

PART 2A OF FORM ADV: FIRM BROCHURE



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This Brochure provides information about the qualifications and business practices of Private Advisors, LLC (“Private Advisors”). If you have any questions about the contents of this Brochure, please contact Kevin Rutherford at (804) 289-6000 or by email at krutherford@privateadvisors.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority and references in this Brochure to Private Advisors as a “registered investment adviser” are not intended to imply a certain level of skill or training.

Additional information about Private Advisors also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Private Advisors submitted its annual ADV amendment in March 2017.

Private Advisors submitted an other-than-annual amendment in April 2017 to reflect that Private Advisors, by itself or part of a group of advisors, may become the originator of loans or enter into other bespoke credit arrangements, whereby it would earn origination fees from these lines of business.

As of the date on the cover of this Brochure, Private Advisors is submitting an other-than-annual amendment to update its assets under management and other clarifying items. In addition, two members of Private Advisors' hedge fund team, Bryan Durand and Jeremy Kokemor have resigned to pursue other opportunities, but they will not be departing Private Advisors until August 31st, 2017. Mr. Durand's primary responsibilities were as a senior member of the portfolio management team of the Private Advisors Hedged Equity Funds and the Undiscovered Value Funds. Mr. Kokemor's primary responsibility was as a senior member of the portfolio management team for the Undiscovered Value Funds. Charles Honey, the most tenured member of the Private Advisors' hedge fund staff, remains as a senior member of the portfolio management team of the aforementioned funds and is supported by the existing hedge fund staff. Both Mr. Durand and Mr. Kokemor are assisting during the transition period. Private Advisors is actively seeking an additional senior hire for the hedge fund team.

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ITEM 4 – ADVISORY BUSINESS

A. General Description of Advisory Firm

Private Advisors is a Delaware limited liability company that commenced operations in January 1997, became an SEC-registered investment adviser on July 6, 1998, and became registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator on July 24, 1998. On December 30, 2010, Private Advisors entered into a strategic alliance with New York Life Investments, a wholly owned subsidiary of New York Life Insurance Company. The Principal owner of Private Advisors is New York Life Insurance Company (“NYL”), which owns a substantial portion of Private Advisors through New York Life Investment Management Holdings, LLC (“NYLIM”), an intermediate subsidiary of NYL. Note that NYL is a mutual life-insurance company and does not have shareholders.

B. Description of Advisory Services

Private Advisors’ principal activity is providing institutional investors and high net worth clients with professional management of hedge fund and private equity investments, principally via funds-of-funds, including numerous U.S.-domiciled limited partnerships and Cayman-domiciled entities (each a “Fund” and together the “Funds”), and in some instances using a traditional master/feeder structure. Private Advisors may recommend investment allocations to private investment funds (“Portfolio Funds”) managed by unaffiliated investment managers (“Portfolio Managers”). Following is a list of the hedge fund and private equity Funds which primarily employ the fund-of-funds strategy (the “Funds-of-Funds”):

- 1) Private Advisors Stable Value ERISA Fund, Ltd.*
- 2) Private Advisors Stable Value Master Fund, Ltd.*
- 3) Private Advisors Hedged Equity Master Fund
 - 4) Private Advisors Hedged Equity Fund (QP), LP
 - 5) PA Hedged Equity Fund, LP
- 6) Private Advisors Hedged Equity Master Fund, Ltd.
 - 7) Private Advisors Hedged Equity Fund (QP), Ltd.
 - 8) Private Advisors Hedged Equity Fund, Ltd.
- 9) Private Advisors Small Company Buyout Fund II, LP
- 10) Private Advisors Small Company Buyout Fund III, LP
- 11) Private Advisors Small Company Buyout Fund IV, LP
- 12) Private Advisors Small Company Buyout Fund V, LP
- 13) Private Advisors Small Company Buyout V- ERISA Fund, LP
- 14) Private Advisors Small Company Private Equity Fund VI, LP
 - 15) Private Advisors Small Company Private Equity Fund VI (Cayman), LP.
- 16) Private Advisors Small Company Private Equity Fund VII, LP
 - 17) Private Advisors Small Company Private Equity Fund VII (Cayman), LP.
- 18) Cuyahoga Capital Partners I, L.P.

- 19) Cuyahoga Capital Partners II LP
- 20) Cuyahoga Capital Partners III LP
- 21) Cuyahoga Capital Partners IV LP
- 22) Cuyahoga Capital Emerging Buyout Partners LP
- 23) Private Advisors Secondary Fund V, LP
- 24) Private Advisors Real Assets Fund, LP

*Funds currently in liquidation

The following Funds invest in a diversified portfolio of coinvestment opportunities whereby the Fund invests alongside a sponsor who leads all aspects of the transaction including due diligence, structuring, value creation, monitoring and exit strategy:

- 1) Private Advisors Coinvestment Fund, LP
- 2) Private Advisors Coinvestment Fund II, LP
- 3) Private Advisors Coinvestment Fund III, LP
- 4) Private Advisors Coinvestment Fund IV, LP
- 5) Private Advisors Small Company Coinvestment Fund, LP
- 6) Private Advisors Small Company Coinvestment Fund – ERISA, LP

Private Advisors also provides discretionary investment advisory services to the following direct investment hedge funds (collectively, the “Direct Investment Funds”):

- 1) Undiscovered Value Master Fund SPC (a Cayman Segregated Portfolio Company) (the “Master UVF”)
- 2) Undiscovered Value Fund, LP (the “Onshore UVF”)
- 3) Undiscovered Value Fund, Ltd. (the “Offshore UVF”)

Further, Private Advisors serves as a sub-adviser in providing consulting and non-discretionary investment advisory services to a private fund for which an affiliate is the investment manager (the “Sub-Advised Fund”). In addition, Private Advisors provides discretionary and non-discretionary investment advisory services to separately managed accounts (the “Managed Accounts,” and together with the Funds, the Sub-Advised Fund and the Direct Investment Funds, the “Advisory Clients”).

Private Advisors serves as General Partner to several Funds which are organized as Delaware limited partnerships, and serves as Investment Manager to certain Funds which are organized as Cayman entities. Affiliates of Private Advisors also serve as General Partner to certain Funds, including: PASCBF III GP, LLC, which serves as General Partner to Private Advisors Small Company Buyout Fund III, LP; PASCBF IV GP, LLC, which serves as General Partner to Private Advisors Small Company Buyout Fund IV, LP; PASCBF V GP, LLC, which serves as General Partner to Private Advisors Small Company Buyout Fund V, LP and Private Advisors Small Company Buyout V- ERISA Fund, LP; PASCPEF VI GP, LLC, which serves as General Partner to Private Advisors Small Company Private Equity Fund VI, LP and to the Private Advisors Small Company Private Equity Fund VI (Cayman), LP; PASCPEF VII GP, LLC, which serves as General Partner to Private Advisors Small Company Private Equity Fund VII, LP and to the Private Advisors Small Company Private Equity Fund VII (Cayman), LP; PACIF GP, LLC, which serves as General Partner to Private Advisors Coinvestment Fund, LP; PACIF II GP, LLC, which serves as General Partner to Private Advisors Coinvestment Fund II, LP; PACIF III GP, LLC, which serves as General Partner to Private Advisors Coinvestment Fund III, LP; PACIF IV GP, LLC, which serves as General Partner to Private Advisors Coinvestment Fund IV, LP and; PASCCEF GP, LLC, which serves as General Partner to Private Advisors Small Company Coinvestment Fund, LP and Private Advisors Small Company

Coinvestment Fund - ERISA, LP; Cuyahoga Capital Partners I Management Group, LLC, which serves as General Partner to Cuyahoga Capital Partners I, LP; Cuyahoga Capital Partners II Management Group LLC, which serves as General Partner to Cuyahoga Capital Partners II LP; Cuyahoga Capital Partners III Management Group LLC, which serves as General Partner to Cuyahoga Capital Partners III LP; Cuyahoga Capital Partners IV Management Group LLC, which serves as General Partner to Cuyahoga Capital Partners IV LP; Cuyahoga Capital Emerging Buyout Partners Management Group LLC, which serves as General Partner to Cuyahoga Capital Emerging Buyout Partners LP.; LP.; PASF V GP, LLC which serves as the General Partner to the Private Advisors Secondary Fund V, LP; PARAF GP, LLC which serves as the General Partner to the Private Advisors Real Assets Fund, LP; and UVF GP, LLC, which serves as General Partner to the Undiscovered Value Fund, LP. Additional affiliates of Private Advisors serve as special limited partners and special general partners to these Funds for various tax or legal reasons.

Private Advisors provides investment advisory services to the hedge and private equity Funds primarily using a fund-of-funds structure and employing a wide variety of investment strategies. More specifically, Private Advisors invests the assets of the Funds primarily in underlying Portfolio Funds managed by unaffiliated Portfolio Managers with a range of investment strategies, including buyout, growth equity, secondaries, real assets, low-volatility multi-strategy, and long/short equity. Such Portfolio Funds typically include limited partnerships, limited liability corporations, offshore corporations or other commingled investment vehicles. Private Advisors attempts to select Portfolio Managers and Portfolio Funds which offer a variety of different skills in an effort to provide for preservation of capital while maximizing opportunities for growth and to achieve complementary diversification by style and strategy.

Funds employing the coinvestment strategy primarily engage in investment opportunities alongside a sponsor who leads all aspects of the transaction including due diligence, structuring, value creation, monitoring and exit strategy. These coinvestment Funds will likely have a concentration in lower middle market companies consistent with Private Advisors' private equity fund of funds strategy, and will consider buyouts, growth equity/minority transactions, distressed situations and other appealing risk/return opportunities where Private Advisors has conviction in the underlying investment thesis and a relationship with, and significant confidence in, the sponsoring Portfolio Manager.

Certain Funds, with a minority percentage of their capital or employing a hybrid approach, will invest in underlying Portfolio Funds, coinvestments, secondary transactions, or funds of funds, while engaging in their primary strategy.

Further, Private Advisors also provides investment advisory services to direct investment hedge funds. The Onshore UVF and the Offshore UVF invest substantially all of their assets in the Master UVF. Private Advisors then invests the assets of the Master UVF through individual portfolio managers as well as directly acting as a portfolio manager for a portion of the Master UVF portfolio (together, the "UVF Portfolio Managers"). Generally, the primary investment strategy employed by the UVF Portfolio Managers who receive an allocation will be long and short equity investing driven by fundamental, bottom-up research.

In addition, Private Advisors, by itself or part of a group of advisors, may also become the originator of loans or enter into other bespoke credit arrangement, whereby it would earn origination fees from these lines of business.

C. Availability of Customized Services for Individual Clients

Private Advisors neither tailors its advisory services to the individual needs of Fund investors ("Investors"), nor accepts Investor-imposed investment restrictions. When deemed appropriate for a large or strategic client, Private Advisors has established Managed Accounts, which (i) tailor their investment objectives to

specific requests of the Managed Account client (as documented in an investment advisory agreement) and/or (ii) are subject to different terms and fees than those of the Funds. Such Managed Account investment objectives, fee arrangements and terms are individually negotiated, and it should be noted that any such Managed Account relationships are generally subject to significant account minimums. Further, Private Advisors has entered into a non-discretionary investment advisory agreement concerning the Sub-Advised Fund.

It should be noted that Private Advisors has entered into side letter agreements with certain Investors granting them, among other things, greater portfolio transparency, fee waivers or reductions, interests/shares having different voting rights or restrictions, additional rights to reports and other information and other more favorable investment terms, including withdrawal/redemption rights, than the terms associated with investments by other Investors. Private Advisors shall have no obligation to offer such additional rights, terms or conditions to all Investors.

Private Advisors generally has broad and flexible investment authority with respect to its Advisory Clients.

D. Wrap Fee Programs

Private Advisors does not participate in wrap fee programs.

E. Assets Under Management

As of June 30, 2017, Private Advisors manages approximately \$ 3.164 billion of Advisory Client assets on a discretionary basis and approximately \$1.459 billion of Advisory Client assets on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

A. Advisory Fees and Compensation

Private Advisors typically charges fees that are based upon a set percentage of assets under management and performance. Set forth below is a summary of the fees payable by Investors in the Funds.

Hedge Fund of Funds

For Funds employing the hedge fund of funds strategy, the basic advisory or management fee typically ranges from 1/2% to 1½% per year of assets for which advice and consultation is provided.

Consistent with the Investment Advisers Act of 1940, as amended ("Advisers Act") and, as applicable, Rule 205-3 thereunder, Private Advisors or an affiliate may also receive performance allocations or performance fees from certain Advisory Clients generally based upon net profits allocable to each Fund Investor. The performance allocation/fee payable to Private Advisors is typically 5% of the net profits allocable to a particular Fund Investor, subject to the given Fund's loss carryforward provision.

Private Equity Funds

Funds employing a private equity strategy typically charge management fees ranging from 0.00% to 1.75%. In some cases, the management fee decreases in the later years of the fund. Please see the relevant private offering memorandum for more information.

Certain of the Funds may pay a type of performance allocation, known as carried interest, to affiliates of Private Advisors, in addition to the management fees described above. The available distribution of the portfolio proceeds realized from the funds' investments are generally made first to return limited partner's capital contributions, and in some cases, then to provide a priority return to the limited partners. Some funds then may pay out 5-10% of the total amount distributed to affiliates of Private Advisors. Generally, 90-95% is then paid out to the limited partners in proportion to their capital contributions and 5-10% to affiliates of Private Advisors. Please see the relevant private offering memorandum for more information.

Direct Investment Funds

Direct Investment Funds pay a management fee of 0.50% per annum for Investors holding Regular Interests; a lower management fee of 0.25% per annum is paid by Investors holding Founder Interests. Such fees are paid on a quarterly basis regardless of the profitability of the Direct Investment Funds' operations. The Master UVF will typically pay the individual UVF Portfolio Managers a weighted average management fee of approximately 1% per annum. It should be noted that Private Advisors negotiates management fees with each UVF Portfolio Manager, and if Private Advisors' own portfolio management team directly manages any assets, no additional management fees are payable with respect to those assets managed by the Private Advisors portfolio management team.

With respect to the Direct Investment Funds, an incentive allocation of 10% based on the appreciation in the value of the Investor's capital account ("New Appreciation") is paid by Investors holding Regular Interests; an incentive fee of 5% is paid by Investors holding Founder Interests. The Master UVF typically pays the individual UVF Portfolio Managers approximately a 10% performance fee, on average. It should be noted that Private Advisors negotiates incentive fees with each UVF Portfolio Manager, and if Private Advisors' own portfolio management team directly manages any assets, no additional incentive fees are payable with respect to those assets managed by the Private Advisors portfolio management team. "New

appreciation,” in general, equals the amount, if any, by which the net value of such capital account as of the close of the period (including income and realized and unrealized gains) exceeds the highest such net asset value of such capital account, also called a “new high water mark.”

It should be noted that Private Advisors has, upon request, provided certain larger or strategic Investors and other Advisory Clients with lower management fees and/or performance fees as subject to side-letter or other agreements. Private Advisors reserves the right to enter into similar arrangements in the future. In addition, investments in the Funds made by Private Advisors, its employees or related persons are not typically subject to the fees described above, in Private Advisors’ sole discretion.

Managed Accounts

Managed Account fees are negotiated and depend on their individual agreement terms. Managed Account clients should reference their investment management agreements for more information.

Sub-Advised Fund

With respect to the Sub-Advised Fund, Private Advisors is compensated in accordance with the investment advisory agreement.

Credit or Loan Origination

Private Advisors, by itself or part of a group of advisors, may become the originator of loans or enter into other bespoke credit arrangement, whereby it would earn origination fees from these lines of business.

It is critical that Investors and Managed Account clients refer to the relevant private placement memorandum, investment management agreement, and/or other governing documents for a complete understanding of how Private Advisors is compensated for its investment advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.

B. Payment of Fees

With respect to the Funds, Private Advisors deducts fees from Investors’ assets. Fund Investors do not have the ability to choose to be billed directly for fees incurred.

Deductions for management fees are generally applied quarterly in advance, although certain Funds calculate and deduct fees semi-annually in advance.

Performance allocations/fees for hedge Funds are typically calculated and payable on an annual basis following the close of the given Fund’s fiscal year, subject to applicable loss carryforward provisions. Performance allocations for private equity Funds are typically calculated at the end of the life-cycle of the given Fund and are generally applied after a preferred return is realized.

For the Direct Investment Funds, the incentive allocation is computed and charged separately with respect to each Investor in the funds and is not affected by the profit or loss received by any other Investor. It should be noted that Private Advisors negotiates incentive fees with each UVF Portfolio Manager.

With respect to the Sub-Advised Fund, Private Advisors does not deduct fees from Investors’ assets and is

paid in arrears, as specified in the investment advisory agreement.

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (“FATCA”) generally imposes a reporting and 30% withholding tax regime with respect to certain U.S. source income (including dividends and interest) and 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. Some of our private investment funds are required to provide certain information, including information regarding their limited partners, to the IRS and to enter into an agreement with the IRS or comply with an applicable intergovernmental agreement with the United States. Such an intergovernmental agreement exists between the United States and the Cayman Islands where our Offshore Funds are based. The Cayman Islands have also adopted the Common Reporting Standard (“CRS”) issued by the Organization for Economic Cooperation and Development (“OECD”). CRS requires the reporting of certain investors to their country of domicile. The Funds intend to comply with these requirements in order to avoid fees and/or withholding taxes under FATCA, CRS, or similar legislation, regulations or guidance enacted in any jurisdiction applicable to our Advisory Clients. FATCA also provides that payments from our Funds to any limited partner that are attributable to these 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 these 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. Certain limited partners will generally be subject to withholding unless they enter into an agreement with the IRS or comply with an applicable intergovernmental agreement.

C. Additional Fees and Expenses

Expenses paid by the hedge and private equity Funds may include ongoing expenses related to the operation and administration of the Fund, including, without limitation, legal fees, organizational and offering expenses (including good standing, registration and registered office expenses, legal, registration, accounting, filing, capital raising, marketing expenses (including travel expenses, meals, and the cost of marketing material) and other organizational expenses); premiums for errors and omissions insurance, fidelity insurance and officers and directors liability insurance, fees payable to an affiliated or third party administrator, NAV calculation agent, auditing and accounting expenses and other professional fees, regulatory (including fund filing fees and expenses) and compliance fees and expenses (pertaining to the Funds, and including fees paid for compliance consulting services), foreign registration and regulatory filings (including compliance with FATCA and CRS), monthly reporting and bookkeeping expenses (including software license fees for investor reporting, existing and potential investor relationship management, and related services, allocated among each of the Funds for which Private Advisors serves as general partner or investment manager based upon Private Advisors’ best judgment, taking into account the assets of each Fund as a percentage of total assets under management), costs and fees for software and applications for the purpose of modeling, evaluating and monitoring, aggregating and reporting trades, as well as position reporting and investment guideline compliance monitoring), postage costs, due diligence costs (including travel and meal expenses, background checks and related services) related to Portfolio Manager selection and ongoing monitoring and operational due diligence with respect to existing Portfolio Managers, tax payments, fees paid to offshore directors and related offshore governance expenses, interest expense associated with any borrowing by a Fund under a line of credit or similar facility and its pro rata share of the expenses of each Portfolio Fund in which it invests, including commissions, interest expenses,

bank and custodial fees and other trading expenses, general overhead and administrative expenses and compensation to the general partner or investment manager, as applicable, of the Portfolio Fund. Expenses incurred while researching, investigating, or performing diligence on prospective investments will be an expense of the respective Fund(s) regardless of whether the investment is ultimately consummated or not. Private Advisors, in its discretion, may elect to obtain any of the foregoing services for the benefit of a Fund from third party vendors, or may provide such services itself utilizing its own employees, partners and officers. Most of the Portfolio Funds in which the Funds invest provide for the payment of both base management fees and incentive fees. Ordinarily, the net gain or net loss allocated to a Fund by each Portfolio Fund is net of the given Fund's pro rata share of the expenses related to the particular Portfolio Fund investment. Please review the individual fund offering documents for more information.

Managed Accounts may pay additional fees such as those listed above depending on their individual agreement terms. Managed Account clients should reference their investment management agreement for more information.

Certain Funds invest substantially all of their assets in a master fund through a "master-feeder" structure. Each feeder Fund will indirectly bear the administrative and other expenses of the Master Fund pro rata based on its interest in the Master Fund.

Investors and Advisory Clients may incur brokerage and other transaction costs. Please see Item 12 below for disclosure related to Private Advisors' brokerage practices.

In addition to the above expenses paid by hedge Funds, the expenses for the Direct Investment Funds also include performance compensation and management fees paid to each Portfolio Manager and any fees and expenses payable by the Master UVF with respect to the Onshore UVF or the Offshore UVF.

Advisory Clients will also bear the expenses and fees generated in the course of evaluating and making investments, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals. Generally, in the event an investment transaction closes, such expenses and fees are allocated to Advisory Clients proportionately to their respective investments. To the extent an expense is directly attributable to one Advisory Client's unique underwriting requirements or procedures, such expense would be borne solely by that individual Advisory Client. Additionally, the appropriate basis for allocating such fees and expenses often may not be clear, especially where more than one Advisory Client participates in a transaction that does not close. In such circumstances, Private Advisors will allocate the fees among the Advisory Clients for which the investment was considered on a basis that Private Advisors concludes is fair and reasonable in its sole discretion.

It is critical that Investors and Managed Account clients refer to the relevant confidential private placement memorandum, investment management agreement and/or other governing documents for a complete understanding of expenses they may pay. The information contained herein is a summary only and is qualified in its entirety by such documents.

D. Prepayment of Fees

Management Fees for certain of the Funds are paid quarterly in advance based on the value of the relevant assets as of the first day of the quarter. Management Fees for certain other Funds are calculated and deducted semi-annually in advance. Upon termination of an investment advisory relationship with any Investor or Managed Account client who has paid in advance, Private Advisors refunds to such Investor or Managed Account client the pro-rata portion of any advance payment.

E. Additional Compensation and Conflicts of Interest

Private Advisors accepts compensation for the referral of senior loan borrowers and private equity sponsors to a financial industry affiliate. In addition, as previously noted, Private Advisors provides both consulting services and non-discretionary investment advisory services to the Sub-Advised Fund, for which it is compensated pursuant to the investment advisory agreement. Other than these arrangements, neither Private Advisors nor any of its Supervised Persons has accepted other forms of compensation (e.g., brokerage commissions) for the sale of securities or other investment products or arrangements, although this ability exists. Certain Private Advisors employees directly receive passive compensation from a previous employment arrangement with one of Private Advisors' Advisory Clients.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in Item 5 above, Private Advisors (or an affiliate) receives performance-based compensation from Fund Investors and from certain Managed Account clients. Not all Advisory Clients are subject to performance-based fees.

The fact that Private Advisors (or an affiliate) may receive, and does receive, performance-based compensation, depending on the Advisory Client, creates a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such a performance-based fee. Prior to making an investment, Investors and Managed Account clients are provided with clear disclosure as to how performance-based compensation is charged with respect to a particular Fund or Managed Account and the risks associated with such performance-based compensation.

The fact that Private Advisors (or an affiliate) receives performance-based compensation from certain Advisory Clients but not from certain other Advisory Clients creates a potential conflict of interest in that it may create an incentive for Private Advisors to direct investment ideas that it believes will be more profitable to, or allocate investment opportunities in a manner that favors, those Advisory Clients which are subject to performance-based fees. In addition, both at the underlying Portfolio Fund level and the Fund level, performance based fees are dependent, in part, on the unrealized value of certain investments. This could provide an incentive for a general partner to use higher valuations. In order to manage such potential conflicts, the Advisory Client portfolios are under continuous review by Private Advisors' investment committee (as described in Item 13). In addition, Private Advisors has implemented an allocation policy and regularly reviews its investment allocations (as described in Items 11 and 12). Private Advisors has also established a Conflicts Committee which reviews investment allocations on a periodic basis. Private Advisors, to the extent within its control, will not favor itself in any way to an Advisory Client's detriment and will act in a manner that it believes over the long-term is fair and equitable to its Advisory Clients.

ITEM 7 – TYPES OF CLIENTS

As described in Item 4, Private Advisors' principal activity is providing institutional investors and high net worth clients with professional management of hedge fund and private equity investments, principally via fund-of-funds vehicles, including numerous U.S.-domiciled limited partnerships and Cayman-domiciled corporations, but also through direct investment vehicles, and in some instances using a traditional master/feeder structure. Managed Accounts have been established for high net-worth individuals and certain entities such as trusts, pension plans, foundations and endowments.

The Funds offer interests/shares only to certain qualified investors and admission to the Funds is not open to the general public. An investment in a Fund is generally restricted to Investors which qualify as "accredited investors," as that term is defined under rule 501(a) of Regulation D of the Securities Act of 1933, as amended. Some Funds further require investors to qualify as "qualified eligible persons" as that term is defined under the rules of the Commodity Futures Trading Commission, and/or "qualified purchasers" as that term is defined under the Investment Company Act of 1940, as amended. Generally, Investors must invest a minimum of \$1,000,000 for each Fund, although certain Funds have lower minimum investment amounts. In each case, the investment minimum is subject to waiver at the discretion of Private Advisors. Private Advisors does not have any minimum requirements with respect to the provision of non-discretionary investment advisory services for the Sub-Advised Fund.

Certain of the private funds managed by Private Advisors are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Pursuant to ERISA, Private Advisors requires that employees not compromise Private Advisors, its Board of Managers, its clients or its suppliers for personal gain. Neither employees nor their family members should accept gifts or other special treatment of more than "nominal value" from persons who do business with Private Advisors. However, this is not intended to prevent normal incidents to a business relationship, such as the occasional meal or entertainment. The acceptance of cash in any amount is prohibited. Private Advisors believes that any gifts and entertainment received by its employees are received in the context of a general business relationship and should not be viewed as attributable or allocable to any particular Investor or Fund or to any particular Investor in any Fund. In any event, if the value of gifts and entertainment received by employees of Private Advisors during any calendar year were allocated by Private Advisors to each Fund it advises pro rata based on the value of such Fund in relation to total assets under management, and in turn to Investors in such Fund, the value allocated to each Investor would be of insubstantial value.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

With respect to the hedge and private equity Funds, Private Advisors uses a variety of resources or services to form an investment idea or strategy. Private Advisors identifies, evaluates and monitors hedge, private equity, limited liability companies, co-investment opportunities, other alternative investment vehicles and other direct investment opportunities in which the Advisory Clients may invest. Fund investments, depending on strategy, will typically include venture capital, buyout, growth equity, distressed debt, long/short equity, low volatility multi-strategy, real assets, and similar partnerships. Portfolio Managers are identified through research, referrals, word of mouth, co-investment opportunities, review of industry publications, conferences and similar sources. Private Advisors conducts detailed due diligence on each Portfolio Manager, including review of factors such as the Portfolio Manager's investment performance during various time periods and market cycles, investment strategy, infrastructure, research capabilities, assets under management and the Portfolio Manager's reputation, experience, training, and investment philosophy and policies. The Portfolio Manager's ability to provide timely and accurate reporting also will be considered. Private Advisors also assesses certain investment opportunities by employing a rigorous research process that may include, among others, detailed analysis of historical financial statements and development of financial projections, meetings with company management, industry research (including use of outside experts), consultation with customers, suppliers and competitors, and analysis of legal documents and use of outside legal counsel to determine validity and ranking of various claims where necessary. As part of its research process, Private Advisors may utilize consultants who assist with deal evaluation and with whom confidential Fund and Portfolio Manager information will be shared as part of the consulting services they provide to the firm. With respect to Funds employing a coinvestment strategy, Private Advisors typically seeks to generate deal flow by utilizing its established proprietary databases, systems and processes, as well as capitalizing on the background and network of each of its investment professionals and their hedge fund and private equity relationships.

With respect to the Direct Investment Funds, Private Advisors selects UVF Portfolio Managers who (1) generally have short to non-existent performance records, but who are experienced portfolio managers or analysts who have spun out of a hedge fund organization; or (2) generally have a moderate to long track record, but are either located outside of major urban centers or who have engaged in very limited marketing efforts and desire to remain small in terms of the level of assets under management. Private Advisors identifies and evaluates UVF Portfolio Managers based on, but not limited to, the following criteria: (a) the investment management experience or expertise of the UVF Portfolio Manager; (b) the historical performance of funds managed by the UVF Portfolio Manager, if appropriate; (c) the style and strategy of the UVF Portfolio Manager as well as the UVF Portfolio Manager's ability to apply its investment approach consistently and effectively; (d) the diversification benefits of each UVF Portfolio Manager to the overall Fund; (e) the quality of the investment management organization; and (f) the willingness of the UVF Portfolio Manager to seek compensation through a performance fee-based manager compensation structure. Private Advisors reviews each UVF Portfolio Manager's account regularly. While Private Advisors intends to select UVF Portfolio Managers who employ strategies with a multi-year investment horizon, changes may be made in the underlying UVF Portfolio Manager if Private Advisors determines that it no longer meets the objectives of the Fund.

Private Advisors also directly manages a portion of the UVF Fund. In this portion of the UVF portfolio, Private Advisors seeks out investments which they believe have the potential for sizeable capital appreciation over the next two years. Private Advisors sources these investments through the UVF Portfolio Managers, Private Advisors' extensive industry relationships, and through internal research efforts. Private

Advisors is opportunistic in its approach to this portion of the UVF Fund, generally investing in listed equities from both a long and short perspective.

In addition, Private Advisors provides consulting and non-discretionary investment advisory functions to the Sub-Advised Fund in seeking to source investments in (i) second lien and subordinated loans and notes, (ii) the last out portion of first lien loans and notes that are divided into first out and last out portions, and (iii) related equity co-investments.

Finally, it is noted that investing in securities involves risk of loss that Investors and Advisory Clients should be prepared to bear.

B. Material, Significant or Unusual Risks Relating to Investment Strategies

Private Advisors has broad discretion in selecting Portfolio Managers and in developing a risk profile for the Advisory Client portfolios. Generally, there are few limitations on the types of securities or other financial instruments that may be traded and no requirement to diversify. Private Advisors will have wide latitude in determining, adjusting, and even changing a Fund's investment strategy, if deemed appropriate by Private Advisors, without the consent of the respective Fund's Investors.

SUMMARY OF RISKS RELATED TO HEDGE FUND INVESTING:

Set forth below is a summary of the risks presented by our investment strategies which may include hedge fund of funds or Managed Accounts focusing on these strategies (together, "HF Investments"). The following list is not a complete list of all risks involved in connection with these strategies. There can be no assurance that an Advisory Client will be able to achieve its investment objectives or that the Investors will receive a return on their capital.

Strategies of Managers

The Funds utilize Portfolio Managers that employ various investment strategies. The ability of a Portfolio Manager to obtain a profit from these investment strategies often depends upon factors that are intrinsic to the particular issuer, rather than the market as a whole. Appreciation in the value of such securities may be contingent upon the occurrence of certain events, such as a successful reorganization or merger. If the expected event does not occur, the Portfolio Fund may incur a loss on the position.

Lack of Direct Control by Investment Manager

Private Advisors typically entrusts all trading decisions to the selected Portfolio Managers. In so doing, a Fund will be dependent upon the integrity, skill and judgment of its Portfolio Managers. Although Private Advisors may impose certain restrictions on the Portfolio Managers, there can be no assurances that the Portfolio Managers will comply with such restrictions.

Other Clients of Portfolio Managers; Performance May Vary from Period to Period

The Portfolio Managers have exclusive responsibility for making trading decisions on behalf of the given Portfolio Fund. Portfolio Managers may in the future, and do, also manage other accounts (including other funds and accounts in which the Portfolio Managers may have an interest) which, together with the given Portfolio Fund could increase the level of competition for the same trades, including the priorities of order entry. This could make it difficult or impossible to take or liquidate a position in a particular security at a price indicated by a Portfolio Manager's strategy. The Portfolio Managers and their principals employ different trading methods, policies and strategies for different funds or accounts. Therefore, the results of the Portfolio Fund's trading may differ from those of the other accounts traded by the same Portfolio Manager. As the funds under management by a particular Portfolio Manager increase, the Portfolio

Manager may have increasing difficulty implementing an investment strategy which may have been successful in the past, or difficulty finding sufficient investment opportunities which are attractive. Private Advisors will endeavor to select Portfolio Managers based, in part, upon a detailed evaluation of such Portfolio Manager's past performance. **However, there can be no assurances that a Portfolio Manager's future results will be as successful as his or her past performance. Moreover, even where a Portfolio Manager has achieved excellent results over an extended period, because of cyclical movements and volatility, period to period results may differ materially. Accordingly, Private Advisors believes that an investment in the Funds is suitable only for those Investors who intend to make a long-term investment in the given Fund.**

Credit Agreement

Certain Funds are party to a credit agreement that establishes a line of credit to enhance the liquidity of the Fund. In order to secure the loan, the Fund has pledged its assets to the lender as collateral. In general, the maximum amount of the loan varies by Fund and is limited to between 15% and 25% of the value of such collateral. The risks associated with such a loan include interest expense risk, and in the unlikely event that the value of the collateral were to decline significantly, the Fund could be forced to liquidate its assets to satisfy the loan.

Performance Fees Payable to Portfolio Managers; Layering of Fees

The fee arrangements with Portfolio Managers and the partnership agreements of the hedge funds in which the Funds may invest will generally provide that the Portfolio Manager (or general partner, as applicable), will receive a minimum fee calculated as a percentage of assets under management and the general partner or Portfolio Manager may also benefit from appreciation, including unrealized appreciation, in the value of the account or fund being managed, but may not be penalized for realized losses or decreases in the value of the account or fund. Generally, the Portfolio Managers' compensation is determined separately for each year, but when possible, agreements are obtained to carry forward losses to subsequent years in determining the fee for such years. Such fee arrangements may give the Portfolio Managers and general partners of Portfolio Funds an incentive to make purchases for the given Fund that are unduly risky or more speculative than would be the case in the absence of such compensation arrangements. Also, incentive fees may be paid to Portfolio Managers and general partners of those Portfolio Funds that show net profit, even though the given Fund, as a whole, incurs a net loss. In addition to the fees which will be paid to the Portfolio Managers, Private Advisors receives a management fee, typically calculated and payable quarterly in advance, regardless of the profitability of the Fund's operations. The separate fees payable to Private Advisors will result in a layering of fees which will reduce the rate of return which Investors will derive from a given Fund's investments. If an Investor or Managed Account were to invest directly with the individual underlying funds, the Investor or Managed Account's expenses would necessarily be less than an equivalent investment in the underlying fund.

Due Diligence in Portfolio Manager Selection Process

Funds will conduct due diligence which Private Advisors believes is adequate to select Portfolio Managers with which to invest a Fund's assets. However, due diligence is not foolproof and may not uncover problems associated with a particular Portfolio Manager. A Fund may rely upon representations made by hedge fund managers, accountants, attorneys, prime brokers, and/or other investment professionals. If any such representations are misleading, incomplete, or false, this may result in the selection of Portfolio Managers which might otherwise have been eliminated from consideration had fully accurate and complete information been made available to the Fund.

Activities of Portfolio Managers

Although Private Advisors seeks to select only Portfolio Managers who will invest a Fund's assets with the highest level of integrity, Private Advisors does not have control over the day-to-day operations of any of

its selected Portfolio Managers. Private Advisors would not necessarily be aware of certain activities at the underlying Portfolio Manager level, including without limitation the Portfolio Manager's engaging in unreported risks, investment "style drift" or even fraud. As a result, there can be no assurance that every Portfolio Manager engaged by the Funds will conform its conduct to these standards.

Volatility

Some Portfolio Managers hold a relatively limited number of investments. Thus the aggregate returns realized by a given Fund may be adversely affected by a small number of investments. Further, while Private Advisors typically allocates Fund assets among Portfolio Managers with differing styles and techniques, there are no fixed allocation percentages. There is the risk that a disproportionate share of a Fund's assets may be committed to one or more strategies or techniques. Private Advisors does not seek to manage correlation risk. This is the risk that different Portfolio Managers may invest in the same securities or sectors. This would result in less diversification than would be suggested by the number of Portfolio Managers being employed. The allocation of Fund assets to new or emerging fund Portfolio Managers or Portfolio Managers that utilize unique investment strategies or asset classes may subject a Fund to greater volatility due to the greater difficulty in assessing the track record, investment strategy and relevant risks of such Portfolio Managers versus Portfolio Managers with longer track records or more conventional strategies. The allocation of Fund assets to Portfolio Managers in response to particular market conditions could increase volatility and potential for loss if such market conditions continue to worsen.

SUMMARY OF RISKS RELATED TO PRIVATE EQUITY INVESTING:

Set forth below is a summary of the risks presented by our investment strategies which may include private equity fund of funds, coinvestment funds, secondary funds, real assets funds, credit funds, or Managed Accounts focusing on any or all of these strategies (together, "PE Investments"). The following list is not a complete list of all risks involved in connection with these strategies. There can be no assurance that an Advisory Client will be able to achieve its investment objectives or that the Investors will receive a return on their capital.

General Risks of Private Equity Investing

The PE Investment will be subject to numerous risks generally related to investing in securities and the additional risks associated with investing in non-marketable securities and non-public companies. The securities or other interests acquired by the PE Investment will have restrictions on resale and, even in the absence of such restrictions, may not be marketable. The ability of the PE Investment to profit from its investments will be highly dependent upon the ability of the underlying portfolio companies to progress in their development to the point where they can become an attractive merger or acquisition candidate or affect a public offering. Numerous factors may impede or prevent a company from reaching this point, including inadequate capital, unfavorable competitive developments, inadequate management, loss of key persons, technology obsolescence and lack of market acceptance. Companies may face significant capital shortfalls for a wide variety of reasons. Product development, modernization of technology or acquisition and integration of a new unit or subsidiary may prove more expensive or take more time than projected and the growth in revenues may be slower than expected. In any such event, the underlying fund may be asked to provide additional capital. If the underlying fund that provided the financing is unable or refuses to provide the additional capital, the portfolio company may obtain the needed funds from another source, thereby diluting the earlier investment by the underlying fund. Alternatively, the inability of the portfolio company to obtain the needed financing may result in the failure of the portfolio company and a partial or total loss of the PE Investment's investment in such portfolio company (either directly or through an underlying fund).

Private equity investing involves substantial risks and, therefore, should be undertaken only by prospective investors capable of evaluating the merits and risks of such an investment and bearing the risks such an investment represents. Private equity investing involves risk of loss, including risk of loss of the entire investment that clients should be prepared to bear.

Long Term Focus

Because of the risks involved, the lack of a public market for the PE Investments, and restrictions on transfer of interests, investment in a PE Investment is only suitable for sophisticated investors who are willing to hold their interests for the term of the PE Investment and who understand that they may lose all or a significant portion of their invested capital. A PE Investment is expected to hold its investments for a number of years and, in turn, the managers of the partnerships in which a PE Investment invests (“underlying fund”), if applicable, are expected to hold their investments for a number of years.

In addition, in some cases, a PE Investment may be prohibited by contract or applicable laws from selling certain securities for a period of time.

Investors in private equity funds generally do not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the investments to be made by a fund and, accordingly, will be dependent upon the judgment and ability of the underlying funds and in Private Advisors choosing those particular underlying funds or coinvestments. No assurance can be given that an Investor or Managed Account will be successful in obtaining suitable investments, or if such investments are made, that the objectives of the Investor or Managed Account will be achieved.

Market Factors

A weak public securities market could have a negative impact on an underlying fund’s exit strategy from investments in that there may be reduced merger and acquisition activity and a negative or prohibitive effect on public offerings. In such event, the ability of the PE Investment to achieve a favorable return on its investments may be impeded.

General Economic and Other Conditions

The businesses of the PE Investment and the underlying funds or coinvestments may be adversely affected from time to time by such matters as changes in general economic, industrial and international conditions, changes in market conditions, interest rates, taxes, prices and cost, and other factors of a general nature that are beyond the control of the PE Investment.

Risk of Leverage

The PE Investment is authorized to make use of leverage in connection with its investment program. Leverage generally magnifies both the PE Investment’s opportunities for gain and its risk of loss from its investment activities. The use of leverage also will result in interest expense and other costs to the PE Investment that may not be covered by distributions made to the Partnership and may result in unrelated business taxable income. The underlying funds or coinvestments also may employ leverage and will be subject to the same volatility of gain and loss as the PE Investment. In addition, the portfolio companies of the underlying funds are typically leveraged, which will cause them to be adversely affected by increases in interest rates and may make them less able to cope with changes in business and economic conditions such as declining revenues or increasing interest rates. The securities acquired by the underlying funds may be the most junior in what may be a complex capital structure of a portfolio company, and in that event

such securities will thus be subject to the greatest risk of loss.

Investments in Distressed/Turnaround Transactions

The PE Investments may invest directly or indirectly in securities of financially troubled companies or companies involved in work-outs, liquidations, reorganizations, recapitalizations, bankruptcies and similar transactions and securities of highly leveraged companies. While these investments may offer the potential for high returns, they also bring with them correspondingly greater risks. It is possible that the financial difficulties of a portfolio company may never be overcome, which may cause the portfolio company to become subject to bankruptcy proceedings. A bankruptcy filing may adversely affect a portfolio company in that it may lose market position or key employees. In addition, under certain circumstances, payments by a portfolio company to the underlying fund and distributions by the underlying fund to the PE Investment may be recalled if such payment or distribution is determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy or insolvency laws. Furthermore, investments in a portfolio company involved in restructurings or reorganizations may be adversely affected by bankruptcy or insolvency laws or by a bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or rights with regard to such portfolio company. Upon confirmation of a plan of reorganization or as a result of a liquidation proceeding under applicable bankruptcy laws, the underlying fund could suffer a loss of all or part of its investment in the portfolio company.

Investments in Secondaries

The success of the secondary investments will depend on the ability of Private Advisors' key investment professionals to identify suitable investments and negotiate the purchase of these investments at a price and on terms acceptable to the Advisory Client. There can be no assurances that there will be a sufficient number of suitable investment opportunities to enable the Advisory Client to invest all of its committed capital in opportunities that satisfy the Advisory Client's investment objective, or that such investment opportunities will lead to completed investments by the Fund or Managed Account. Additionally, identification of attractive investment opportunities generally will be subject to market conditions. The Fund or Managed Account may also face increasing competition for such opportunities over time. There can be no assurances that once an investment opportunity is identified the seller will select the Advisory Client to make an investment. Further, even if the Advisory Client is selected, there can be no assurances that the investment will still be deemed an appropriate investment opportunity for the Advisory Client after due diligence is completed.

The PE Investments may include the opportunity to acquire a portfolio of investment funds from a seller on an all or nothing basis. Certain of the investment funds in the portfolio may be less attractive than others, and certain of the sponsors of such investment funds may be more familiar to the PE investment than others, or may be more experienced or highly regarded than others. In such cases, it may not be possible for the PE Investment to exclude from such purchases those investments which Private Advisors considers (for commercial, tax, legal or other reasons) less attractive.

In addition, in cases where the PE Investment acquires an interest in an investment fund in a secondary transaction, the PE Investment may acquire contingent liabilities of the seller of the interest. More specifically, where the seller has received distributions from the relevant investment fund and, subsequently, such investment fund recalls one or more of these distributions, the PE Investment (as the purchaser of the interest to which such distributions are attributable and not the seller) may be obligated to return monies equivalent to such distributions to the investment fund. While the PE Investment may, in turn, make a claim against the seller for any such monies so paid to the investment fund, there can be no assurances that the PE Investment would have the ability to make such a claim or if such a claim is made

there can be no assurances that the PE Investment would prevail on such claim.

Although, in general, the Advisory Client's portfolio will have concentration guidelines, a portfolio may include a small number of large positions. While this portfolio concentration may enhance total returns to the Advisory Client, if any large position has a material loss, then returns to the Advisory Client may be lower than if they had invested in a more diversified portfolio. The Advisory Clients' investments may be concentrated in one type of investment fund. As a result, the Advisory Client's investment portfolio may be concentrated and its aggregate return may be adversely affected by the performance of a few holdings, a particular industry or an industry segment. Further, to the extent that capital raised is less than the targeted amount, the Advisory Client may invest in fewer investment funds and thus be less diversified.

Commodity Natural Resource Investments

PE Investments in commodities such as natural resources may be subject to a variety of risks, not all of which can be foreseen or quantified. For example, commodity prices can be extremely volatile and the commodities industry can be significantly affected by world events, import controls, worldwide competition, government regulations, and economic conditions, all of which can have an impact on commodity prices. In addition, there are many uncontrollable factors that can affect commodities investments, including, but not limited to inflation, weather, political unrest, foreign events, regulations, supply and new technologies. Commodities such as natural resources are from time to time impacted in varying degrees by political developments and a wide range of statutes, rules, orders and regulations. For example, energy exploration, production, operations and economics are or have been impacted by price controls, taxes and other laws relating to the energy industry, by changes in these laws and by changes in administrative regulations. Further, environmental laws, regulations and regulatory initiatives play a significant role in certain commodities and can have a substantial impact on related investments. The PE Investments may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements.

Highly Competitive Market for Investments

The business of identifying and investing in pooled investment vehicles, coinvestments or secondaries is difficult due to a high level of investor demand for such funds and investment programs. Identifying attractive investment opportunities and fund managers is difficult and involves a high degree of uncertainty. Even if such fund managers are identified, there is no certainty that the PE Investment will be permitted to invest in the funds they operate. Accordingly, there can be no assurance that the PE Investment will be able to locate suitable investment opportunities, achieve its return objective or fully invest its committed capital. The success of each underlying fund depends on the availability of appropriate investment opportunities and the ability of the fund manager to identify, select, develop and consummate appropriate investments. The availability of investment opportunities generally will be subject to market conditions. There can be no assurance that suitable investments will be available or selected by the PE Investment manager or that an underlying fund will be able to fully invest its committed capital within its investment period. To the extent that any portion of such committed capital is not invested, the underlying fund's potential for return will be diminished.

Lack of Diversification

The ability of the PE Investment to diversify its investments will depend upon a variety of factors, including (i) the amount of capital committed to the PE Investment and (ii) the number and types of underlying funds or coinvestments available which meet the PE Investment's investment criteria and in which the PE Investment is able to invest. The number of investments made by the underlying funds may be limited and,

as a consequence, the PE Investment's returns as a whole may be adversely affected by the unfavorable performance of even a single investment of an underlying fund or a single coinvestment. In addition, certain underlying funds may invest exclusively or primarily in a particular category of investment assets, which would reduce the diversity of the PE Investment's assets if Private Advisors does not otherwise achieve diversity through its selection of other PE Investments.

Fees and Expenses; Layering of Fees

The PE Investment will pay a Management Fee to the General Partner for its services in managing the PE Investment's business and affairs. Such Management Fee will be paid regardless of the profitability of the PE Investment's operations. Such compensation arrangements may create an incentive for Private Advisors to make speculative or riskier investment decisions than might be the case in the absence of such compensation arrangements.

The PE Investment agreements of the underlying funds will generally provide that the general partner or fund manager will receive a management fee calculated as a percentage of capital committed and the general partner or fund manager may also benefit from gains in the value of the fund being managed, but may not be penalized for realized losses or decreases in the value of the fund. Such compensation arrangements may create an incentive for the general partner of an underlying fund to make speculative or riskier investment decisions than might be the case in the absence of such compensation arrangements. Carried interest may be allocable to underlying fund managers despite aggregate losses of the PE Investment as certain underlying funds may be profitable while the PE Investment as a whole may generate a loss.

The separate fees payable to the General Partner and to the underlying fund managers will result in a layering of fees which will reduce the PE Investment's returns. If an Investor or Managed Account were to invest directly with the individual underlying funds, the Investor or Managed Account's expenses would necessarily be less than an equivalent investment in the PE Investment.

Access to Information from Underlying Funds

As an investor in the underlying funds, the PE Investment will receive periodic reports from such funds, generally at the same time as any other investor in such underlying fund. Private Advisors will request detailed information on a continuing basis from each fund manager or sponsor regarding its investment strategies and investments and expects to have a representative on the advisory boards of a majority of the underlying funds or investments. However, Private Advisors may not always be provided with detailed information regarding all the investments made by an underlying fund for a variety of reasons, including that the information may be considered confidential. This lack of access to information may make it more difficult for Private Advisors to evaluate the funds and their fund managers.

Possible Effects of Changes in Regulation.

Financial markets are subject to comprehensive regulation by the U.S. Securities and Exchange Commission, U.S. Commodities Futures Trading Commission and other U.S. and non-U.S. regulators, self-regulatory organizations and exchanges. The U.S. and Europe have both enacted financial legislation that has had a significant impact on the operation of financial markets, including private investment funds and banks. Additional legal, tax and regulatory changes could occur during the term of the PE Investment that may adversely affect the PE Investment and its investments in underlying funds.

Foreign Investment Risks

Certain of the underlying funds may make a portion of their investments in foreign countries. Such foreign investments involve additional risks not involved in domestic investments. The value of foreign investments and of the PE Investment's investments in such underlying funds could be materially affected by inflation, currency devaluation, interest rate changes, exchange rate fluctuations, risks of using local intermediaries, different accounting standards, limited availability of information, restrictions on investment and repatriation, changes in government policies, more volatile and less liquid capital markets, different infrastructure and business environments, natural disasters, armed conflicts, social instability and other developments affecting such countries.

Due Diligence Process Limitations

Private Advisors conducts due diligence to an extent deemed reasonable and appropriate based on the facts and circumstances applicable to each investment, before committing an Investor or Managed Account to any particular investment. The objective of the due diligence process is to identify attractive investment opportunities based upon the facts and circumstances surrounding an investment. When conducting due diligence, the Private Advisors team expects to evaluate a number of important issues in determining whether or not to proceed with an investment. These issues will vary depending on the kind of investment opportunity presented, but may include business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisers, accountants and other advisors may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, Private Advisors will be required to rely on resources available, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence process may at times be subjective with respect to newly organized funds or companies for which only limited information is available. In light of the foregoing, there can be no assurance that the due diligence investigations undertaken by Private Advisors will reveal or highlight all relevant facts that may be necessary or helpful in evaluating a particular investment opportunity. There can also be no assurance that such an investigation will result in an investment being successful.

Valuation Limitations

The majority of our PE Investments are in the form of securities for which market quotations are not readily available. The valuations of the client's investments by Private Advisors and the underlying managers are drawn up on the basis of a good faith assessment of the fair value of the assets. There is no single standard for determining fair value in good faith and, in many cases; fair value is best expressed as a range of fair values from which a single estimate may be derived. The types of factors that may be considered when applying fair value pricing to an investment in a particular company or asset include historical and projected financial data, valuations given to comparable enterprises, the size and scope of an entity's operations, the strengths and weaknesses of an enterprise, expectations relating to investors' receptivity to an offering of ownership interests in the entity, the relative size of the holding in the investment and the control or lack of control stemming from that size, information with respect to transactions in respect of, or offers for, ownership interests in the entity (including the transaction pursuant to which the investment was made and the period of time that has elapsed from the date of the investment to the valuation date), applicable restrictions on transfer, industry information and assumptions, general economic and market conditions, the nature and realizable value of any collateral or credit support and other relevant factors. Fair values may be established using a market multiple approach that is based on a specific financial measure (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or net asset value) or, in some cases, a cost basis or a discounted cash flow or liquidation analysis. Since valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, determinations of fair value may differ materially

from the values that would have resulted if a liquid market for such investments had existed. Even if market quotations are available for any of the client's investments, such quotations may not reflect the value that would actually be realizable owing to various factors, including the possible illiquidity arising from the holding of a majority ownership position by a third party, subsequent illiquidity in the market for an entity's securities or other ownership interests, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall and management performance. The value of an interest in a Fund will be adversely affected if the amounts received on realizations of direct or indirect investments are lower than the values previously recorded for them.

Clients May Experience Fluctuations in Results

Clients may experience fluctuations in results from period to period due to a number of factors, including changes in the values of the clients' underlying investments, changes in the level of drawdowns on capital commitments, changes in the amount of distributions, dividends or interest paid in respect of investments, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which clients encounter competition in the making of investments or the underlying investments encounter competition in their businesses and general economic and market conditions. As an asset class, private equity has exhibited volatility in returns over different periods and it is likely that this will continue to be the case in the future. Such variability may cause results for a particular period not to be indicative of performance in a future period.

SUMMARY OF RISKS RELATED TO DIRECT INVESTMENT FUNDS:

Limited Diversification

The Direct Investment Funds' investment strategy is to invest the Direct Investment Funds' assets with UVF Portfolio Managers, most of whom employ a long/short equity strategy. This limited diversification will mean that the results of any one UVF Portfolio Manager may have a significant impact on the Direct Investment Funds' results. Moreover, it may mean that the Direct Investment Funds' results will be more volatile than they would be if the Direct Investment Funds utilized a larger number of managers across a variety of investment styles and strategies. UVF Portfolio Managers may not be required to follow any specific concentration restrictions and may at times, individually or collectively, accumulate substantial positions in one or more securities.

Trading by Underlying Portfolio Managers

Except with respect to certain assets that are expected to be managed directly by Private Advisors, Private Advisors generally does not intend to make trading decisions itself, but rather entrusts such trading decisions to the UVF Portfolio Managers selected by Private Advisors. In so doing, the Direct Investment Funds are dependent upon the integrity, skill, and judgment of such UVF Portfolio Managers. Although Private Advisors may impose certain restrictions on the UVF Portfolio Managers, there can be no assurances that the UVF Portfolio Managers will comply with such restrictions.

Other Clients of Portfolio Managers; Performance May Vary from Period to Period

The UVF Portfolio Managers have exclusive responsibility for making trading decisions on behalf of the Direct Investment Funds. UVF Portfolio Managers may, and do, also manage other accounts (including other funds and accounts in which the UVF Portfolio Managers may have an interest) which, together with the given Direct Investment Fund could increase the level of competition for the same trades, including the priorities of order entry. This could make it difficult or impossible to take or liquidate a position in a particular security at a price indicated by a UVF Portfolio Manager's strategy. The UVF Portfolio Managers and their principals may employ different trading methods, policies and strategies for different funds or accounts. Therefore, the results of the Direct Investment Funds' trading may differ from those of the other

accounts traded by the same UVF Portfolio Manager. As the funds under management by a particular UVF Portfolio Manager increase, the UVF Portfolio Manager may have increasing difficulty implementing an investment strategy which may have been successful in the past, or difficulty finding sufficient investment opportunities which are attractive. Private Advisors will endeavor to select UVF Portfolio Managers based, in part, upon a detailed evaluation of such UVF Portfolio Manager's past performance. **However, there can be no assurances that a UVF Portfolio Manager's future results will be as successful as his or her past performance. Moreover, even where a UVF Portfolio Manager has achieved excellent results over an extended period, because of cyclical movements and volatility, period to period results may differ materially. Accordingly, Private Advisors believes that an investment in the Direct Investment Funds is suitable only for those investors who intend to make a long-term investment in the given Fund.**

Performance and Management Fees Payable to Portfolio Managers; Layering of Fees

The fee and profit sharing arrangements with third-party UVF Portfolio Managers to be set forth in the sub-advisory or similar agreements with such UVF Portfolio Managers at the Master UVF level are expected to provide for payment to each such UVF Portfolio Manager of certain minimum fees calculated as a percentage of assets under management, together with a fee based on the appreciation, including unrealized appreciation, in the value of the account being managed, but may not be penalized for realized losses or decreases in the value of the account or fund. Such UVF Portfolio Manager's compensation and profit share may be determined separately for each year, but when possible, agreements will be obtained to carry forward losses to subsequent years in determining the profit share for such years. Such arrangements may give the UVF Portfolio Managers an incentive to make purchases for the Direct Investment Funds that are unduly risky or more speculative than would be the case in the absence of such compensation arrangements. Also, incentive fees may be received by certain UVF Portfolio Managers, even though the Direct Investment Funds, as a whole, incur a net loss. In most cases, the performance fee to third-party UVF Portfolio Manager is expected to be approximately ten percent (10%) of the net gain for the relevant managed account over the course of relevant calculation period (typically annually), though this percentage may differ from UVF Portfolio Manager to UVF Portfolio Manager. Please see Item 5 for a discussion of the fees Private Advisors will receive. The fees and allocations to be received by the Private Advisors, the General Partner and the UVF Portfolio Managers cannot be ascertained in advance. The separate fees and allocations to be received by the Private Advisors and the General Partner will result in a layering of fees and allocations which reduces the yield which Investors derive from the Direct Investment Funds' investments.

Volatility

Some of the UVF Portfolio Managers selected may, and do, hold a relatively limited number of investments. Thus the aggregate returns realized by the Direct Investment Funds may be adversely affected by a small number of investments. Further, while Private Advisors may allocate Direct Investment Fund assets among UVF Portfolio Managers with differing styles and techniques, there are no fixed allocation percentages. There is the risk that a disproportionate share of the Direct Investment Funds' assets may be committed to one or more strategies or techniques. Private Advisors does not seek to manage correlation risk. This is the risk that different UVF Portfolio Managers may invest in the same securities or sectors. This would result in less diversification than would be suggested by the UVF Portfolio Managers being employed. The allocation of Direct Investment Funds' assets to new or emerging UVF Portfolio Managers that utilize unique investment strategies or asset classes may subject the Direct Investment Funds to greater volatility due to the greater difficulty in assessing the track record, investment strategy and relevant risks of such UVF Portfolio Managers versus UVF Portfolio Managers with longer track records or more conventional strategies. The allocation of Direct Investment Fund assets to UVF managers in response to particular market conditions could increase volatility and potential for loss if such market conditions continue to worsen.

Due Diligence in Portfolio Manager Selection Process

The Direct Investment Funds will conduct due diligence which Private Advisors believes is adequate to select UVF Portfolio Managers with which to invest Direct Investment Fund assets. However, due diligence is not foolproof and may not uncover problems associated with a particular UVF Portfolio Manager. The Direct Investment Funds may rely upon representations made by UVF Portfolio Managers, accountants, attorneys, prime brokers, and/or other investment professionals. If any such representations are misleading, incomplete, or false, this may result in the selection of UVF Portfolio Managers which might otherwise have been eliminated from consideration had fully accurate and complete information been made available to the Direct Investment Funds. Similarly, Private Advisors conducts ongoing due diligence in an effort to detect material changes in a UVF Portfolio Manager's personnel or operations which could be material to the Direct Investment Funds. However, such diligence may not be effective in identifying all material problems before they occur.

Emerging Portfolio Managers

The Direct Investment Funds will allocate capital to small, emerging UVF Portfolio Managers. Due to their size and, in some cases, limited operating history, these emerging UVF Portfolio Managers may have more limited resources than larger UVF Portfolio Managers with a longer operating history. For example, these smaller UVF Portfolio Managers may lack the same depth in research capabilities or robust operational or compliance infrastructure that may be more typical of a larger, well-established portfolio manager.

Limitations in the Performance of Value Investments

UVF Portfolio Managers may employ a "value" investing strategy based on an analysis of the fundamentals of underlying portfolio companies. However, notwithstanding the accuracy of the analysis of the UVF Portfolio Managers with respect to certain companies as being undervalued, there remains a risk that the market will not ultimately recognize such value. As a result, such portfolio company may ultimately be sold at a loss or otherwise fail realize a gain.

Non-Disclosure of Other Arrangements

One or more UVF Portfolio Managers may, without notice to the Direct Investment Funds, enter into agreements with certain clients granting them, among other things, lower fees or other investment terms that might be viewed as more favorable than the terms upon which they will manage assets on behalf of the Direct Investment Funds. Such UVF Portfolio Manager shall have no obligation to offer such additional rights, terms or conditions to all of its clients, including the Direct Investment Funds. In addition, UVF GP, LLC may, without notice to Investors, enter into agreements with certain Investors granting them, among other things, greater portfolio transparency, fee waivers or reductions, interests having different voting rights or restrictions, additional rights to reports and other information and other more favorable investment terms, including withdrawal rights, than the terms associated with investments by other Investors. UVF GP, LLC shall have no obligation to offer such additional rights, terms or conditions to all Investors. Such agreements are generally confidential and not all Investors will be able to obtain such additional rights. Notwithstanding UVF GP, LLC's authority to enter into such agreements, it may not take any action or agree to any terms that would not be in the best interests of the Direct Investment Funds or that would be detrimental to the other Direct Investment Funds.

Access to Managers

In some cases, the Direct Investment Funds may not be able to gain access to or invest with desired UVF Portfolio Managers because the Direct Investment Funds do not meet eligibility or minimum investment requirements or because the UVF Portfolio Manager is not accepting additional investors at that time. Although the Direct Investment Funds may want to invest with a particular UVF Portfolio Manager, they may not be permitted to do so for a variety of reasons beyond the control of Private Advisors. Some managers may be unavailable because they are unwilling or unable to manage a separately managed account, requiring investors to invest in their commingled funds. There is also an adverse selection risk, that is, the risk that the UVF Portfolio Managers willing to accept a managed account, or to agree to reduced fees, will be limited to less successful managers who are otherwise unable to raise capital.

It is critical that Advisory Clients and Investors refer to their respective Advisory Client's offering documents for a complete understanding of the significant risks associated with investments in the Advisory Clients (including the risk of total loss). The information contained herein in as summary only and is qualified in its entirety by the relevant Advisory Client's offering documents.

C. Risks Associated With Particular Types of Securities

Generally, the below risks are relevant to Private Advisors' Funds-of-Funds, Direct Investment Funds, Managed Accounts and other Advisory Clients.

Investment and Trading Risks in General

Investments made by Funds risk the loss of capital. Portfolio Managers may utilize such investment techniques as leverage, margin transactions, short sales, option transactions and forward and futures contracts, practices which can, in certain circumstances, maximize the adverse impact to which the Fund may be subject. No guarantee or representation is made that the Fund's program will be successful, and investment results may vary substantially over time.

Use of Leverage

Portfolio Managers may buy and sell securities on margin or otherwise utilize leverage through the use of swaps, repurchase agreements or similar techniques, increasing the potential volatility of the Fund's investments. Trading securities on margin, unlike trading in futures (which also involves margin), will result in interest charges to the given Fund and, depending on the amount of trading activity, such charges could be substantial. The extent to which Portfolio Managers utilize leverage varies considerably, and depends in large part on the nature of the Portfolio Manager's strategy. The low margin deposits normally required in futures and forward trading permit a high degree of leverage; accordingly, a relatively small price movement in a futures contract may result in immediate and substantial losses to the Investor. Irrespective of the risk control objectives of Private Advisors' multi-asset, multi-manager approach, such a high degree of leverage necessarily entails a high degree of risk.

Small and Medium Capitalization Companies

Certain Portfolio Managers invest in the securities of companies with small-to medium-sized capitalizations. While the securities of such companies often provide significant potential for appreciation, smaller-capitalization stocks involve higher risks in some respects than do investments in the securities of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than that for larger, "blue-chip" companies. In addition, due to thin trading in some small-capitalization stocks, an investment in such securities may be relatively illiquid.

Illiquid Portfolio Securities

To the extent that a Portfolio Manager invests in private securities or restricted securities, the valuation of such securities will be determined by the Portfolio Manager, whose determination, despite the conflict to which the Portfolio Manager is subject when establishing such values, will be final and conclusive as to all parties. The value established may not reflect accurately the amount that could be realized if the securities were sold. The valuation process and potential conflicts are overseen by the Private Advisors Valuation Committee. In certain situations, such as disposing of a stub position or during the liquidation of a fund, Private Advisors may sell such an investment to another party at a substantial discount to the current capital account value or net asset value of the position. In situations where a given Fund is in the process of liquidation, Private Advisors will take into consideration the substantial costs of continuing to operate the Fund over time, compared to the discounted market value received when selling a position in the secondary market. Accepting a discounted bid for a position may result in a significant difference between the value stated by the Portfolio Manager and the secondary market value.

Short Selling

A given Fund's Portfolio Managers may engage in short selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Highly Volatile Markets

The prices of commodities contracts and all derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instrument futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Portfolio Funds also are subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses.

Distressed Securities

Certain Funds will utilize Portfolio Managers that invest in distressed securities. The ability of a Portfolio Manager to obtain a profit from these investments may often depend upon factors that are intrinsic to the particular issuer, rather than the market as a whole. Appreciation in the value of such securities may be contingent upon the occurrence of certain events, such as a successful reorganization or merger. If the expected event does not occur, the Portfolio Fund may incur a loss on the position. Distressed securities may have a limited trading market, resulting in limited liquidity and presenting difficulties to the Portfolio Manager in valuing its positions.

Hedging

Portfolio Managers may engage in a variety of hedging transactions. Hedges can be more difficult to implement than many other types of transactions and the possibilities for errors may be greater than for other transactions. Portfolio Managers may use options or futures contracts for hedging purposes. There is a risk that price movements on the futures contracts or options may not correspond to price movements in

the security against which the Portfolio Manager is using the futures contracts to hedge because of fundamental differences between the two instruments and the factors which affect price movements.

Certain Derivative Instruments

A Portfolio Manager may purchase and sell (“write”) options on equities on national and international securities exchanges and in the domestic and international over-the-counter market. The seller (“writer”) of a put option that is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security, plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

The writer of a call option that is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the value of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and creditworthiness of the swap counterparty.

Fixed-Income Securities

The Portfolio Managers may invest in fixed-income securities. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to the risk of price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness or financial condition of the issuer, and general market liquidity (i.e., market risk). The Portfolio Managers may invest in both investment grade and non-investment grade debt securities, including high yield bonds and distressed securities. Non-investment grade debt securities are generally considered to be speculative with respect to the issuer’s capacity to pay interest and repay principal. Non-investment grade debt securities in the lowest rating categories may involve a substantial risk of default or may be in default. Distressed securities are securities issued by companies that are involved in bankruptcy or insolvency proceedings or experiencing other financial difficulties. The performance of investments in distressed securities may be adversely affected to a greater extent by specific economic developments affecting an issuer, or by a general economic downturn, than investment in securities of issuers not facing such difficulties.

Warrants

Warrants are derivative instruments that permit, but do not obligate, the holder to purchase other securities. Warrants do not carry with them any right to dividends or voting rights. A warrant ceases to have value if it is not exercised prior to its expiration date.

Use of Swap Agreements

Portfolio Managers may use equity, interest rate, index and currency swap agreements. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than a year. In a standard swap transaction, two parties agree to exchange the returns earned on specified assets, such as the return on, or increase in value of, a particular dollar amount invested at a particular interest rate, in a particular foreign currency, or in a “basket” of securities representing a particular index. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary securities transactions. Interest rate swaps, for example, do not typically involve the delivery of securities, other underlying assets or principal. Accordingly, the market risk of loss with respect to an interest rate swap is often limited to the amount of interest payments that the Portfolio Manager is contractually obliged to make on a net basis.

There are risks relating to the financial soundness and creditworthiness of the counterparty to swap agreements. If the other party to an interest rate swap defaults, the Portfolio Manager’s risk of credit loss may be the amount of interest payments that the Portfolio Manager is contractually obliged to receive on a net basis. However, where swap agreements require one party’s payments to be “up-front” and timed differently than the other party’s payments (such as is often the case with currency swaps), the entire principal value of the swap may be subject to the risk that the other party to the swap will default on its contractual delivery obligations. If there is a default by the counterparty, the Portfolio Manager may have contractual remedies pursuant to the agreements related to the transaction. The swap market has grown substantially in recent years, and has become relatively more liquid, with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation. The investment performance of the Portfolio Manager, however, may be adversely affected by the use of swaps if the Portfolio Manager’s forecasts of market values, interest rates or currency exchange rates are inaccurate.

Credit Default Swap Agreements

Portfolio Managers may enter into credit default swap agreements. The “Buyer” in a credit default swap contract is obligated to pay the “seller” a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay, obligation acceleration or modified restructuring. A Portfolio Manager may be either the buyer or seller in the transaction. As a seller, a Portfolio Manager receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the Portfolio Manager typically must pay the contingent payment to the buyer, which is typically the “par value” (full notional value) of the reference obligation. The contingent payment may be a cash settlement or by physical delivery of the reference obligation in return for payment of the face amount of the obligation. If a Portfolio Manager is a buyer and no credit event occurs, the Portfolio Manager may lose its investment and recover nothing. However, if a credit event occurs, the buyer typically receives full notional value for a reference obligation that may have little or no value. Credit default swap agreements may involve greater risks than if a Portfolio Manager had invested in the reference obligation directly. Credit default swap agreements are subject to general market risk, liquidity risk and credit risk. As noted above, if a Portfolio Manager is a buyer and no credit event occurs, it will lose its investment. In addition, the value of the reference obligation received by a Portfolio Manager as a seller if a credit event occurs, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to the Portfolio Manager. The treatment of credit default swaps as “notional principal contracts” for U.S. federal income tax purposes is uncertain. Were the U.S. Internal Revenue Service to take the position that a credit default swap is not a notional principal contract, payments received by a non-U.S. counterparty from such transactions could be subject to U.S. withholding or excise taxes.

Non-U.S. Investments

A Portfolio Manager may invest in non-U.S. securities denominated in non-U.S. currencies and/or traded outside of the United States. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, impositions of exchange control regulation by the United States or foreign governments, United States and foreign withholding taxes, limitation on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation, and economic or political instability in foreign nations. There may be less publicly available information about certain foreign companies than there would be in the case of comparable companies in the United States. Certain foreign companies may not be subject to accounting, auditing, and financial reporting standards and requirements comparable to or as uniform as those of United States companies. Securities markets outside the United States, while growing in volume, have for the most part substantially less volume than U.S. markets, and many securities traded on these foreign markets are less liquid and their prices are more volatile than securities of comparable United States companies. In addition, settlement of trades in some non-U.S. markets is much slower and more liable to failure than in U.S. markets.

Foreign Exchange Risk

Certain Portfolio Managers have reserved the right to invest in the securities of non-U.S. issuers. A portion of any such underlying fund's assets may be invested in equity securities denominated in currencies other than the U.S. dollar and in other financial instruments, the price of which is determined with reference to currencies other than the U.S. dollar. Any such fund, however, would likely value its securities and other assets in U.S. dollars. To the extent unhedged, the value of the fund's assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the fund's investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the assets of the fund are invested would reduce the effect of increases and magnify the U.S. dollar equivalent of the effect of decreases in the prices of the securities invested in by a fund in non-U.S. markets. Conversely, a decrease in the value of the U.S. dollar would have the opposite effect; it would magnify the effect of increases and reduce the effect of decreases in the prices of the non-U.S. dollar securities invested in by the fund.

A Portfolio Manager may utilize currency forward contracts and options to hedge against currency fluctuations. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals that deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. In respect of such trading, a fund is subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to a fund.

Futures Contracts

Commodity futures prices and commodity options can be highly volatile. Price movements of futures contracts and options are influenced by, among other things, changing supply and demand relationships,

domestic and foreign governmental programs and policies and national and international political and economic events. Moreover, commodity exchanges generally limit fluctuations in commodity futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Commodity futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Fund’s Managers from promptly liquidating unfavorable positions and subject the Fund to substantial losses.

Systemic Risk - OTC and Derivative Counterparty Risk

World events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in the Portfolio Managers selected by Private Advisors losing substantial value caused predominantly by liquidity and counterparty issues, which could result in a Fund incurring substantial losses.

Purchasing Initial Public Offerings

Portfolio Managers and Portfolio Funds may purchase securities of companies in initial public offerings of any equity security (“new issues”) or shortly thereafter. Special risk associated with these securities may include a limited number of interests available for trading, unseasoned trading, lack of investor knowledge of the company, and limited operating history. These factors may contribute to substantial price volatility for the interests of these companies and, thus, the Fund’s interests/shares. The limited number of interests available for trading in some initial public offerings may make it more difficult for a Portfolio Manager or Portfolio Fund to buy or sell significant amounts of interests without an unfavorable impact on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

Market for Transactions and Financing

The business of identifying and structuring debt transactions is highly competitive between capital providers and involves a high degree of market and transaction uncertainty. Private Advisors may not be able to identify suitable investment opportunities to satisfy an Advisory Client’s investment objectives. The financial markets have experienced substantial fluctuations in prices and liquidity for levered loans in the past. Any disruption in the credit and other financial markets may have negative effects on general economic conditions, as well as on the operating performance and the availability of capital for entities in which Private Advisors could recommend an investment for the Advisory Client. These conditions may also result in increased default rates and credit downgrades and affect the liquidity and pricing of instruments in which an Advisory Client could invest.

Risk of Private Debt and Equity Instruments

Private debt and equity investments involve a high degree of financial risk. Investments recommended by Private Advisors may not be profitable and losses may occur. Private debt may not be repaid by the issuer and a liquid market may not exist for these obligations. Therefore, Private Advisors may not realize an Advisory Client’s rate of return objectives, and there may not be a return of capital to investors.

Debt – Credit and Interest Rate Risks

Credit risk refers to the likelihood that a borrower will default in the payment of principal and/or interest. Financial strength and solvency of a borrower are the primary factors influencing credit risk. In

addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of a loan, and securities and other debt instruments that are rated by rating agencies may be downgraded. Interest rate risk refers to the risks of market changes in interest rates. Interest rate changes may affect the value of debt.

It is critical that Advisory Clients and Investors refer to their respective Advisory Client's offering documents for a complete understanding of the significant risks associated with investments in the Advisory Clients (including the risk of total loss). The information contained herein is as summary only and is qualified in its entirety by the relevant Advisory Client's offering documents.

Cybersecurity Risks

As part of its business, Private Advisors processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Advisory Clients and personally identifiable information of the Investors. Similarly, service providers of Private Advisors and its Advisory Clients, especially the administrator of an Advisory Client, may process, store and transmit such information. Private Advisors has procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to Private Advisors may be susceptible to compromise, leading to a breach of Private Advisors' network. Private Advisors' systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by Private Advisors to the Investors may also be susceptible to compromise. Breach of Private Advisors' information systems may cause information relating to the transactions of Advisory Clients and personally identifiable information of the Investors to be lost or improperly accessed, used or disclosed.

The service providers of Private Advisors and the Advisory Clients are subject to the same electronic information security threats as Private Advisors. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Advisory Clients and personally identifiable information of the Investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of Private Advisors' or the Advisory Clients' proprietary information may cause Private Advisors or the Advisory Clients to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Advisory Clients and the Investors' investments therein.

ITEM 9 – DISCIPLINARY INFORMATION

There is no disclosable disciplinary information with respect to all individual Private Advisors employees, including executive officers and members of Private Advisors’ investment committee. Please see Private Advisors’ Form ADV Part 1, Item 11 and accompanying Disclosure Reporting Pages (“DRPs”) for disclosure about disciplinary information related to NYL, an advisory affiliate of Private Advisors. As disclosed in Item 4 above, NYL owns a substantial portion of Private Advisors through NYLIM, an intermediate subsidiary of NYL. Given this ownership structure, NYL is an “Advisory Affiliate” of Private Advisors and has the power to exercise a controlling influence over Private Advisors’ management and policies. Private Advisors is therefore required to disclose NYL’s disciplinary information and disciplinary history.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

Private Advisors is affiliated with NYLIFE Distributors and NYLIFE Securities, LLC, both of which are registered broker-dealers. Various employees of Private Advisors maintain securities registrations through NYLIFE Distributors, LLC.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

Private Advisors is registered as a Commodity Pool Operator and the following individuals are registered as Associated Persons with the National Futures Association: Charles HG Honey, Christopher G. Mackay, Louis W. Moelchert, Jr., Louis W. Moelchert, III, and Scott Theodore White.

C. Material Relationships or Arrangements with Industry Participants

Please see above for disclosure related to affiliated broker-dealers, Private Advisors' commodity pool operator status and a list of its associated persons.

Private Advisors discloses a number of related persons in Schedule D, Section 7.A of its Form ADV Part 1 that stem from its affiliation with NYLIFE Distributors and NYLIFE Securities, LLC. Please refer to Schedule D, Section 7.A of the Form ADV Part 1 for a full list of financial industry affiliations. In addition, Private Advisors maintains a supplementary list of all of its related persons (include those not listed on Schedule D, Section 7.A due to a lack of: (i) business dealings; (ii) shared operations; (iii) client referrals; (iv) supervised persons; and (v) conflicts of interest). A copy of the full list of related persons is available upon request.

It is also noted that Louis W. Moelchert, III ("Chip Moelchert"), a Partner of Private Advisors, has been appointed a Member of the Board of Managers of GoldPoint Partners LLC and Credit Value Partners, LLC, both affiliates of NYL.

As explained in Item 4 above, Private Advisors serves as General Partner to several Funds which are organized as Delaware limited partnerships, and serves as Investment Manager to certain Funds which are organized as Cayman entities. Affiliates of Private Advisors also serve as General Partner to certain Funds as listed in Item 4 above. Additional affiliates of Private Advisors serve as special limited partners and special general partners to the Funds for various tax or legal reasons. In addition, Private Advisors serves in a consulting and investment advisory role with respect to the Sub-Advised Fund, for which the investment manager, Madison Capital Funding LLC, is an affiliate.

Private Advisors has a longstanding Conflicts Committee, the objective of the Committee and the role it serves includes: (i) monitoring and reviewing Private Advisors' known and potential conflicts of interest; and (ii) managing such conflicts in a way that protects the interests of Private Advisors' Advisory Clients and Investors.

The members, officers, and employees of Private Advisors and its affiliates sit on the advisory boards of certain other investment advisors. Certain of the Funds' investment committees may have independent members who are not employees or agents of Private Advisors. In recognition of such persons' limited, yet substantive, engagement with Private Advisors, all such persons will be subject to some level of risk-based

oversight which may range from periodic certifications to the full Private Advisors' Code of Ethics and conflicts of interest reporting and disclosure regime. Additionally, Private Advisors has not invested, and will not invest in the future, in any private funds managed by or affiliated with an independent member of a Private Advisors investment committee. Employees of Private Advisors serve on certain boards of directors or executive committees, or in other management capacities, at companies in which the Advisory Clients invest, either directly or indirectly. Serving in such a capacity may expose such employee, and by association Private Advisors and the Advisory Clients, to certain limitations on the ability to trade the securities of the issuer company and certain conflicts of interest. As a result of such service, an employee may become aware, from time to time, of material non-public information about the company in which an Advisory Client invests, and the employee's knowledge is likely to be attributed to Private Advisors or its affiliates and the Advisory Client; therefore, an Advisory Client's ability to trade the securities of such company may become substantially restricted. An Advisory Client's ability to buy and sell such securities may be limited to such times as company insiders are permitted to do so. Such limitations may cause an Advisory Client to forgo sales that it would otherwise make, thereby exposing the Advisory Client to losses, or to forgo purchases, thereby exposing the Advisory Client to lost opportunities. Private Advisors, its affiliates and the Advisory Clients may also be subject to Section 16 of the Securities Exchange Act of 1934, as amended, including the disclosure requirements, the restrictions on purchases and sales, and the disgorgement of profits in certain circumstances. An employee serving as a director of a company owned, directly or indirectly, by an Advisory Client may also face a conflict between the fiduciary duties owed by such employee to the Advisory Client and the duties owed to such company. In such circumstances, an employee may act in ways that are in the best interests of such company but not the Advisory Client. Private Advisors maintains internal compliance policies that are intended to minimize the negative effects of such conflicts if they arise, and intends to prevent employees from taking such positions when, in Private Advisors' determination, the potential risks to the Advisory Client outweigh the potential benefits. However, there can be no assurance that permitting the board membership of an employee will not result in less favorable results for the Advisory Clients than if the employee was not permitted to serve in such capacity.

Partners, officers and employees of Private Advisors may have close relationships with senior executives of public or private companies. Such outside senior executives may also invest in the Funds. Such senior executives could seek to exert influence on Private Advisors to invest in such companies or may give Private Advisors information that is not publicly known. Thus, Private Advisors, its partners, officers or employees might receive material non-public information with respect to such publicly-traded or private companies which could restrict its Advisory Clients from trading in such companies for an extended period of time.

With respect to the Direct Investment Funds, the investment team of Private Advisors will directly manage one or more of the segregated portfolios of the Master UVF. In addition, Private Advisors, its affiliates, or their employees may serve in the future as the general partner of or the investment adviser to, and directly manage the assets of, other funds or accounts ("Other Accounts") with investment objectives and strategies that are similar to those of the Direct Investment Funds. Private Advisors and its affiliates may also give advice or take action with respect to the Other Accounts that differs from the advice given or actions taken with respect to the Direct Investment Funds. Further, Private Advisors members and employees, as well as the UVF Portfolio Managers, continue to be involved in other business activities, which could, and does, include the management of other domestic and offshore funds and accounts with similar investment objectives and investment strategies. While the parties intend to devote such time to the business of the Direct Investment Funds as they consider necessary, conflicts may arise in the allocation of their time among the various funds and accounts managed by Private Advisors.

D. Material Conflicts of Interest Relating to Other Investment Advisers

Please see responses above.

While Private Advisors does select investment advisers for investments made by the Advisory Clients (as disclosed elsewhere in this ADV), it does not receive direct or indirect compensation from those advisers related to the advisers selection. Rather, Private Advisors is solely compensated by Investors in the Funds managed by Private Advisors.

Members, officers and employees of Portfolio Managers/Portfolio Funds in which the Advisory Clients invest do maintain personal investments in certain of the Funds.

As relating to Private Advisors' private equity investments, it should be noted that partners, officers, and employees of Private Advisors may and have become advisory board members and Private Advisors may invest and has invested in Portfolio Funds for which one or more of Private Advisors' professionals serves as an advisory board member. It should be noted that such professionals at times become members of the advisory board of a Portfolio Fund in which an Advisory Client invests as a result of such investment. Although Private Advisors believes that these positions are consistent with each respective Advisory Client's investment strategy, and are generally beneficial to it, an advisory board member's fiduciary duty to the Portfolio Fund may conflict with the interests of Private Advisors' Advisory Clients.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Private Advisors' Code of Ethics – Overview

Private Advisors has adopted a Code of Ethics (the “Code”) that it reasonably believes complies with the requirements of Advisers Act Rule 204A-1 and Rule 17j-1 under the Investment Company Act of 1940 and ensures that the personal securities transactions of Private Advisors' Access Persons do not conflict with transactions recommended to Private Advisors' Advisory Clients. Private Advisors is of the view that high ethical standards are essential for the success of Private Advisors and to maintain the confidence of Private Advisors' Investors. Private Advisors is of the view that its long-term business interests are best served by adherence to the principle that Advisory Client interests come first.

The Code is designed to (i) prevent improper personal trading by Private Advisors' Access Persons; (ii) prevent improper use of material, non-public information about securities recommendations made by Private Advisors or securities holdings of Private Advisors' Advisory Clients; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of Advisory Clients.

Private Advisors' Code contains numerous requirements of Access Persons, including, but not limited to:

- Restricted List. Access Persons are generally prohibited from purchasing any security which is on Private Advisors' current restricted list. An updated copy of the restricted list is routinely provided to Access Persons.
- Other Restricted Securities. If any Access Person acquires information about the plans of any Portfolio Manager of a Portfolio Fund invested in by any of Private Advisors' Advisory Clients, or any Advisory Client itself, to purchase or sell a particular security, then such Access Person may not effect a transaction in such security unless such Access Person receives the prior, written approval of the Chief Compliance Officer or his designee.
- Access Person Reporting Requirements. Private Advisors requires its Access Persons to report certain of their securities transactions on a quarterly basis and disclose certain of their securities holdings within 10 days of becoming an Access Person and on an annual basis thereafter, as required by Advisers Act Rule 204A-1.
- Access Person Personal Trading – Preclearance. An Access Person must obtain the prior written or electronic approval of the Chief Compliance Officer before engaging in the following transactions: (i) direct or indirect purchase or sale of beneficial ownership in a security in a limited offering (which includes investments in hedge funds); and (ii) acquisition of securities through an initial public offering. Heightened requirements are in place for Access Persons with access to the Direct Investment Funds' potential purchases or sales or current portfolio holdings.
- Code – Oversight. Access Persons are required to sign and acknowledge their familiarity with the Code by signing an annual acknowledgement. Private Advisors has authority to impose such sanctions or remedial action as it deems appropriate or to the extent required by law upon the discovery of any violation of the Code.

A copy of Private Advisors' Code is available upon request by contacting Private Advisors' Chief Compliance Officer at the telephone number or email address listed at the beginning of this Brochure.

Private Advisors also maintains insider trading policies and procedures that are designed to prevent the misuse of material, non-public information. Private Advisors' personnel are required to certify their compliance with the Code of Ethics, including the Insider Trading Policies.

Private Advisors' insider trading policies prohibit Private Advisors and its personnel from trading for the Advisory Clients or themselves, or recommend trading, in securities of a public company while in possession of material, non-public information about the company, which is referred to as "insider" information, and from disclosing such information to any person not entitled to receive it. By reason of its various activities, Private Advisors may have access to insider information or be restricted from effecting transactions in certain investments that might otherwise have been initiated.

Notwithstanding such policies and procedures, there may be certain cases where Private Advisors either may receive insider information due to its various activities on behalf of itself or the Advisory Clients or may be restricted in acting for the Advisory Clients, resulting in limited liquidity or using such information for the benefit of certain Advisory Clients in specific securities. Private Advisors seeks to minimize those cases whenever possible, consistent with applicable law and its insider trading policies, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

B. Securities that the Investment Adviser or a Related Person Has a Material Financial Interest

Private Advisors has a financial interest in the Funds and receives a management fee and in some cases a performance-based fee or allocation for its services to the Funds (as disclosed elsewhere in this brochure). The fact that Private Advisors has a financial interest in such Funds creates a potential conflict of interest in that it could cause Private Advisors to make different investment decisions than if it did not have such a financial interest. Further, as noted in Item 6, the fact that Private Advisors could and does receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for Private Advisors to make more speculative investments than it might otherwise make.

Certain of Private Advisors' affiliates, officers and employees have investments in one or more of the Funds and, as such, have a financial interest in the Funds. This creates a potential conflict of interest as Private Advisors personnel with personal investments in the Funds could lead those persons to make different investment decisions than if such persons did not have such investments. In addition, principals and employees of Private Advisors and its affiliates may, and do, directly or indirectly own an interest in Funds, including through certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the Funds, subject to any restrictions set forth in the applicable partnership agreements. In addition, principals and employees of Private Advisors and its affiliates may, and do, directly or indirectly own an interest in one or more investment vehicles limited to employees of Private Advisors. Such investment vehicles may invest in the same or similar securities as the Advisory Clients, however, the Advisory Clients will always have allocation priority over such investment vehicles.

In general, Private Advisors will not, directly or indirectly, while acting as principal for its own account, knowingly sell any security to, or purchase any security from, an Advisory Client and generally does not contemplate engaging in agency-cross transactions. It should be noted that investment personnel may, from time to time, make a determination that certain holdings in Advisory Client portfolios must be rebalanced and reallocated to bring the asset allocation for the Advisory Clients back to target allocations (which involves a "sell" from one account and a "buy" on a different account) or for any other purpose as deemed appropriate, including an Advisory Client purchasing the assets of another Advisory Client which is in the process of being liquidated. In such events, a determination will be made independently for each Advisory

Client involved in the contemplated transaction based upon the Advisory Client's investment/risk parameters, assets under management, liquidity and portfolio exposure. These "cross-transactions" may be accomplished via an assignment and assumption of a Portfolio Fund's interests, with another one of its Advisory Clients. On occasion, Private Advisors may, in its discretion, exclude certain Advisory Client accounts from such rebalancing transactions in order to adhere to the proscriptions of ERISA. In addition, each cross trade between accounts will be executed on a fair and equitable basis.

Private Advisors will determine the allocation of an investment opportunity in a manner that it believes is fair and equitable to its clients consistent with Private Advisors' obligations. Private Advisors allocation policies and procedures will, in certain circumstances, give priority to certain Funds or Managed Accounts and may take into consideration factors such as the following: a) Risk profile and investment objectives specific to each Advisory Client; b) Portfolio size, construction, liquidity attributes, and diversification considerations specific to each Advisory Client; c) The extent and nature of an advisory client relationship, including whether the Advisory Client is an existing active fund and is seeking excess capacity in an investment that will be allocated to the same active Fund; d) Existing relationships between the Advisory Client and the underlying manager; e) Underlying fund manager discretionary considerations, such as preference for certain investor profiles; f) Regulatory constraints or other advisory client-specific restrictions; g) Contractual obligations, when applicable; h) Whether the Advisory Client has adequate cash available for the available investment opportunity, taking into account current cash availability as well as known and potential future cash needs or sources that may impact cash availability; i) The target position size specific to each Advisory Client and/or strategy while also taking into consideration future additional capacity availability that may impact the attainment of the desired final position size of the investment opportunity; and j) Other factors that Private Advisors may reasonably deem relevant. In situations where there is insufficient capacity, Private Advisors, in its sole discretion, will make subjective judgments using some or all of the above factors. Private Advisors has contractual relationships with certain Advisory Clients whose stated investment strategy is to potentially participate in excess investment capacity in highly sought after investments to which Private Advisors may have access. These "excess capacity" investments by certain Advisory Clients but not others may make it less likely that other Advisory Clients are offered access to some investment opportunities. A copy of Private Advisors' allocation policy is available upon request.

In situations where Private Advisors receives some form of compensation from a class action lawsuit or some other compensation intended for one of its Funds as a result of one of the holdings in that Fund, and that Fund has since been dissolved, Private Advisors may, in its sole discretion, determine where such compensatory funds should be credited. The Investment Committee, in consultation with the Chief Compliance Officer, and in consideration of the amount of funds involved, and as reasonably practicable, may determine to attempt to distribute the compensation to the previous investors, donate the compensation to charity, credit the compensation to a successor Fund in the same strategy, reject receipt of the compensation, or some other action.

Private Advisors may invest the assets of one of its Funds into another one of its Funds, which represents a conflict of interest. Private Advisors would do so only when it believes this would be mutually beneficial to both Advisory Clients. Examples of this type of situation would include Private Advisors buying one of its own private equity funds in the secondary market for one of its secondary Funds, or one of Private Advisors' hedge fund of funds allocating some portion of its assets to one of Private Advisors' Direct Investment Funds. In certain circumstances, duplicative management and incentive fees could apply.

Please also see the conflicts of interests disclosed in response to Item 10.

Private Advisors seeks to address these potential conflicts through the use of:

- A robust Code of Ethics, which is described above;
- A requirement that Private Advisors' employees complete questionnaires detailing their potential conflicts (which are carefully monitored) in conjunction with Private Advisors' Outside Business Activities Policy;
- A requirement that, as applicable, employees recuse themselves from decisions related to potential conflicts of interest.
- Disclosure of potential conflicts of interests and risks in this Brochure as well as in Fund offering documents provided to prospective Investors.
- The establishment of a Conflicts Committee to review known and unresolved conflicts.

C. Investing in Securities that the Investment Adviser or a Related Person Recommends to Clients

The partners, officers, and employees of Private Advisors and its affiliates are permitted to buy and sell, for their own account or for the account of other Advisory Clients, currencies, securities, and other financial instruments, in each case of the same or a similar type to those bought or sold on behalf of the Advisory Clients. Furthermore, for the avoidance of doubt, there have been instances whereby principals of Private Advisors have made direct investments in financial instruments that were also financial instruments held in a Portfolio Fund managed by an underlying Portfolio Manager.

Private Advisors and its affiliates may give advice and recommend the purchase or sale of currencies, securities, and other financial instruments, or buy or sell such currencies, securities, and instruments for their own account or that of other Advisory Clients, which advice or instruments may differ from advice given to, or instruments recommended or bought or sold for, the Advisory Clients, even though their investment objectives may be the same or similar.

In addition, it should further be noted that in relation to investment management services to its Advisory Clients, there may be instances where Private Advisors pursues an investment opportunity through normal business channels that could potentially result in a transaction where an Advisory Client is purchasing a financial instrument from an underlying Portfolio Manager in which other Advisory Clients of Private Advisors are invested or from an affiliate. In addition, Private Advisors or an affiliate could purchase a financial instrument from an investor in one of Private Advisors' Funds.

The securities portfolio and liquid assets of each Fund will not be commingled with other securities and liquid assets managed by Private Advisors or its affiliates, except to the extent that the assets of a Fund will be commingled with the assets of other feeder funds, if any, through the use of a master/feeder structure. Notwithstanding the foregoing, Private Advisors and its affiliates may invest assets of the Advisory Clients in investment vehicles managed or advised by Private Advisors or its affiliates. In such cases, the Private Advisors Conflicts Committee will determine, in its sole judgement, whether it should waive the management and/or incentive fee at the investee fund level in relation to such investments made by an Advisory Client, in order to avoid duplicative management and incentive fees. It should be noted that, in certain instances, the Private Advisors Conflicts Committee will not waive the fee at the investee fund level and duplicative management and incentive fees will apply.

As explained in above, Private Advisors seeks to address these potential conflicts of interest through a robust Code of Ethics and the Conflicts Committee.

D. Conflicts of Interest Created by Contemporaneous Trading

See responses to items above.

ITEM 12 – BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

1. Research and Other Soft Dollar Benefits

Private Advisors' investment advisory services are primarily focused on a fund of funds strategy and allocating Fund assets among Portfolio Funds. As a result, Funds of Funds generally do not engage in direct trading activity and Private Advisors (and its affiliates) do not select or recommend broker-dealers for Funds of Funds transactions.

However, the Portfolio Managers are authorized to determine the broker or dealer to be used for each securities transaction for the Portfolio Funds. Private Advisors has no direct control over any Portfolio Manager's best execution review processes or brokerage arrangements entered into by the managers. It is expected that Portfolio Managers will allocate brokerage business generally on the basis of best available execution and in consideration of such brokers' provision of brokerage, research and related services (but no absolute assurances can be made in that respect).

Similarly, with respect to certain strategies, such as the Direct Investment Funds, the portfolio managers at times will utilize research services obtained by the use of commissions arising from portfolio transactions and, therefore, the Advisory Clients may not, in any particular instance, be the direct or indirect beneficiaries of the research, services or equipment provided. Research and related services furnished by brokers include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing services; discussions with research personnel; data bases; fees for attendance at industry conferences; and other news, technical and telecommunications services utilized in the investment management and execution process. When Advisory Client brokerage commissions obtain research or other products or services, Private Advisors receives a benefit because it does not have to produce or pay for the research, products or services. Therefore, there exists an incentive for Private Advisors to select or recommend a broker based on Private Advisors receiving these benefits rather than recommending a broker based solely on receiving the most favorable execution for securities transactions.

In addition to the above, on rare occasions, Portfolio Funds are permitted to make distributions of in-kind securities to one of the Advisory Clients and Private Advisors must then attempt to liquidate such assets. To the extent that a Portfolio Fund distributes highly illiquid assets to an Advisory Client, Private Advisors will make a decision with respect to those assets that it reasonably believes is in the best interests of Investors. When such assets (or the assets of Direct Investment Funds or the Managed Accounts) are managed directly by Private Advisors, Private Advisors will (as applicable) seek to achieve best execution when determining the brokers through which trades are routed and the transaction costs at which securities transactions are executed. In such circumstances, it should be noted that Private Advisors may elect to direct brokerage business to a limited number of firms (which may be one) which it believes have a strong reputation and/or provide valuable research, products or services. Such firms may not always charge the lowest commission rates, but Private Advisors is of the view that this approach is consistent with what is in the best interest of Advisory Clients and is consistent with best execution.

In recognition of its duty to seek best execution on behalf of its Advisory Clients and to monitor the use of Advisory Client commissions, Private Advisors has established a Brokerage Committee which meets quarterly, or as needed, to review direct trading activities in efforts to ensure that Private Advisors' brokerage business for Advisory Clients is consistent with stated procedures and generally in accordance with its duty to obtain best execution.

1. Brokerage for Client Referrals

Private Advisors does not recommend or select broker-dealers for its clients on the basis of client referrals from a broker-dealer or third party.

2. Directed Brokerage

Private Advisors does not recommend, request or require that a client direct Private Advisors to execute transactions through a specified broker-dealer.

B. Order Aggregation

When appropriate, Private Advisors is permitted to, but is not required to, aggregate Advisory Client orders to achieve more efficient execution or to provide for equitable treatment among accounts. An Advisory Client's participation in aggregated trades will be allocated securities or cash based on the average price achieved for such trades, as well as a proportionate amount of the expenses incurred in the transaction. Depending upon market conditions, the aggregation of orders may result in higher or lower average prices paid or received. Orders which are not aggregated are entered at the market prices prevailing at the time of the transaction. Accordingly, trades that are not aggregated and entered at different times during the same day may result in different pricing. It is possible that Private Advisors or its affiliates could identify investment opportunities that are suitable for multiple Advisory Clients. In such instances, Private Advisors' Conflicts Committee will be called upon to discuss the investment opportunities with Private Advisors' investment personnel to determine the course of action which is best for affected Advisory Clients. In addition, it should be noted that Private Advisors and its affiliates make investment decisions on behalf of the Advisory Clients on the principles of fairness and equity. Additional factors that Private Advisors and its affiliates take into account include, among others, the nature and size of the proportion of securities issued or proposed transaction; the investment objectives and restrictions on the Advisory Clients; the relative size and cash availability of the applicable strategy within an Advisory Client; tax consequences; legal restrictions, including those that may arise in foreign jurisdictions; the degree of specialization of the Advisory Client relative to the investment offered; and other factors considered relevant by Private Advisors or its affiliates at the time of the investment.

ITEM 13 – REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

Active accounts are under continuous review with regard to investment policy, the suitability of the investments used to meet the policy objectives, and the investment objectives of the particular account. Portfolio reviews for hedge fund investment partnerships are conducted at least monthly by the principals of Private Advisors, Mr. Louis W. Moelchert, Jr. and Mr. Louis W. Moelchert, III, as well as by Partners, Mr. Charles Honey, Mr. Scott Henkin, Ms. Laura Baird, Director, Mr. Bradley Goodyear, and Vice President, Mr. Benjamin Fass. Portfolio reviews for private equity fund investment partnerships are conducted at least quarterly by the principals of Private Advisors, Mr. Louis W. Moelchert, Jr., and Mr. Louis W. Moelchert, III, as well as by Partners, Mr. Gordon Hargraves, Mr. Chris Stringer, Mr. Bart Shirley, Mr. Chris Hanrahan, Mr. Tripp Taliaferro, Ms. Kee Tilghman Rabb, Mr. Zachary McCarroll, Mr. Richard Wiltshire, and Mr. Todd Milligan and by Managing Director, Mr. Michael Griech. Further, members Private Advisors' hedge fund team review each account of the Direct Investment Funds regularly. Similarly, Managed Accounts are managed and reviewed by either the hedge fund or private equity fund teams, and the individuals mentioned above, depending on the account's investment mandate.

In addition, Private Advisors has established a formal Risk Committee, which is a subset of the Hedge Fund Investment Committee and is led by Ms. Baird. The Risk Committee is responsible for developing risk management policies for Private Advisors and oversight as to their implementation. The Risk Committee meets on a periodic basis, but at least once per quarter, to evaluate and review risk management models. The Risk Committee may meet on an ad hoc basis when needed to review changes to policy or established risk management models requested by the Hedge Fund Investment Committee. The Risk Committee reviews individual and aggregate risks, including: Portfolio Manager correlations and concentrations; attribution analysis; Portfolio Manager over/under weights versus target; strategy over/under weights versus target; and a given Fund's liquidity profile.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

The Risk Committee may meet on an ad hoc basis when needed to review changes to policy or established risk management models requested by the Hedge Fund Investment Committee.

C. Frequency and Nature of Reports Provided to Clients

Fund Investors receive at least quarterly written Fund financial statements, capital account statements and a performance update, as well as annual audited financial statements.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients

Private Advisors does not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals

Private Advisors has entered into arrangements with certain firms for the purpose of obtaining or providing client referrals or servicing clients. A portion of the fees received from such referred Investors is shared with the referring firm. Any such payments are generally disclosed to the Investor in compliance with Advisers Act Rule 206(4)-3 and relevant SEC guidance. This rule requires a written agreement between the investment adviser and the person soliciting clients on its behalf. The rule may also require 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, Private Advisors will not engage another person to solicit clients on its behalf if that person has been subject to securities regulatory or criminal action within the preceding ten years unless no-action relief from the SEC has been granted.

Private Advisors may also enter into placement agreements with registered broker dealers to distribute the Funds advised by Private Advisors. All arrangements with solicitors must be approved by Private Advisors' Chief Compliance Officer or designee and any approved solicitor must be an appropriately registered broker-dealer with the Securities and Exchange Commission, Financial Industry Regulatory Authority, licensed in appropriate states and/or appropriately licensed in the referring firm's foreign jurisdiction. It should be noted that a consulting firm or an affiliate of such consulting firm, which provides family office services to certain executives of Private Advisors, from time to time refers clients to Private Advisors, for which no referral fee is charged or paid.

Private Advisors has also entered into an arrangement with a financial industry affiliate for the purpose of referring senior loan borrowers and private equity sponsors to the affiliate in exchange for certain compensation, as specified in a written agreement between the parties.

ITEM 15 – CUSTODY

Private Advisors is deemed to have custody of the assets of the Funds by virtue of its (or its affiliate's) role as general partner or investment manager to the Funds. Quarterly account statements for Investors in the Funds are generally sent by the Funds' administrators. Investors should carefully review those statements.

To the extent necessary, Private Advisors maintains the assets of certain Funds in accounts with a "qualified custodian" pursuant to Rule 206(4)-2 under the Advisers Act and notifies Investors in writing of the qualified custodian's name, address and the manner in which the assets are maintained promptly when the account is opened and following any changes to this information. The primary qualified custodians presently utilized by Private Advisors (as of the date of this ADV) are The Bank of New York Mellon, Goldman Sachs, TD Securities, BTIG, Merrill Lynch, Credit Suisse, Barclays, JPM Securities, RW Baird, Silicon Valley Bank, and RBC Capital Markets. It should be noted that Private Advisors has also secured lines of credit for certain Funds with Silicon Valley Bank and/or Société Générale (together, "Credit Providers"), whereby the Credit Providers are deemed a secured party to certain assets of these Funds. Private Advisors has also entered into tri-party control agreements with the Credit Providers and BNY Mellon related to these line of credit arrangements.

Private Advisors is of the view that it does not have custody of the client funds and securities in the Managed Accounts or the Sub-Advised Fund.

ITEM 16 – INVESTMENT DISCRETION

Private Advisors has discretionary authority to manage securities accounts on behalf of its Advisory Clients. Private Advisors is authorized to make purchase and sale decisions for Advisory Clients, and is also authorized to invest Advisory Client assets either in direct investment funds with UVF Portfolio Managers or with Portfolio Funds and Portfolio Managers. As explained in Item 4 above, the investment strategy of each Fund is set forth in detail in such Fund's offering document and Investors in the Funds generally do not have the ability to impose limitations on Private Advisors' discretionary authority. Prospective Investors are provided with an offering document prior to their investment and are encouraged to carefully review the offering document and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors must also execute a subscription agreement, in which they make various representations, including representations regarding their sophistication and ability to assess and bear the risks of investment in a high-risk investment pool. Further, prospective Investors in Funds organized as domestic partnership must execute a limited partnership agreement.

Managed Accounts may either be discretionary or non-discretionary as determined in each Managed Account's individually negotiated Investment Management Agreement. Similarly, the Sub-Advised Fund is non-discretionary as detailed in the investment advisory agreement.

ITEM 17 – VOTING CLIENT SECURITIES

A. Policies and Procedures Relating to Voting Client Securities

Private Advisors understands and appreciates the importance of proxy voting and will generally manage the receipt of incoming proxies, maintain a log of all proxies, and place votes based on established policies and guidelines. In the course of exercising discretion to vote a proxy, Private Advisors will vote any such proxies in the best interests of the Advisory Clients and in accordance with the procedures outlined below (as applicable). Investors do not have the authority to direct Private Advisors' vote in particular situations.

Prior to voting any proxies, Private Advisors' investment professionals will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer, or his designee, will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not. If no material conflict is identified pursuant to its set procedures, the applicable investment professional will make a decision on how to vote the proxy in question. Private Advisors also has the flexibility to abstain from a particular proxy vote when it is determined to be in the best interest of Investors. In certain instances, Private Advisors may utilize and empower a third party vendor to vote certain proxies of the Advisory Clients in certain situations (including situations where a material conflict of interest is identified).

A copy of Private Advisors' proxy policy and/or information on actual proxy votes are available upon request.

B. No Authority to Vote Client Securities and Client Receipt of Proxies

Private Advisors does not have the authority to vote on behalf of certain of its non-discretionary Advisory Clients. However, Private Advisors may make recommendations to such non-discretionary accounts with respect to any proxies received.

ITEM 18 – FINANCIAL INFORMATION

Private Advisors is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.