

Camden Partners Equity Managers I, LLC

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I. Cover Page

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

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

Date: March 31, 2017

II. Material Changes

No material changes have occurred at Camden Partners Equity Managers I, LLC since its last update which was filed on April 27, 2016.

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

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

III. Table of Contents

I.	Cover Page	1
II.	Material Changes	2
III.	Table of Contents	3
IV.	Advisory Business	4
V.	Fees and Compensation	5
VI.	Performance-Based Fees and Side-By-Side Management	7
VII.	Types of Clients	7
VIII.	Methods of Analysis, Investment Strategies and Risk of Loss.....	8
IX.	Disciplinary Information.....	21
X.	Other Financial Industry Activities and Affiliations	21
XI.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	22
XII.	Brokerage Practices	26
XIII.	Review of Accounts.....	26
XIV.	Client Referrals and Other Compensation	27
XV.	Custody	27
XVI.	Investment Discretion	27
XVII.	Voting Client Securities.....	28
XVIII.	Financial Information.....	28

IV. Advisory Business

Camden Partners Equity Managers I, LLC (the “Registrant”), together with Camden Partners Private Equity Advisors, LLC (“CPEA”) and its affiliates, Camden Partners Holdings, LLC (“CPH”) and Camden Partners Strategic Manager, LLC (“CPSM”), provide investment advice to private investment funds. CPEA, CPH, and CPSM are each registered as investment advisers with the SEC under the Investment Advisers Act of 1940, as amended. CPEA and the Registrant are sometimes referred to herein collectively as “Camden Private Capital” or “CPC.”

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

A. Advisory Services

The Registrant provides investment advisory services and acts as the managing member of the private investment funds discussed below. However, the Registrant is not the management company of the below funds. CPEA is the management company of the below funds. CPC currently offers eight diversified private equity funds of funds products to institutional investors and private individuals. The eight private investment funds (each a “Fund” and collectively, the “Funds”) are as follows:

- Camden Private Capital Corporate Finance, LLC (“Corporate Finance Fund”)
- Camden Private Capital Venture, LLC (“Venture Fund”)
- Camden Private Capital II, LLC and Camden Private Capital II-A, LLC (“CPC II”)
- Camden Private Capital III, LLC and Camden Private Capital III-A, LLC (“CPC III”)
- Camden Private Capital IV, LLC and Camden Private Capital IV-A, LLC (“CPC IV”)

The investment objective of each Fund is to realize long-term compounded returns in excess of those available through conventional investments in the public equity markets. Each Fund invests in unaffiliated private investment funds (“Portfolio Funds”) that invest in private portfolio companies (“Portfolio Companies”) in the United States and, to a lesser extent, offshore, particularly in Western Europe. The Funds may also invest in interests in Portfolio Funds previously held by third parties (“Secondary Investments”). The Funds may also co-invest with Portfolio Funds in privately negotiated transactions with operating companies (“Co-Investments”). Detailed information regarding each Fund is provided in that Fund’s private placement memorandum. All of the listed Funds are closed to new investors.

The Registrant serves as the managing member of each Fund and exercises final approval with respect to the selection of Portfolio Funds, Secondary Investments, and Co-Investments (together “Portfolio Vehicles”) and also determines the amount of each Fund’s capital committed to each such investment. CPEA, meanwhile, provides investment management services through a

management agreement with the Registrant. Pursuant to the management agreement, CPEA performs due diligence on investment opportunities, negotiates the terms of each investment, and advises the Registrant on the selection of Portfolio Vehicles for the Funds. Additionally, CPEA performs such other duties as are delegated to it by the Registrant.

B. Tailored Services

The Registrant provides investment advisory services to the Funds. Generally, the Registrant does not tailor advisory services to the individual needs of investors in the Funds. The Registrant exercises final approval over the selection of investments and determines the amount of capital committed to each investment.

C. Wrap Fee Programs

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

D. Client Assets

The Registrant manages client assets. As of December 31, 2016, the following assets are under the Registrant supervision:

Discretionary Basis	\$ 161,573,930
Non-Discretionary Basis	-
Total Assets under Management	<u>\$ 161,573,930</u>

V. Fees and Compensation

A. Management Fees

As part of the management agreement between the Registrant and CPEA, CPEA offers investment advisory services for a percentage of the assets under its management. CPEA is compensated through management fees as described below:

Fund	Timing of Fee Payment	Fee Calculation
Corporate Finance Fund	Quarterly in advance	Annual rate based on the capital committed to the Fund

Venture Fund	Quarterly in advance	Annual rate based on the capital committed to the Fund
CPC II	Quarterly in advance	Annual rate based on the capital committed to the Fund
CPC III	Quarterly in advance	Annual rate based on the capital committed to the Fund
CPC IV	Quarterly in advance	Annual rate based on the capital committed to the Fund

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

Investors will, in effect, pay two sets of management fees on investments in Portfolio Funds (including Secondary Investments): one at the Fund level and one at the Portfolio Fund level. As a result of the two levels of fees, investors will pay more in fees by investing in one of the Funds than they would by investing directly in the Portfolio Funds. Fees for Co-Investments will be charged only at the Fund level.

Management fees are generally deducted from capital contributions made to each Fund by the investors. As mentioned in the table above, each Fund pays the management fee in advance each quarter.

B. Additional Fees and Expenses

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

- Fees and expenses associated with the organization of such Fund and the offer/sale of interests
- Costs of selecting, acquiring, holding, monitoring and disposing of investments
- All expenses relating to litigation and threatened litigation involving such Fund
- Legal, auditing, tax and accounting services, travel, marketing and other fees, commissions and expenses incurred by such Fund
- Brokerage (and other transaction costs) expenses incurred by such Fund; refer to Item XII – Brokerage Practices within this brochure for details
- Taxes, insurance, and any costs incurred from dissolving and liquidating the Fund

In addition, each Fund will bear a *pro rata* share of the expenses associated with the Portfolio Vehicles in which each such Fund holds an interest. Compensation and expenses paid to the Registrant and its affiliates for investment advisory services to the Funds are separate and distinct from the advisory fees, performance-based compensation and expenses charged by the unaffiliated investment advisers or general partners of the Portfolio Vehicles in which the Funds invest.

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

C. Compensation for Sale of Securities or Other Investment Products

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

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

The Registrant acts as the managing member of each of the Funds discussed above. Therefore, the Registrant is entitled to an allocation of all distributions made to other investors of each such Fund. The Registrant will receive carried interest distributions from each Fund, which will be paid through preferential distributions made to the Registrant. Carried interest distributions will be equal to a specified return after the investors receive back their capital contributions plus a preferred return. Once the investors receive back their capital contributions plus a preferred return, the Registrant will then receive distributions to catch it up for the preferred return borne to the investors. Following this catch-up, the Registrant will receive its carried interest. Such compensation arrangements may create an incentive for the Registrant to cause a Fund to make investments in Portfolio Vehicles that are riskier or more speculative than would be the case absent such compensation arrangements.

VII. Types of Clients

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

Fund	Institutional Investor Min.	Individual Investor Min.	Negotiable?
Corporate Finance Fund	\$1,000,000	\$250,000	Yes
Venture Fund	\$1,000,000	\$250,000	Yes
CPC II	\$1,000,000	\$100,000	Yes
CPC III	\$1,000,000	\$250,000	Yes
CPC IV	\$1,000,000	\$250,000	Yes

The Corporate Finance Fund, the Venture Fund, CPC II, CPC III and CPC IV are each closed to new investors. Institutional investors may include pension and other funds subject to the Employee Retirement Income Security Act of 1974, as amended. Each Fund may require certain customary representations or assurances from benefit plan investors, as defined in 29 C.F.R. §251 0.3-1 01, to determine the Fund's compliance with legal provisions applicable to them.

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

A. Methods of Analysis & Investment Strategies

The Registrant, as the managing member of each of the Funds, has developed unique investing strategies to identify potential Portfolio Vehicles. Refer below for a discussion of each Fund's strategy.

Corporate Finance Fund

The Corporate Finance Fund intends for substantially all investments to be in corporate finance type investments, including leveraged buyouts, structured equity/minority stake transactions, special situations, consolidations and expansion capital/growth equity, and other types of investments in the private equity market.

Venture Fund

The Venture Fund intends for substantially all investments to be in private, venture capital-type investments, including seed, start-up and other early-stage venture capital, later-stage venture capital, expansion capital, and technology-related growth capital investments.

CPC II, CPC III and CPC IV

CPC II, CPC III and CPC IV intend for substantially all investments to be in (1) corporate finance-type investments, (2) private, venture capital-type investments, and (3) other types of investments in the private equity market. Corporate finance-type investments include leveraged buyouts, structured equity/minority stake transactions, special situations, and consolidations and expansion capital/growth equity. Private, venture capital-type investments include seed, start-up and other early-stage venture capital, later-stage venture capital, expansion capital, and technology-related growth capital investments. Other types of private equity market investments include special situation investments with a current income component including mezzanine debt, subordinated debt, equipment leasing, royalty funds and other income generating investments.

The Registrant exercises final approval with respect to the selection of Portfolio Funds, Secondary Investments, and Co-Investments and will determine the amount of the Funds' capital committed to each such investment. The Registrant also determines which subscriptions from investors will be accepted and the timing of each Fund closing. CPEA will conduct due diligence to screen Portfolio Funds, negotiate the terms of each investment, and advise the Registrant on the selection of Portfolio Funds. CPEA's recommendations will focus on Portfolio Funds that are managed by professionals with extensive experience within their respective sectors. Each Fund will seek Portfolio Fund managers that demonstrate a high level of care when selecting investments, as well as the ability to anticipate and solve problems quickly and effectively.

Generally, CPC will seek to invest in Portfolio Funds in which the Portfolio Fund managers or their principals have a proven ability to access high-performing investment opportunities, a track record of paying particular attention to attractive "going in" valuations, and a variety of skills vital to different phases of corporate growth, as well as the ability to exit investments. Ultimately, though, the Registrant makes the final investment decision.

In addition to Portfolio Funds, each Fund may invest in Secondary Investments and in Co-Investments. It is anticipated that approximately 70% of each Fund's capital commitments will be allocated to U.S.-based Portfolio Funds.

It is contemplated that an aggregate of up to 30% of each Fund's capital commitments may be allocated to: (1) Portfolio Funds that are non-U.S. based or that otherwise seek investments primarily in non-U.S.-based entities; (2) Secondary Investments in Portfolio Funds; and (3) investments that are made directly into the securities of a Portfolio Company as a Co-Investment with a Portfolio Fund. Refer below for a discussion on potential investments for the remaining capital.

Offshore Investing

One or more Portfolio Funds may be authorized to invest offshore even if offshore investing is not a primary investment focus. Therefore, it is possible that a Fund may ultimately hold more than 30% of its assets in Co-Investments, Secondary Investments, and Portfolio Funds that hold offshore investments as the Registrant generally will not base its threshold calculations with respect to offshore investments on the underlying investments of the Portfolio Vehicles.

Secondary Investments in Portfolio Funds

CPC seeks Secondary Investments using its knowledge of, and contacts throughout, the private equity industry. Prior to purchasing a Secondary Investment, CPEA will use the same criteria identified for Portfolio Funds to conduct due diligence on the Secondary Investment, its portfolio manager, and, to the extent practicable, on each underlying Portfolio Company. The final investment decision is made by the Registrant.

Co-Investments in Portfolio Companies

Prior to recommending any Co-Investment opportunity to a Fund, CPEA will analyze the Portfolio Fund's due diligence and, to the extent practicable, conduct its own due diligence. CPEA will evaluate whether the Portfolio Company has a strong management team, is a leader in its market, and if it possesses technological superiority over its competitors. CPEA will need to be satisfied that each Co-Investment has the potential to achieve a high rate of return and will consider potential exit strategies before it recommends an investment opportunity to the Registrant. The final investment decision is made by the Registrant.

Each Fund may, from time to time, invest cash on hand in short-term money market instruments, U.S. Treasury obligations, bank certificates of deposit, and other instruments having short maturities or call features until such time or times when capital contributions are needed to fund a Fund's unpaid committed capital contributions to any Portfolio Fund, Secondary Investment, or Co-Investment or to pay Fund expenses (including management fees).

B. Risk Factors

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

General

The private equity class of investments, including investments in venture capital funds, is high-risk and subject to loss, including the loss of part or all of an investor's investment in the Funds. The success of private equity investment vehicles in general is subject to risks related to: (1) the quality of the management of the respective Portfolio Vehicles and of the Portfolio Companies in which they invest; (2) the ability of the management of the Portfolio Vehicles to select successful investment opportunities; (3) general economic conditions; and (4) the ability of the Portfolio Vehicles to liquidate their investments. There is no assurance that the investments made by the Funds will be profitable or that distributions will be made to the investors. Any return on investment to the investors depends upon successful investments being made by the Funds.

Suitability of Investors

An investment in the Funds is suitable only for sophisticated investors with substantial other assets who are capable of making an informed independent decision as to the risks involved in an investment in the Funds. Because of the risks involved, the lack of a public market for the interests and restrictions on transfer of interests, an investment in the Funds is only suitable for sophisticated investors who are willing to hold their interests for the term of the Funds and who understand that they may lose all or a significant portion of their invested capital. The Registrant expects the Funds to hold their investments, and the managers of the Portfolio Vehicles to hold their investments, in each case, for a number of years. In addition, in some cases the Funds may be prohibited by contract or applicable laws from selling certain securities for a period of time.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing private equity investments is highly competitive and involves a high degree of uncertainty. The Funds and the Portfolio Vehicles in which they invest compete for investments with other private equity investment vehicles, as well as individuals, financial institutions and other institutional investors. Further, over the past several years, an ever-increasing number of private equity investment vehicles, including those that invest in other investment vehicles, have been formed (and many such existing investment vehicles have grown in size). Additional investment vehicles with similar investment objectives may be formed in the future by other unrelated parties.

In addition, many top-tier private equity investment vehicles have become more selective by adopting policies or practices that exclude certain types of investors, such as fund of funds

which are directly or indirectly subject to governmental reporting obligations or statutory investment restrictions, or that require investors to make capital commitments to an affiliated private equity investment vehicle in addition to the main vehicle. Moreover, as top-tier private equity investment vehicles have grown in size, many have also raised the minimum capital commitment amounts. No assurance can be given that the Funds will be able to identify investment opportunities that satisfy the Funds' investment objectives and desired diversification goals or, if the Funds are successful in identifying such investment opportunities, that the Funds will be permitted to invest, or invest in the amounts desired, in such opportunities.

Taxation Risks

CPC structures the Funds' investments in a manner that is intended to achieve the Funds' investment objectives. However, there can be no assurance that the structure of any investment will be tax efficient for any particular investor or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on investors under the laws of the jurisdictions in which investors are liable to taxation or in which the Funds or the multiple Portfolio Vehicles make portfolio investments. Furthermore, the Funds' returns in respect of their investments may be reduced by withholding or other taxes imposed by jurisdictions in which the Funds' investments or a Portfolio Vehicle's Portfolio Companies are organized. Finally, the tax rules, or their interpretation in relation to an investment in the Funds, may change during the life of the Funds.

Due to the nature of the Funds, it is likely that investors will be required to extend the filing of their tax returns. Investors should consult their own professional tax advisors with respect to the tax consequences to them of an investment in the Funds in light of their particular tax situations.

Changes in legal, fiscal and regulatory regimes

Changes in legal, fiscal and regulatory regimes may occur during the life of the Funds which may have an adverse effect on them or the Portfolio Vehicles. Changes in economic conditions may occur during the life of the Funds that may have an adverse effect on their investments, such as rising interest rates, downturns in the economy or deteriorations in the condition of the industry sector in which a Portfolio Fund operates or invests.

Illiquidity of the Investments by the Fund

A limited market exists for the sale of the Funds' investments in Portfolio Vehicles and the transferability of such investments is generally restricted. There are no assurances that the

Funds will be able to liquidate a particular interest in a Portfolio Vehicle at the time and upon the terms they desire.

Lack of Liquidity of the Interests in the Funds

Investors should be aware of the long-term nature of their investment in the Funds. There is not now and likely will not be a public market for the interests. The interests may not be assigned, transferred or encumbered without the prior written permission of the Registrant. Accordingly, an investor may not be able to liquidate their investment and must be prepared to bear the risks of owning their interest for an extended period of time. The interests are not likely to be registered under the securities laws of the country, state or jurisdiction of residence of any investor.

Dependence on Senior Professionals

The Funds have entered into an advisory agreement with CPEA pursuant to which CPEA provides certain services to the Registrant and the Funds, including investment management, technical analysis and administrative services. Services provided by CPEA thereunder are dependent upon the activities of certain senior professionals of CPEA. The loss of any of these individuals could have a significant adverse impact on the ability of the Registrant to perform its duties as the managing member of the Funds.

Reliance on Management

All decisions with respect to the management of the Funds and the investments of the Funds will be made by the Registrant, and thus the investors must rely on the ability of CPEA to recommend appropriate investments for the Fund, and the Registrant to make appropriate investments for the Funds and to manage and dispose of such investments. Investors do not have the right or power to participate in the affairs or investment activities of the Funds or to replace the Registrant or CPEA. Accordingly, no person should purchase an interest unless such person is willing to entrust all aspects of the management of the Funds and the investments of the Funds to the Registrant and to CPEA.

Difficulty of Locating Suitable Investments

The Funds may be unable to find a sufficient number of attractive opportunities to meet their investment objectives. The investment performance of prior private investment funds managed by the Registrant cannot be relied on as an indicator of the Funds' future performance or success.

An investor must rely on the ability of the Registrant's and CPEA's management teams to identify, structure, and implement investments consistent with the Funds' objectives and policies. Investors do not have the opportunity to evaluate the business, financial and other information which is used by the Registrant and CPEA in their analysis, selection and monitoring of investments for the Funds.

Reliance on Management of Portfolio Vehicles

The Funds invest in Portfolio Vehicles managed by investment managers unrelated to the Registrant and its affiliates and therefore in investments selected by such unrelated investment managers. The Funds do not have an active role in the day-to-day management of the Portfolio Vehicles. Moreover, the Funds do not have an opportunity to evaluate the specific investments made by the Portfolio Funds or Secondary Investments. As a result, the returns of the Funds depend in large part on the performance of these unrelated investment managers and could be substantially and adversely affected by the unfavorable performance of a small number of investment managers.

Penalty for Failure to Make Capital Contributions

Upon failure to make any installment payment of its capital commitment, an investor's interest will be subject to substantial or total reduction.

Establishment of Additional Funds

The Registrant and its affiliates may organize a new private investment fund substantially similar to the Funds, and investment opportunities that are suitable for such private investment fund may also be suitable for the Funds. The Registrant and its affiliates will allocate investment and divestment opportunities to such Funds in a fair and equitable manner over time. There is no assurance that investors in the Funds will be offered the opportunity to participate in any subsequent funds.

Value of Investment

The value of an investment in the Funds may fluctuate. An investor's capital commitment is allocated to investments over a fixed period of time of approximately three years. The Portfolio Vehicles then make investments in Portfolio Companies, which require the Funds to pay their commitments to the Portfolio Vehicles over a total of approximately ten to thirteen years.

Historically, private equity returns have varied greatly over time, depending on the conditions at the time investments were made and when investments were exited by the

partnerships. In addition, each private equity subclass also may exhibit considerable volatility of returns. No assurance can be given that the Funds will return to investors all or any part of their contributed capital commitment.

Interests in Portfolio Vehicles are generally valued on behalf of the Funds in accordance with the methods set forth in the governing documents of the relevant Portfolio Vehicle. These valuations may be provided by the general partner or manager of a Portfolio Vehicle based on the interim unaudited financial records of such Portfolio Vehicle, and, therefore, may be subject to adjustment (upward or downward) upon the receipt of new or revised information by the general partner or manager of such Portfolio Vehicle. Generally, freely tradable securities held by a Fund will be valued at the last reported trade price for such security, and securities held by a Fund that are not freely tradable, and all other assets of such Fund (including interests in Portfolio Vehicles), will be valued by the managing member or general partner of such Fund based upon all relevant factors. When determining the value of interests in Portfolio Vehicles the managing member or general partner of a Fund will take into account the financial statements and other reports received from the general partners and managers of the Portfolio Vehicles.

Portfolio Valuation and Reporting

Private equity funds use varying reporting and valuation standards (particularly with respect to the calculation of fees and expenses) that may make it difficult for the Registrant to accurately (1) assess the prior performance of the general partner or the manager of the potential Portfolio Vehicles and (2) value and monitor Portfolio Vehicles.

Risk of Early Termination of Portfolio Funds

The governing documents of the Portfolio Funds include provisions that would enable the general partner, the manager, or a majority in interest (or such applicable percentage) of their limited partners or members, under certain circumstances, to terminate the Portfolio Funds prior to the end of their respective stated terms. Early termination of a Portfolio Fund may result in (1) the Funds having distributed to them a portfolio of immature and illiquid securities, or (2) the Funds' inability to invest all of their capital commitments as anticipated, either of which could have a material adverse effect on the performance of the Funds.

Termination of a Fund's Interest in a Portfolio Vehicles

A Portfolio Vehicle may, among other things, terminate the Funds' interest in that Portfolio Vehicle if the Funds fail to satisfy any capital call by that Portfolio Vehicle or if the general partner or the manager of that Portfolio Vehicle determines that the continued participation of

the Funds in such Portfolio Vehicle would have a material adverse effect on such Portfolio Vehicle or its assets. As a result, the Funds may lose part or all of their investment in the Portfolio Vehicle.

Indemnification Obligations of the Fund

The governing documents of each Portfolio Vehicle are expected to include provisions which would require the Portfolio Vehicle to indemnify its general partner or manager (and certain other related or affiliated parties), if any, and their affiliates, and their respective directors, officers, employees, managers, partners, members, stockholders and agents, for certain claims, losses, damages and expenses arising out of their activities on behalf of such Portfolio Vehicle or such other related or affiliated parties. Such indemnification obligations could decrease the returns to investors in such Portfolio Vehicles and, consequently, to investors in the Funds.

Furthermore, to the extent that the assets of any Portfolio Vehicle are insufficient to satisfy such indemnification obligations, the governing documents of that Portfolio Vehicle may provide that, as a limited partner or member of such Portfolio Vehicle, the Funds will be liable therefore to the extent of their undrawn capital commitments to such Portfolio Vehicle and of any previous distributions made to them by such Portfolio Vehicle. If the Funds are required to return a distribution previously received from one of the Portfolio Vehicles, and the Funds have already redistributed such funds to the investors, the investors may be required to return such distributions. In addition, the Funds may be required to indemnify the Portfolio Vehicles and their respective general partners and managers or investment advisers, if any, and such related or affiliated parties for claims, losses, damages, and expenses arising out of any breach by the Funds of representations, warranties or agreements made to or with the Portfolio Vehicles.

Similarly, to the extent permitted by applicable law, the Funds will indemnify the Registrant, CPEA, their members and partners and their related affiliated parties for certain claims, losses, damages and expenses arising out of their activities on behalf of the Funds, and to the extent the Funds' assets are insufficient to satisfy such indemnification obligations, the investors will be liable therefore to the extent of their remaining unpaid capital commitments and any distributions previously made to them by the Funds.

Contingent Liabilities

The Limited Liability Company Agreement of each Fund authorizes the Registrant and CPEA to establish such reserves for unknown or contingent liabilities as the Registrant and CPEA in their sole discretion deem advisable. The Registrant and CPEA may withhold a

portion of any distribution to an investor in order to discharge such investor's pro rata share of liabilities of the Fund. In addition, an investor could be required to return amounts previously distributed to such investor to cover such investor's pro rata share of liabilities.

Certain Risks with Respect to Performance Allocations

The Registrant receives compensation based on appreciation in certain assets of the Funds. In addition, the managers of the Portfolio Vehicles also may receive incentive fees or performance allocations. Such compensation arrangements may create an incentive for the managing member of a Fund to invest in Portfolio Vehicles, or third party managers of Portfolio Vehicles to make investments, that are riskier or more speculative than would be the case absent such compensation arrangements.

Risks of Leverage

Some of the Portfolio Companies may use leverage. Debt carries incremental risk. Debt service requirements may deplete cash flow and inhibit the ability of such companies to expand. In the event that a leveraged Portfolio Company is unable to meet its debt service obligations, there likely will be a material adverse effect upon the performance of the investment related to such company. In addition, the Funds may borrow for the purpose of short-term financing to cover shortfalls of capital contributions arising from defaulting investors or for other purposes related to the Funds' business. This leverage would be in addition to the leverage described above. Tax-exempt investors should note that the use of leverage by the Funds may create "unrelated business taxable income."

Secondary Investments

The Funds may acquire interests in Secondary Investments primarily from existing investors in such Secondary Investments (and not from the issuers of such investments). Because the Funds will not be acquiring such interests directly from the issuers thereof, it is not expected that the Funds will have the opportunity to negotiate the terms of the interests therein or other special rights or privileges. There can be no assurance as to the number of investment opportunities that will be presented to the Funds. In addition, valuation of such Secondary Investments may be difficult, as there generally will be no established market for such investments or for the Portfolio Companies in which the Secondary Investments may own securities.

Moreover, the purchase price of interests in Secondary Investments will be subject to negotiation with the sellers of the Secondary Investments. The overall performance of Fund will depend in large part on the acquisition price paid by such Fund for its Secondary Investments and the structure of such acquisitions. In certain cases, a Fund may to have the

opportunity to acquire a portfolio of Secondary Investments from a seller on an “all or nothing” basis. In some such cases, certain of the Secondary Investments may be less attractive than others, and certain of the investment managers managing such Secondary Investments may be more familiar to the Funds than others or may be more experienced or highly regarded than others.

Expedited Transactions

The Registrant may be required to make investment decisions on an expedited basis in order to take advantage of certain investment opportunities for the Funds. In such cases, the Registrant may not have access to detailed information regarding an investment at the time the investment decision is made. Therefore, no assurance can be given that the Registrant will have knowledge of all factors that may adversely affect such an investment.

Lack of Portfolio Liquidity

The securities or other financial instruments or obligations of Portfolio Companies in which a Portfolio Vehicle invests may, at any given time, be very thinly traded, have no public market, or be restricted as to their transferability under federal or state or non U.S. securities laws. In some cases, a Portfolio Vehicle may also be prohibited by contract from selling securities of Portfolio Companies or other assets for a period of time or otherwise are restricted from disposing of such securities or other assets. In other cases, the investments of a Portfolio Vehicle may require a substantial amount of time to liquidate, as there may not be any public market for the securities of the Portfolio Companies or any potential acquirers of the Portfolio Companies. Consequently, there is significant risk that a Portfolio Vehicle will be unable to realize its investment objectives by sale or other disposition of its securities or other assets at attractive prices, or will otherwise be unable to complete any exit strategy with respect to its Portfolio Companies. These risks can be further increased by changes in the financial condition or business prospects of the Portfolio Companies, changes in national or international economic conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which Portfolio Companies are located or in which they conduct their business.

The Fund May Make Illiquid In-Kind Distributions

Certain investments of Portfolio Vehicles may not be ready for harvesting at the end of a Fund’s term, even if extended as permitted by the Fund’s organizational documents. At such time as the Funds are terminated, there may be in-kind distributions by the Funds of interests in such investments and distributions of such investments by the Funds to the investors, all of which are likely to be illiquid. There can be no assurance that any investors would be able to dispose of such investments or that the value of such investments as determined by the

Registrant in connection with the determination of distributions and the calculation of the carried interest will ultimately be realized.

Securities Law Matters

The interests of the Funds are not and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), or any other securities laws, including state securities or blue-sky laws. The interests will only be offered and sold to “accredited investors” as defined in Rule 501 of Regulation D, promulgated under the Securities Act. Such interests will be offered without registration in reliance upon the Securities Act exemption for transactions not involving a public offering. Investors are required to make certain representations to the Funds, including that they are acquiring interests in the Funds for their own account, for investment purposes only and not with a view to their distribution.

Investment Company Act Considerations

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

Confidential Information

The Limited Liability Company Agreement of each Fund contains confidentiality provisions intended to protect proprietary and other information relating to the Funds, the Funds’ investments and the underlying portfolio investments. To the extent that such information is publicly disclosed, competitors of the Funds and/or their portfolio investments, and others, may benefit from such information, thereby adversely affecting the Funds, their portfolio investments, the Registrant, and the economic interests of the investors. In addition, the governing agreements of each of the Portfolio Vehicles will likely contain confidentiality provisions intended to protect proprietary and other information relating to the Portfolio Vehicle and its investments. Pursuant to such provisions, the Portfolio Vehicles may have the ability to limit the Funds’ ability to disclose proprietary and other information to the Funds’ investors and, in certain circumstances, may also have the ability to withhold making any disclosures of information to the Funds. Consequently, the investors in the Funds and, in certain circumstances, the Registrant will be limited in its ability to monitor the performance of the Portfolio Vehicles or the investments of the Portfolio Vehicles.

Portfolio Company Risks

The Portfolio Vehicles in which the Funds invest may invest in Portfolio Companies that involve a high degree of business or financial risk. The Portfolio Companies may be startups

or in an early stage of development, may be distressed or have operating losses or significant variations in operating results and may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence. The Portfolio Companies may also include companies that are experiencing or are expected to experience financial difficulties, which may never be overcome. In addition, they may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition. Portfolio Companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities and a larger number of qualified managerial and technical personnel.

Annual Tax Information

In order for the Funds to provide annual tax information to their investors, they must first receive tax information from the Portfolio Vehicles. If the receipt of such information is delayed, the Funds may not be able to provide such tax information to the investors to allow them to timely file their tax returns. As a result, investors may be required to obtain extensions for their tax returns each year.

Risk upon Disposition of Investments

In connection with the disposition of a Portfolio Company, a Portfolio Vehicle may be required to make representations about the business and financial affairs of such Portfolio Company and/or such Portfolio Vehicle typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. Such Portfolio Vehicle may also be required to indemnify the purchasers of such Portfolio Company or underwriters to the extent that any such representations or disclosure statements turn out to be incorrect, inaccurate or misleading. These arrangements may result in a Portfolio Vehicle requiring the Funds to return distributions previously made to the Funds.

Absence of Effective Remedies against the Registrant

There can be no assurance that adequate remedies will be available to any investor if the Registrant fails to perform its duties and the Limited Liability Company Agreement of each Fund does not afford the investors rights to remove the Registrant. The Limited Liability Company Agreement of each Fund includes provisions for exculpation and indemnification of the Registrant and its respective partners, members, managers, officers, directors, shareholders, employees and affiliates.

Risks Associated with Non-U.S. Investments

Some of the Portfolio Vehicles may be organized outside of the U.S., and some of the investments made by the Portfolio Vehicles may be in companies organized outside of the U.S. Non-U.S. securities involve certain risk factors not typically associated with investing in U.S. securities, including risks relating to: (1) differences between the U.S. and foreign securities markets, including greater price volatility in and less liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (2) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; (3) the possible imposition of foreign taxes on income and gains recognized with respect to such securities; and (4) the impact of changes in the value of foreign currencies relative to the U.S. dollar and other currencies.

IX. Disciplinary Information

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

X. Other Financial Industry Activities and Affiliations

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

Camden Partners Private Equity Advisors, LLC

As mentioned previously, CPEA is the management company of the Funds. CPEA and the Registrant are sometimes referred to herein collectively as “Camden Private Capital” or “CPC”. CPEA is an investment adviser registered with the SEC. The Form ADV prepared for CPEA describes its activities in more detail.

Camden Partners Holdings, LLC and Camden Partners Strategic Manager, LLC

The Registrant is under common control with CPH and CPSM. CPH is the sole owner of CPEA and is itself the management company of a group of private equity funds. CPH receives proceeds from CPEA’s management of the Funds discussed previously.

CPSM is the managing member of the general partner of three of the private investment funds for which CPH acts as the management company. CPH and CPSM are registered

investment advisers with the SEC. The Forms ADV prepared for CPH and CPSM describe their respective activities in more detail.

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

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

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

A. Code of Ethics

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

- Officers, directors and employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding these securities or communicating material nonpublic information to others.
- Employees are required to place the interest of clients above the interests of the Registrant or other employees whenever a conflict may be present.
- Certain employees are required to submit annual and quarterly reports of security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest. However, reports are not submitted for accounts that are not directly or indirectly controlled by the Registrant or the reporting individual. Transactions in money market instruments, direct obligations of the United States government, and shares of U.S. registered open-ended mutual funds are also excluded.
- Employees are required to certify annually that they have complied with the Registrant's Code of Ethics.
- Employees may not give or accept gifts or entertainment that are inappropriate or could be seen as overly generous or which could influence employee decision-making.

- Certain employees are required to obtain advance approval to serve as a director or trustee of for-profit organizations and disclose any service on the board of any organization, including non-profit organizations.
- Certain employees are required to pre-clear any transactions in privately offered securities and initial public offerings.
- Employees that become aware of any violation of the Code of Ethics are required to report such violation to the Chief Compliance Officer.

B. Conflicts of Interest

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

Other Business Activities

The Registrant, CPEA, and their principals are required to devote as much of their time to the business of the Funds as is reasonably required in their sole and absolute discretion subject to any restrictions set forth in a client's governing documents. The Registrant, CPEA, and their affiliates may engage or have an interest in any other business venture or activity of any kind, even if such venture or activity is competitive with the business of the Funds. The Funds will not have any right to any income or profit derived from any such business venture or activity.

Outside Investment Opportunities

In general, the Registrant's personnel should not engage in any activity that conflicts with the interests of its clients. To help avoid any potential conflicts and ensure compliance with any applicable legal and regulatory requirements, the Code of Ethics sets forth guidance and restrictions for personal securities trading. For example, the Registrant's access persons are prohibited from holding in personal securities accounts (including any joint or tenant-in-common securities account in which the access person is a participant; any securities account of the access person's spouse, minor children, or other family members sharing the same household; any securities account over which the access Person acts as trustee, executor, or custodian or has similar powers of attorney for the benefit of the access person, the access person's spouse, minor children, or other family member sharing the same household; and any other securities account in which the access person has beneficial ownership, directly or indirectly), the securities of portfolio companies held by a Fund or securities of companies under active investment consideration by the Registrant or its affiliates and are required to submit a trade pre-clearance request prior to entering into a securities transaction for a

personal securities account. This ownership prohibition may be extended from time to time to include companies for which representatives of the Registrant or its affiliates serve as officers or directors, regardless of whether the Funds own or are actively considering ownership of securities in the portfolio company. Access persons also are prohibited from investing “side-by-side” with any Fund in a Portfolio Vehicle without the prior written approval of the compliance committee of the Registrant and its affiliates.

Managing Multiple Investment Funds

Conflicts of interest may exist where an adviser and its affiliates manage more than one private investment fund. The Registrant and its affiliates will not confer a benefit on the client to the disadvantage of another. The Registrant or an affiliate, however, may give advice or take action in respect of, a Fund which differs from the advice given to or action taken in respect, or the timing and nature of the action taken in respect of another Fund, even though the Funds’ investment objectives may be the same or similar because of variances between or among such Funds (*e.g.*, liquidity and available capital of the Funds relative to one another), so long as all Funds are treated in a fair and equitable manner over time. Conflicts of interest also may exist in the allocation of an investment opportunity among the Funds of which the Registrant serves as the managing member, or the private investment funds for which CPSM serves as the managing member of the general partner of such private investment funds. Potential conflicts of interest among the private investment funds managed by the Registrant and CPSM are expected to be limited because the private investment funds have different investment objectives.

Advisory Board

The Registrant may organize an advisory board of each Fund, consisting of from three to five persons, selected by the Registrant, who are not affiliated with the Registrant or CPEA and its affiliates and may be investors in one or more Funds. Each advisory board would consult with and advise the Registrant on such matters as the Registrant from time to time requests, including conflict of interest and valuation issues.

Interaction between CPC-Managed Funds

Other private investment funds managed by CPC, or funds organized by its affiliates, may invest in some of the same Portfolio Vehicles as do the Funds. The Registrant and its affiliates will allocate investment and divestment opportunities to such Funds in a fair and equitable manner over time.

Fundraising Assistance

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

Managing Member Capital Commitment

The Registrant will make a capital commitment to each Fund equal to 0.2% of the aggregate capital commitments of the other investors in the Fund. As a result, the Registrant will have an interest in each Fund alongside other investors.

Carried Interest Distribution

The existence of the carried interest paid to the Registrant may create incentives for the Registrant to invest in more speculative or risky Portfolio Vehicles than it would otherwise make or allocate in the absence of such arrangements. In addition, each Fund may invest a portion of its capital in Secondary Investments and/or Co-Investments, each of which may provide a higher carried interest than investments in Portfolio Funds. The only Co-Investments that will be considered are opportunities offered by Portfolio Funds. Due to the higher carried interest from Co-Investments, the Registrant will have an incentive to select Portfolio Funds that will provide this co-investment opportunity.

XII. Brokerage Practices

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

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

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

XIII. Review of Accounts

An investment committee (the "Investment Committee") was formed by CPC consisting of two of CPC's key principals - Mr. David Warnock and Mr. Don Hughes. CPC has delegated to the Investment Committee the responsibility to (1) select the Portfolio Vehicles in which each Fund invests, (2) determine the amount of each Fund's commitment to such investment, and (3) approve the final terms on which each Fund participates in a Portfolio Vehicle. The Investment Committee reviews and monitors investments on a periodic basis.

Investors will receive semiannual unaudited, and annual audited reports within 180 days of each Fund's fiscal year end, on the results of a Fund's Portfolio Vehicles, as well as all necessary tax reporting information (based upon reports received from the Portfolio Vehicles). Each Fund may distribute reports more frequently.

XIV. Client Referrals and Other Compensation

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

XV. Custody

Each client's cash and securities are required to be maintained by a "qualified custodian" in such client's name, unless the security is otherwise exempt from this requirement (*e.g.*, certain privately offered securities) with respect to pooled investment vehicles complying with the audit exemption described below. The cash and securities of the Funds are held by qualified custodians. Investors receive capital account statements at least quarterly. Each Fund is audited at least annually by an independent public accountant registered with, and subject to regulation inspection by, the Public Company Accounting Oversight Board and each investor receives audited financial statements within 180 days of the end of the Fund's fiscal year and promptly after liquidation. All investors should carefully review these statements.

XVI. Investment Discretion

The Registrant serves as the managing member of each Fund and will exercise final approval with respect to the selection of Portfolio Vehicles and will determine the amount of each Fund's capital committed to each such investment. The Funds, to the extent that each is authorized to do so, will make Co-Investments solely on a co-investment basis with Portfolio Funds. The managing member of each Fund assumes such authority through the execution of each Fund's Limited Liability Company Agreement. CPEA will provide investment management services through a management agreement with the Registrant. Pursuant to the management agreement, CPEA will perform due diligence on investment opportunities, negotiates the terms of each investment, and advises the Registrant on the selection of Portfolio Vehicles for each Fund, as well as perform such other duties as are delegated to it by the Registrant.

XVII. Voting Client Securities

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

Conflicts of interest may arise between the interests of a Fund, on the one hand, and CPC, its affiliates or another Fund, on the other hand. If CPC determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, CPC will address matters involving such conflicts of interest and take steps to mitigate any such conflicts. Notwithstanding the foregoing, due to the nature of the investments previously made by CPC's investors (and each Fund's general disposition of public securities upon receipt from distributions in kind), CPC's proxy voting activities have been limited. A copy of CPC's Proxy Voting Policy is available to investors upon request as well as information pertaining to proxies voted by CPC on behalf of the Funds. Such request should be sent to the attention of J. Todd Sherman, Camden Partners Holdings, LLC, 500 East Pratt Street, Suite 1200, Baltimore, Maryland 21202.

XVIII. Financial Information

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