portfolio Companies (as defined below), frequently including rights to nominate directors. Fund II assets may be invested on an interim basis pending distribution to limited partners. Such interim investments may include money market funds, U.S. treasury obligations, bank certificates of deposit, and other instruments having short maturities.

Camden Partners Strategic Fund III, L.P. and Camden Partners Strategic Fund III-A, L.P.

The investment objective of Fund III is to identify and invest in late stage private and undervalued micro-cap and small-cap companies with superior risk-adjusted growth prospects and to a lesser extent, smaller capitalization public companies. Fund III concentrates on companies in need of capital for expansion or financial/ownership restructuring. The Registrant identified and evaluated potential investments based on proprietary deal flow and original research. Through its senior securities investments, Fund III influences the affairs and corporate management of Portfolio Companies, frequently including the rights to nominate directors. Fund III assets may be invested on an interim basis pending distribution to limited partners. Such interim investments may include money market funds, U.S. treasury obligations, bank certificates of deposit, and other instruments having short maturities.

Camden Partners Strategic Fund IV, L.P. and Camden Partners Strategic Fund IV-A, L.P.

The investment objective of Fund IV is to identify and invest in late stage private and undervalued micro-cap and small-cap companies with superior risk-adjusted growth

prospects and to a lesser extent, smaller capitalization public companies. Fund IV concentrates on companies in need of capital for expansion or financial/ownership restructuring. The Registrant identifies and evaluates potential investments based on proprietary deal flow and original research. Through its senior securities investments, Fund IV influences the affairs and corporate management of Portfolio Companies, frequently including the right to nominate directors. Fund IV assets may be invested on an interim basis pending investment or pending distribution to limited partners. Such interim investments may include money market funds, U.S. treasury obligations, bank certificates of deposit, and other instruments having short maturities.

Camden Partners Strategic Fund V, L.P., Camden Partners Strategic Fund V-A, L.P., Camden Partners Strategic Fund V (Cayman), L.P. and Camden Partners Strategic Director & Officer Fund, L.P.

The investment objective of Fund V is to identify and invest in late stage private and undervalued micro-cap and small-cap companies with superior risk-adjusted growth prospects and to a lesser extent, smaller capitalization public companies. Fund V concentrates on companies in need of capital for expansion or financial/ownership restructuring. The Registrant identifies and evaluates potential investments based on proprietary deal flow and original research. Through its senior securities investments, Fund V influences the affairs and corporate management of Portfolio Companies, which frequently includes the right to nominate directors. Fund V assets may be invested on an interim basis pending investment or pending distribution to limited partners. Such interim investments may include money market funds, U.S. treasury obligations, bank certificates of deposit, and other instruments having short maturities.

B. Risk Factors

Potential investors should be aware that an investment in any Fund managed by the Registrant involves a significant degree of risk. There can be no assurance that the Funds' investment objectives will be achieved, or that an investor will receive a return of capital. Risks associated with an investment in the Funds include, but are not limited to, the following, and should be carefully evaluated before making an investment in any Fund.

General

Investments in private equity involve a high degree of business and financial risk that can result in substantial losses. In order for a Fund to succeed, its management must be able to accurately identify potentially successful business enterprises, a process which is difficult even for those with extensive experience in the private equity field.

An investment in any Fund is highly speculative; it involves a high degree of risk and could result in the loss of part or all of an investor's capital contribution. Therefore, investors should not subscribe for interests unless they can bear such a loss. Moreover, there can be no assurance that a Fund's investment objectives will be achieved and investment results may vary materially from one reporting period to the next. Consequently, an investment in one or more Funds is suitable only for sophisticated investors with substantial other assets who are capable of making an informed independent decision as to the risks involved in an investment in one or more Funds.

Nature of Fund Investments

The portfolio companies in which the Funds invest (each such portfolio company being referred to herein as a "Portfolio Company") face intense competition from companies with greater financial resources, more extensive development, production, marketing and service capabilities, and a larger number of qualified managerial and technical personnel. There is no assurance that the development or marketing efforts of any particular Portfolio Company will be successful or that its business will be profitable.

Many Portfolio Companies may be unseasoned, unprofitable and/or have limited operating history or earnings at the time of initial investment. These Portfolio Companies may also lack technical, marketing, financial and other resources or be dependent upon the success of one product or service, a unique distribution channel, or the effectiveness of a manager or management team. The failure of this one product, service or distribution channel, or the loss or ineffectiveness of a key executive or executives within the management team may have a materially adverse impact on such Portfolio Companies. Furthermore, these Portfolio Companies may be more vulnerable to competition and to overall economic conditions than larger, more established entities.

Although the Funds primarily invest in late stage private companies, certain Portfolio Companies that the Funds may invest in, and that certain Funds have invested in, may be at early stages of development, including the seed and start-up-stage. Particularly in early-stage enterprises, a major risk exists that a proposed service or product cannot be developed successfully with the resources available to the Portfolio Company. There is no assurance that the development efforts of any Portfolio Company will be successful or, if successful, will be completed within the budget or time period originally estimated.

Following the initial investment in a Portfolio Company, such Portfolio Company may require (and certain Portfolio Companies that the Funds have invested in have required additional funding) additional funding; and one or more Funds may have the opportunity to increase their respective investment in successful Portfolio Companies (certain Funds have had these opportunities). There can be no assurance that the Funds will make, or will have the resources to make, follow-on investments. Any decision by the general partner of a Fund

not to make follow-on investments, or their inability to make them, may have a substantial adverse effect on the subject Portfolio Company in need of such an investment, may result in a missed opportunity for the participating Fund to increase its participation in a successful enterprise, may result in significant dilution of any existing Portfolio Company investment, or may cause a decrease in the value of a Fund's portfolio.

Lack of Diversification

Each Fund participates in a limited number of portfolio investments. As a consequence, the aggregate return of a Fund may be materially and adversely affected by the unfavorable performance of even a single portfolio investment. In addition, while the general partner of each Fund intends to not invest more than 15% of each Fund's committed capital in any one Portfolio Company, there is no assurance that sufficient diversification of investments can be properly achieved. Each Fund may invest more than 15% of its committed capital in a single company with valuation committee approval.

The Funds focus on investments primarily in identifiable target industries. Thus, the performance of each Fund will be closely linked to the performance of these industries and each Fund could be severely impacted by adverse developments affecting these industries. There can be no assurance that a Fund will be able to find a sufficient number of attractive investments to enable the full amount of the capital committed to such Fund to be invested or find joint ventures or strategic alliances.

Reliance upon Portfolio Company Management

Although the general partner of each Fund generally seeks to secure representation on the board of directors of Portfolio Companies and hopes to develop a good working relationship with the management of Portfolio Companies, none of the Funds are expected to have an active role in the day-to-day management of the Portfolio Companies in which they invest. To the extent that the senior management of a Portfolio Company performs poorly, or if a key manager terminates employment, a Fund's investment in such Portfolio Company could be adversely affected.

Lack of Control

The general partner of each Fund generally seeks to structure investments so that it will have some level of control over Portfolio Companies, at least as to major corporate decisions. However, the Funds often hold minority interests in most Portfolio Companies and, therefore, may have limited ability to protect their position and investment. Generally, as a condition to any investment, the general partner of each Fund seeks to obtain special rights and protective provisions, which are negotiated at the time of the investment. There is no

assurance that any Fund will be able to obtain such protective provisions or that, if such provisions are obtained, they will be effective.

Regulations Applicable to Portfolio Companies

The Funds invest in Portfolio Companies in identifiable target industries. Certain Portfolio Companies may be subject to extensive state, federal and foreign regulations governing their business activities. The failure to obtain applicable regulatory approvals and maintain those approvals may subject the applicable Portfolio Company to civil penalties, suspension or withdrawal of regulatory approval obtained, product recalls and seizures, injunctions, operating restrictions and criminal prosecutions and penalties. Any of these events, individually or in the aggregate, have a material adverse effect on a Fund's investment in such Portfolio Company.

Illiquid Fund Investments

Most of the Portfolio Companies in which the Funds invest will initially be privately held. As a result there is no readily available secondary market for the Funds' interests in such Portfolio Companies, and those interests are subject to legal restrictions on transfer. Therefore, there is no assurance that the Funds will be able to realize liquidity for such investments in a timely manner, if at all. Unless a Portfolio Company subsequently succeeds in obtaining approval from the relevant authorities to list its shares on a recognized exchange, this avenue to liquidity will not be available to the Funds, which must then rely on other means to achieve liquidity. In addition, the Funds may be precluded from selling their shares in a public Portfolio Company for some time after such Portfolio Company's initial public offering, if any. It may be difficult for the Funds to value their interests in privately held Portfolio Companies.

Use of Leverage in Certain Investments

While investments in leveraged Portfolio Companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. Each Fund's investments may involve varying degrees of leverage. As a result, the profitability or survival of such Portfolio Companies may be more pronouncedly affected by economic downturns, operating problems and other general business and economic risk. Moreover, rising interest rates may significantly increase Portfolio Company interest expense, causing losses and/or the inability to service debt levels. If a Portfolio Company cannot generate adequate cash flow to meet debt obligations, a Fund may suffer a partial or total loss of capital invested in such Portfolio Company. Additionally, the securities acquired by a Fund may be the most junior in what will typically be a complex capital structure of the Portfolio Company, and thus subject to the greatest risk of loss.

Competition for Investments

The Registrant and its affiliates face intense competition from other entities and investors having investment objectives similar to the Funds. Historically, the primary competition for private equity investments for later stage private companies and for privately negotiated investments in micro-cap public companies has been from venture capital funds and corporations, venture capital affiliates of large industrial companies, wealthy individuals and foreign investors. Additional competition is anticipated from industrial and financial companies, including hedge funds, investing directly, rather than through venture capital entities. There is no assurance that the Registrant or its affiliates will succeed in finding investments on similar or favorable terms in comparison to their competitors.

Difficulty of Locating Suitable Investments

The Registrant and its affiliates may be unable to find a sufficient number of attractive opportunities to meet the investment objectives of the Funds. The investment performance of prior businesses or investments managed by any of the principals of the Registrant or its affiliates cannot be relied on as an indicator of a Fund's future performance or success. An investor must rely on the ability of the Registrant and its affiliates to identify, structure, and implement investments consistent with a Fund's objectives and policies. Investors do not have the opportunity to evaluate the business, financial and other information which will be used by the Registrant and its affiliates in their analysis, selection, and monitoring of Portfolio Company investments.

Risks of Certain Dispositions of Assets

In connection with the disposition of an investment in a Portfolio Company, each Fund may be required to make representations about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of any business. Each Fund may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the investors to the extent of their respective capital commitment to a Fund or previous distributions made to them.

Reliance on the General Partner and its Principals

The general partner of each Fund has exclusive responsibility for managing the Fund's activities. Investors are not able to make investments or any other decisions in the management of the Funds. Additional partners may be admitted to the general partner of each Fund following each such Fund's initial closing, or existing partners may withdraw, and the investors will have no power to prevent any specific person from being admitted to, or withdrawing from, the general partner of each Fund. In the event that the principals are no

longer engaged in the active day-to-day management of the general partner of a Fund, there is no assurance that such Fund will be able to make further investments or successfully realize upon any existing investments. The loss of one or more principals of a general partner could have a material adverse effect on the business of the relevant Fund.

Reliance on the Investment Adviser

The success of each Fund depends, in part, on the ability of the Registrant to develop, and the general partner of each Fund to implement, investment strategies that achieve such Fund's investment objectives. Subjective recommendations made by the Registrant may cause a Fund to incur losses or miss profit opportunities. In addition, the overall performance of each Fund is also dependent upon the ability of the Registrant to recommend the selection and allocation of each such Fund's assets among their Portfolio Companies. There can be no assurance that the allocations recommended by the Registrant will prove as successful as other allocations that could have been made.

Distributions of Assets Other Than Cash

The general partner of each Fund may elect to make distributions of assets other than cash, including securities or other non-cash properties, to the partners of a Fund. An investor that receives assets other than cash from a Fund may incur substantial costs and delays in converting those assets to cash.

Conflicts of Interest

Each Fund may invest in Portfolio Companies in which a conflict of interest, or an apparent conflict of interest, exists or may exist. Each Fund's limited partnership agreement contains certain protections for investors against conflicts of interest faced by the general partner and its partners, but do not purport to address all types of conflicts that may arise. Moreover, as a practical matter, it may be difficult for investors to subject the behavior of the general partner and its partners to close scrutiny. By acquiring an interest, each investor is deemed to have acknowledged the existence of such actual and potential conflicts of interest.

Absence of Effective Remedies against the General Partner

There can be no assurance that adequate remedies are available to any investor if the general partner of a Fund fails to perform its duties and such Fund's limited partnership agreement does not afford the investors rights to remove the general partner except in very limited circumstances. Each Fund's limited partnership agreement includes provisions for exculpation and indemnification of the general partner and its respective partners, members, managers, officers, directors, shareholders, employees and affiliates. Furthermore, each limited partnership agreement contains provisions which limit the ability of the investors to

commence an action against the general partner, its principals, and others unless a specified percentage in interest of the investors agree to commence such action. Therefore, investors may have more limited rights of action than they would have absent such requirement.

Establishment of Additional Partnerships

Subject to the terms of the limited partnership agreement of each Fund, the general partner and principals of each Fund may organize a new private investment fund substantially similar to the Funds, and investment opportunities that are suitable for such private investment fund may also be suitable for the Funds. The Registrant and its affiliates will allocate investment and divestment opportunities to such Funds in a fair and equitable manner over time. There is no assurance that investors in the Funds will be offered the opportunity to participate in any subsequent limited partnerships.

Penalty for Failure to Make Capital Contributions

Failure of an investor to meet a capital call of a Fund could have materially adverse consequences, including without limitation, forfeiture of all or a portion of the interests of the defaulting investor or forced sale of the defaulting investor's interest.

General Partner's Profits Interest

The capital contribution of the general partner of each Fund represents only a small percentage of the Fund's capital. Investors invest greater amounts and receive a proportionately smaller interest in the profits of the Funds than the general partner.

Because the percentage of profits allocated to the general partner may exceed the capital percentage of the general partner, and because certain net losses otherwise allocable to the general partner will be specially allocated to all investors, the general partner may have an incentive to make investments that are riskier or more speculative than if the general partner received allocations on a basis identical to that of the investors or were compensated on a basis not tied to the performance of the Funds.

Restrictions on Transfer and Withdrawal

There is no public market for interests of the Funds. In addition, the interests are not transferable except with the consent of the general partner of that specific Fund. Investors may not withdraw capital from the Funds. Consequently, investors may not be able to liquidate their investments prior to the end of a Fund's term. In addition, the interests have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any other applicable securities laws, and such laws further restrict an investor's ability to transfer interests in the Funds.

Certain Litigation Risks

Each Fund is subject to a variety of litigation risks, particularly if one or more of its Portfolio Companies face financial or other difficulties during the term of such Fund. Legal disputes, involving any or all of the Funds, the general partner of the Funds, their partners or affiliates, may arise from the foregoing activities (or any other activities relating to the operation of the Funds or their general partners) and could have a significant adverse effect on one or more Funds.

Securities Law Matters

The interests of the Funds are not and will not be registered under the Securities Act, or any other securities laws, including state securities or blue sky laws. The interests are only offered and sold to “accredited investors,” as defined in Rule 501 of Regulation D promulgated under the Securities Act. Such interests are offered without registration in reliance upon the Securities Act exemption for transactions not involving a public offering. Investors are required to make certain representations to the Funds, including that they are acquiring interests in the Funds for their own account, for investment purposes only and not with a view to their distribution.

Investment Company Act Considerations

The Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Therefore, investors in the Funds are not afforded the protection provided by the Investment Company Act and the extensive regulations thereunder.

Taxation

Investors are urged to consult their own tax advisors with respect to their own tax situations and the effect of an investment in one or more Funds.

Service on the Board of Directors

One or more persons affiliated with the general partner of a Fund may serve as directors of certain of such Fund’s Portfolio Companies. Such service, especially in light of new statutes and regulations relating to corporate governance and increased scrutiny of corporate boards, could expose one or more Funds or their respective general partners and affiliates to regulatory action and/or claims by a Portfolio Company, its security holders and its creditors. While the general partner of each Fund intends to manage each Fund in a way that will minimize exposure to these risks, the possibility of successful claims or adverse regulatory actions cannot be eliminated, and such events may have a significant adverse effect on one or more Funds.

In their capacity as directors of Portfolio Companies, such persons are subject to fiduciary and other duties to the Portfolio Company on whose board they serve. These duties may on occasion conflict with the best interests of one or more Funds. For example, a Funds' ability to sell the publicly traded securities of a Portfolio Company may be limited if any such directors are in possession of material nonpublic information relating to such Portfolio Company.

Confidential Information

Each Fund's limited partnership agreement contains confidentiality provisions intended to protect proprietary and other information relating to such Funds and such Fund's Portfolio Companies. To the extent that such information is publicly disclosed, competitors of the Fund and/or their Portfolio Companies, and others, may benefit from such information, thereby adversely affecting one or more Funds, the Portfolio Companies, the respective general partners, and the economic interests of the investors in the affected Funds.

C. Recommending Specific Security-Types

As part of its role as the investment adviser of the Funds already discussed, the Registrant does not recommend specific types of securities to clients. As part of each Fund's investing strategy, the general partner of each Fund seeks to obtain, and has obtained, senior securities in Portfolio Companies in exchange for each such Fund's investment in those Portfolio Companies. As discussed above, senior securities give the Funds the ability to influence the affairs and corporate management of Portfolio Companies and could expose one or more Funds or their respective general partners and affiliates to regulatory action and/or claims by a Portfolio Company, its security holders and its creditors.

IX. Disciplinary Information

The Registrant has no legal or disciplinary events that would materially affect an evaluation of the Registrant or the integrity of its management.

X. Other Financial Industry Activities and Affiliations

The Registrant is affiliated with the following financial industry entities in addition to the private investment funds previously discussed.

Camden Partners Private Equity Advisors, LLC

The Registrant is the sole owner of CPEA. CPEA is the investment adviser of a group of private equity funds of funds products. The Registrant receives proceeds from CPEA's management of these funds of funds products. CPEA is an investment adviser registered with the SEC. The Form ADV prepared for CPEA describes its activities in more detail.

Camden Partners Strategic Manager, LLC

The Registrant is under common control with CPEM and CPSM. CPEM is the managing member of the general partner of the funds of funds products mentioned above in the Camden Partners Private Equity Advisor section.

CPSM is the managing member of the general partner of Strategic Funds III and IV (of which the Registrant acts as the investment adviser). CPEM and CPSM are investment advisers registered with the SEC. The Forms ADV prepared for CPEM and CPSM describe their activities in more detail.

Related persons of the Registrant are general partners or managing members of other investment related limited partnerships and limited liability companies.

As part of its investing activities, the Registrant does not recommend or select other investment advisers to its clients where the Registrant receives direct compensation.

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

A. Code of Ethics

The Registrant and its affiliates have adopted a Code of Ethics that sets forth standards of ethical conduct and requires compliance with federal securities laws. The Code of Ethics requires that designated personnel report personal securities holdings and transactions and obtain preapproval of certain investments. The Registrant has also adopted an insider trading policy that restricts the use and communication of material nonpublic information. The Registrant will provide a copy of the Code of Ethics and insider trading policy to clients and prospective clients upon request. The fundamental position of the Registrant is that, in effecting personal securities transactions, personnel of the Registrant must place the interests of clients ahead of their own pecuniary interests at all times. Key elements of the Registrant's Code of Ethics include the following:

- Officers, directors and employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding these securities or communicating material nonpublic information to others.
- Employees are required to place the interest of clients above the interests of the Registrant or other employees whenever a conflict may be present.
- Certain employees are required to submit annual and quarterly reports of security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest. However, reports are not submitted for accounts that are not directly or indirectly controlled by the Registrant or the reporting individual. Transactions in money market instruments, direct obligations of the United States government, and shares of U.S. registered open-ended mutual funds are also excluded.
- Employees are required to certify annually that they have complied with the Registrant's Code of Ethics.
- Employees may not give or accept gifts or entertainment that are inappropriate or could be seen as overly generous or which could influence employee decision-making.
- Certain employees are required to obtain advance approval to serve as a director or trustee of for-profit organizations and disclose any service on the board of any organization, including non-profit organizations.
- Certain employees are required to pre-clear any transactions in privately offered securities and initial public offerings.
- Employees that become aware of any violation of the Code of Ethics are required to report such violation to the Chief Compliance Officer.

B. Conflicts of Interest

Due to the nature of its business activities, the Registrant and its related persons may experience times where a conflict of interest might arise between certain parties. Refer to the descriptions below where possible conflicts of interest are identified and the course of action the Registrant takes to mitigate these conflicts is explained.

Other Business Activities

WT Investments, Inc. engages in other business activities. The other members, managers and employees of the Registrant may engage in activities for other private investment funds managed by the Registrant, CPEA, CPEM, and CPSM. However, generally members, managers and employees of the Registrant may not engage in outside activities for compensation. Several of the members and managers of the Registrant also are members and managers of CPEA, CPEM, and CPSM. See Schedule A of Form ADV of the Registrant, CPEA, CPEM, and CPSM for more details. Conflicts of interest may exist for the members, managers, and employees of the Registrant in allocating their time and activity among the Funds. They are required, however, to devote the time necessary to carry out their duties.

Portfolio Companies

Members of the Registrant may receive cash and/or non-cash compensation (*e.g.*, options) for serving as a director or consultant to Portfolio Companies in which the Funds invest. Pursuant to the applicable limited partnership agreement, any cash compensation received by a member of the Registrant will be credited against the management fee earned by the Registrant. Non-cash compensation granted prior to January 1, 2003 will be retained by the individual member and could confer a material benefit upon a member who retains such compensation. Non-cash compensation granted subsequent to January 1, 2003 will not be retained by the individual member and will be credited against the management fee earned by the Registrant. Except in connection with such non-cash consideration, a member or employee of the Registrant may not invest for his or her own personal account in any securities held by the Funds. Members and employees may invest for their personal accounts in the same areas of investment opportunity as those in which a Fund may invest.

Managing Multiple Investment Funds

Conflicts of interest may exist where the Registrant and its affiliates manage more than one private investment fund. The Registrant and its affiliates will not confer a benefit on one client to the disadvantage of another. The Registrant or an affiliate, however, may give advice to or take action in respect of a Fund which differs from the advice given to or action taken in respect of, or the timing and nature of action taken in respect of, another Fund, even though the Funds' investment objectives may be the same or similar because of variances

between or among such Funds (*e.g.*, liquidity and available capital of the Funds relative to one another), so long as all Funds are treated in a fair and equitable manner over time. From and after a private investment fund's initial closing until the earliest date that a successor fund can be managed under the limited partnership agreement of such private investment fund (an "active fund"), the general partner of the active fund will make available to such active fund all investment opportunities which come to the attention of the general partner of such active fund or any of the principals of such general partner, except for such investment opportunities (1) which the general partner or principal, as the case may be, reasonably believes are not within the purposes of or appropriate for the active fund or (2) which are in entities in which another fund advised by the Registrant has invested, prior to the active fund's initial investment in such entity. Notwithstanding the foregoing, to the extent an investment opportunity is suitable for an active fund and a Fund and certain other private investment fund's advised by the Registrant, the general partner or any principals of such general partner may allocate such opportunity between the active fund and such Fund in proportions determined by the general partner of the active fund or any principals of such general partner in their sole discretion. Conflicts of interest also may exist in the allocation of an investment opportunity among the private investment funds advised by the Registrant and CPEA, or the private investment funds for which CPEM serves as the managing member or the private investment funds for which CPSM serves as the managing member of the general partner of such private investment funds. Potential conflicts of interest among the private investment funds advised by the Registrant and CPEA are expected to be limited because the private investment funds have different investment objectives.

Co-Investment Opportunities

The Registrant may from time to time offer co-investment opportunities to investors in its Funds who have requested such opportunities. The Registrant is under no obligation to provide co-investment opportunities to investors, and any such co-investment opportunity may not be offered to all investors. Co-investment opportunities will be allocated as determined by the Registrant in its sole discretion, and any such allocations as between investors may not correspond to their *pro rata* interests in the relevant Fund. In determining such allocations, the Registrant may take into account any facts or circumstances it deems appropriate, including the size of the prospective co-investor's investment in the Fund and any other Funds; the Registrant's evaluation of the financial resources, sophistication, experience and expertise of the potential co-investor; the ability of any such co-investor to respond promptly and appropriately to potential investment opportunities; and any strategic value or other benefit to the Fund, other Funds or the Registrant resulting from offering such co-investment opportunity to a prospective co-investor. Co-investments may result in conflicts between the Fund and other co-investors (for example, over the price and other terms of such investment, exit strategies and related matters, including the exercise of remedies of their respective investments). Furthermore, to the extent that the relevant Fund

holds interests that are different (or more senior) than those held by such other co-investors, the Registrant may be presented with decisions involving circumstances where the interests of such co-investors are in conflict with those of the Fund.

Each Fund has investment policies pursuant to which, where practicable, Portfolio Companies in which the Fund invests are requested to offer co-investment opportunities to qualified limited partners.

Outside Investment Opportunities

In general, the Registrant's personnel should not engage in any activity that conflicts with the interests of its clients. To help avoid any potential conflicts and ensure compliance with any applicable legal and regulatory requirements, the Code of Ethics sets forth guidance and restrictions for personal securities trading. For example, the Registrant's access persons are prohibited from holding in personal securities accounts (including any joint or tenant-in-common securities account in which the access person is a participant; any securities account of the access person's spouse, minor children, or other family members sharing the same household; any securities account over which the access Person acts as trustee, executor, or custodian or has similar powers of attorney for the benefit of the access person, the access person's spouse, minor children, or other family member sharing the same household; and any other securities account in which the access person has beneficial ownership, directly or indirectly), the securities of Portfolio Companies held by a Fund or securities of companies under active investment consideration by the Registrant or its affiliates and are required to submit a trade pre-clearance request prior to entering into a securities transaction for a personal securities account. This ownership prohibition may be extended from time to time to include companies for which representatives of the Registrant or its affiliates serve as officers or directors, regardless of whether the Funds own or are actively considering ownership of securities in the portfolio company. Access persons also are prohibited from investing "side-by-side" with any Fund in a Portfolio Vehicle without the prior written approval of the compliance committee of the Registrant and its affiliates. Notwithstanding the above, the Registrant and its principals are contractually required to make available to Fund IV all appropriate investment opportunities that come to their attention, except for investment opportunities in entities in which a different Camden-affiliated private investment fund has previously invested.

Interaction between the Registrant-Managed Funds

The Funds generally do not invest in portfolio companies in which other private investment funds managed by the Registrant or a related person makes or has made an investment, and such other private investment funds generally will not invest in portfolio companies in which the Funds make or have made an investment without the prior consent of the appropriate valuation committees. In instances where the Funds have invested, or in the future invest, in

portfolio companies that are also held in the portfolio of other Funds or by related persons, these cross-over investments may result in a Fund holding a security that is subordinate in ownership interest or in liquidation to a security held by another Fund or by a related person. Each Fund has investment policies pursuant to which, where practicable, portfolio companies in which the Fund invests are requested to offer coinvestment opportunities to qualified limited partners.

Valuation Committee

The Registrant has established a valuation committee for each Fund that consists of at least three members who are representatives of the limited partners and have been selected by the general partner. Under the terms of the limited partnership agreement of each Fund, no person affiliated with the general partner of the Fund, the Registrant or their respective affiliates may be appointed as a member of the valuation committee with the exception of a certain affiliate (or its subsidiaries) of the Registrant. Such affiliate (and its subsidiaries) is no longer affiliated with the Registrant and its affiliates, however, investment vehicles managed by such former affiliate are limited partners of the Funds, and as such, the former affiliate (or its subsidiaries) continues to serve as a member of the valuation committee of each Fund. The valuation committee resolves any conflicts of interest that may arise between a Fund and the general partner or any of its affiliates.

Fundraising Assistance

The Registrant, the Funds, and/or the general partner of each Fund may enter into arrangements with SEC-registered broker-dealers pursuant to which the broker-dealers will provide the Funds with fundraising assistance for a fee. These fundraising activities will be conducted in accordance with applicable rules and regulations.

C. Advisors investing in Recommended Securities

Certain members of the Registrant and its related parties own securities in companies that are also Portfolio Companies within the Funds. These securities were owned by the aforementioned individuals before they became members of the Registrant and its related parties. These securities are maintained outside of the scope of the Funds' business. The valuation committee of each Fund is aware of the relationship between the members of the Registrant, its related parties and the specific Portfolio Companies. The aforementioned individuals have agreed to hold their investments in the Portfolio Companies until the Funds exit the investment. The agreement was a condition to becoming a member of the Registrant or its related parties.

XII. Brokerage Practices

As a general matter, the Registrant's business model does not involve investing in or trading securities or other assets on behalf of clients on an active basis. The Registrant's primary business is facilitating investments in Portfolio Companies. Accordingly, the Registrant does not typically invest in public securities. If a Fund receives public securities as a result of a distribution in-kind, the Registrant will generally manage the sale of such securities on behalf of the Fund. The Registrant, where applicable, will recommend broker-dealers based on a review of execution capabilities, trading expertise and reasonableness of commissions. The Registrant does not consider client referrals from a broker-dealer or third parties when selecting broker-dealers. The Registrant maintains a log of the foregoing activities.

The Registrant does not receive research or other products or services from broker-dealers or third parties in connection with client securities transactions (*i.e.*, "soft dollar benefits").

The Registrant generally does not aggregate the purchase or sale of securities for client accounts.

XIII. Review of Accounts

The Registrant's investment advisory personnel review and monitor investments on a periodic basis. Seven of the Registrant's personnel are involved to varying degrees in the management of the Portfolio Companies held by the Funds. With respect to each investment, these activities are performed by an executive officer and associate.

Investors in the Funds receive annual audited financial statements and quarterly reports of operations as well as all necessary tax reporting information. Investors in the Funds also receive a quarterly letter regarding significant Portfolio Company developments, which have occurred since the prior quarterly letter.

XIV. Client Referrals and Other Compensation

The Registrant or a related person do not have any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. The Registrant's Code of Ethics generally prohibits employees from accepting gifts, favors, and other inducements from counterparties or service providers, excepting certain common business courtesies. In addition, the Registrant or a related person directly or indirectly does not compensate any person who is not a supervised person of the Registrant for client referrals.

XV. Custody

Each client's cash and securities are required to be maintained by a "qualified custodian" in such client's name, unless the security is otherwise exempt from this requirement (*e.g.*, certain privately offered securities) with respect to pooled investment vehicles complying with the audit exemption described below. The cash and securities of the Funds are held by qualified custodians. Investors receive capital account statements at least quarterly. Each Fund is audited at least annually by an independent public accountant registered with, and subject to regulation inspection by, the Public Company Accounting Oversight Board. All investors receive audited financial statements within 120 days of the end of the Fund's fiscal year and promptly after liquidation. All investors should carefully review these statements.

XVI. Investment Discretion

The general partner of each Fund has discretion to determine a Fund's investments subject to the Fund's investment strategy as set forth in that Fund's private placement memorandum. The general partner assumes such authority through the execution of the Fund's limited partnership agreement. The Registrant provides investment advisory services to each Fund through an advisory or sub-advisory agreement entered into between the Registrant and the Fund's general partner.

XVII. Voting Client Securities

The Funds are primarily invested in Portfolio Companies which typically do not issue proxies. Notwithstanding the foregoing, the Registrant has authority to vote proxies relating to public securities on behalf of the Funds. Because of the investment strategies utilized on behalf of its investors, it is anticipated that the Registrant will rarely be in a position to vote proxies. It is the Registrant's general policy to vote proxies in a diligent manner that will serve the applicable Fund's best interests in line with its investment objectives. The Registrant reserves the right to abstain on any particular vote or otherwise withhold its vote on any matter if, in the judgment of the Registrant or its investment professionals, the costs associated with voting such proxy outweigh the benefits to the Fund or if the circumstances make such an abstention otherwise advisable and in the best interests of the relevant Fund. Decisions regarding proxies will be determined on a case-by-case basis.

Conflicts of interest may arise between the interests of a Fund, on the one hand, and the Registrant, its affiliates or another Fund, on the other hand. If the Registrant determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, the Registrant will address matters involving such conflicts of interest and take steps to mitigate any such conflicts. Notwithstanding the foregoing, due to the nature of the investments previously made by the Registrant's investors (and each Fund's general disposition of public securities upon receipt from distributions in kind), the Registrant's proxy voting activities have been limited. A copy of the Registrant's Proxy Voting Policy is available to investors upon request as well as information pertaining to proxies voted by the Registrant on behalf of the Funds.

Such request should be sent to the attention of J. Todd Sherman, Camden Partners Holdings, LLC, 500 East Pratt Street, Suite 1200, Baltimore, Maryland 21202.

XVIII. Financial Information

Information required by this Item is not applicable to the Registrant.