

BuildGroup Management, LLC

Form ADV Part 2A

3500 Jefferson Street, Suite 303
Austin, Texas 78731

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This brochure provides information about the qualifications and business practices of BuildGroup Management, LLC. If you have any questions about the contents of this brochure, please contact us at the address listed above or send us an email at info@buildgroup.com. 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.

Additional information about BuildGroup Management, LLC, an SEC-registered investment adviser, also is available on the SEC's website at www.adviserinfo.sec.gov. Registration as an investment adviser does not imply a certain level of skill or training.

Summary of Material Changes

The date of the last annual updating amendment to BuildGroup Management, LLC's firm brochure was on February 22, 2018.

The information disclosed in this brochure is qualified in its entirety by the private placement memorandum, investor disclosure letters and operating agreement of BuildGroup LLC. In the event of a conflict between the information disclosed in this brochure and the information in the applicable private placement memorandum, investor disclosure letters and/or operating agreement of BuildGroup LLC, such documents shall control.

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4. ADVISORY BUSINESS

Principal Owners

BuildGroup Management, LLC (“BuildGroup Management”) is principally owned by Jim Curry, Pete Freeland, Klee Kleber and Lanham Napier. It began operations in March 2015.

Types of Advisory Services

BuildGroup Management provides investment advisory, management and other services to BuildGroup LLC (the “Client”), which is a privately offered company that makes control or minority investments in software and technology companies. BuildGroup Management provides advisory services solely with respect to the Client, and no member or investor or potential investor should look to BuildGroup Management or any of its affiliates for advice regarding any of such person’s investment decisions, including any decision to invest in the Client.

Client Investment Objectives and Restrictions

BuildGroup Management tailors its investment advice to the Client’s needs and objectives, as set forth in the private placement memorandum and operating agreement of the Client. BuildGroup Management has discretion over the Client’s assets; its discretion is limited by any restrictions in the Client’s operating agreement and the investment management agreement with the Client. Except as otherwise set forth in the operating agreement, investors generally may not impose any restrictions or limitations on the management or operation of the Client. The Client, its board, other vehicles or clients and BuildGroup Management may in the future enter into side letters or similar agreements or arrangements with certain investors in the Client or other vehicles or clients that have the effect of establishing rights and/or otherwise benefitting such investors in a manner that is more favorable in various material respects than the rights and benefits established in favor of one or more other investors pursuant to the operating agreement of the Client (or other applicable governing documents).

Assets under Management

As of May 2018, BuildGroup Management had approximately \$330,616,500 in regulatory assets under management, all of which were managed on a discretionary basis.

5. FEES AND COMPENSATION

Fees

In exchange for the services provided by BuildGroup Management, the Client generally pays, directly or through reimbursement of BuildGroup Management, all of the operating expenses of BuildGroup Management. These operating expenses include, but are not limited to, (i) the salaries, benefits and bonuses of the employees of BuildGroup Management; (ii) expenses relating to personnel recruiting and severance arrangements including hiring, on-boarding and termination of employees of BuildGroup Management (including recruitment fees and retainers paid, certain up-front compensation and buy-out payments payable to employees and related legal expenses); (iii) expenses related to the furniture, fixtures, rent and facilities of BuildGroup Management as well as any leasehold improvements; and (iv) other routine administrative expenses of BuildGroup Management, including, but not limited to, the cost of the preparation of applicable tax returns of BuildGroup Management.

The operating expenses of BuildGroup Management are subject to an annual budget approved by the Client's board of directors. Such expenses are generally allocated to the preferred members of the Client (excluding BuildGroup affiliates and certain portfolio company executives) on a *pro rata* basis, subject to certain caps and adjustments applicable to various preferred members, as detailed in the Client's operating agreement. Any such capped or adjusted amount in respect of any partial fiscal year of management by BuildGroup Management will be pro-rated based on the actual number of days in such partial fiscal year.

The Client generally seeks to fund operating expenses through the Client's gross revenues. In the event of an operating deficit, the Client may draw down capital from preferred members other than the BuildGroup affiliates and certain portfolio company executives. Drawdowns may be made quarterly on at least 10 business days' advance notice. The amount drawn down will be based on the projected amount of gross revenues in excess of Client Expenses, the projected amount of BuildGroup Management expenses and any past operating deficit not previously covered. Detailed information regarding the foregoing and the fees and expenses applicable to the Client are set forth in the operating agreement and private placement memorandum of the Client.

Subject to the terms and conditions of the operating agreement of the Client, BuildGroup Management's principals and affiliates generally are entitled to receive performance distributions equal to a percentage of profits on distributions (following the return of contributed capital and a preferred return to members).

As disclosed in the private placement memorandum and the operating agreement, the BuildGroup Management principals and their affiliates received certain amounts from the Client in connection with the transfer of their existing indirect equity investments in three

warehoused investments to the Client prior to the initial closing at the contribution values set forth on Appendix A to the operating agreement.

Please see the confidential private placement memorandum and the operating agreement of the Client for detailed information regarding the performance distributions that may be made to BuildGroup Management affiliates and other persons.

Client Expenses

The Client also pays all expenses attributable to or incurred in connection with its operation and activities including, but not limited to, (i) all expenses incurred in connection with the identification, discovery, structuring, screening, evaluation (including due diligence), negotiation, acquisition, monitoring or disposition of investments in portfolio companies, whether or not the investment is consummated, including consultants' and finders' fees (which may include performance-based compensation); investment banking fees, appraisal fees, brokerage fees, financing fees and other similar fees; transfer fees, registration fees and similar fees and expenses; taxes; commissions; reasonable travel expenses; reasonable rental or lodging expenses; legal, compliance, accounting, audit, administration, consulting and other professional fees (including due diligence in connection therewith); information services, and research expenses related to portfolio companies; and other investment or disposition costs (to the extent not subject to reimbursement) (collectively, "Transaction Expenses"); (ii) expenses incurred in connection with the carrying or management of portfolio companies, including custodial, trustee and record keeping expenses (including preparation of financial statements, and the costs and expenses of preparing and circulating reports and any fees or imposts of a U.S. or non-U.S. governmental authority imposed in connection therewith); (iii) other routine administrative expenses of the Client or the Client's subsidiaries, including, but not limited to, the cost of the preparation of applicable tax returns of the Client, blue sky and filing fees and other administrative fees; (iv) costs and liabilities (including damages) incurred in connection with litigation or other extraordinary events, indemnification expenses, and insurance expenses (including premiums), including for directors and officers; (v) all taxes, fees and other related charges payable by, or otherwise imposed on, the Client; (vi) expenses incidental to the transfer, servicing, management and accounting for the Client's cash and securities, including all charges of depositories and custodians; (vii) all expenses incurred by the "tax matters partner" or "partnership representative" of BuildGroup Management, the Client or the Client's subsidiaries; (viii) communication expenses including, without limitation, costs associated with the preparation and delivery of reports, financial statements, tax returns, and Schedule K-1s to members; (ix) all expenses and costs associated with member meetings; (x) all expenses associated with private equity administration and account services; (xi) all expenses and costs associated with regulatory and compliance services; (xii) the fees and expenses of the board of directors of the Client; (xiii) all interest, fees, principal and expenses incurred in connection with any indebtedness of the Client or other credit arrangement (including any subscription

secured credit facility); (xiv) expenses relating to defaults by members in the payment of any capital contributions; (xv) fees and out-of-pocket expenses of third-party professionals providing services to the Client, such as legal, accounting, consulting, valuation, audit and tax return preparation; (xvi) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Client; (xvii) expenses incurred in connection with distributions to the members or redemption of preferred units (except to the extent the operating agreement of the Client provides for such expenses to be paid by a member; (xviii) all liquidation costs, fees and expenses incurred in connection with the liquidation and dissolution of the Client, specifically including, without limitation, legal and accounting fees and expenses; and (xix) any extraordinary expenses (collectively, the “Client Expenses”). The Client also pays all costs and expenses incurred in connection with the organization of the Client, BuildGroup Management and certain of its affiliates including, without limitation, the offering and sale of the units in the Client, the negotiation, execution and delivery of the operating agreement of the Client and related documentation, any legal and accounting fees and expenses (including printing costs, travel expenses and filing fees) and up to a certain amount of legal expenses of certain warehoused investments in connection with the negotiation and execution of the operating agreement of the Client and related documentation. Client Expenses generally will be allocated among all of the members based on their respective preferred unit percentages. The Client will use commercially reasonable efforts to procure that Transaction Expenses associated with an investment proposed to be made by a co-investment vehicle, for which the co-investment vehicle is formed, and which is not consummated, are borne by the investors in the co-investment vehicle as soon as the vehicle is fully committed. If a co-investment vehicle is not fully committed, the Client may bear all unconsummated Transaction Expenses.

Except as otherwise set forth in the operating agreement or the confidential private placement memorandum, any advisory, director, financing, monitoring or other fee paid or payable to an employee of the Client, BuildGroup Management or any affiliate thereof by a portfolio company generally will be turned over to and be the property of the Client.

6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted above, BuildGroup Management principals generally will be entitled to receive performance-based distributions from the Client equal to a percentage of profits on distributions derived from the disposition of investments (following a return of capital and a preferred return to members). These performance-based distributions could motivate BuildGroup Management and its principals to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. Please refer to the confidential private placement memorandum and the operating agreement of the Client for detailed information regarding the performance-based fees applicable to the Client.

7. TYPES OF CLIENTS

BuildGroup Management's only client currently is the Client. BuildGroup Management may provide advisory and other services to one or more additional or other investment vehicles or clients in the future. The minimum required to invest in the Client is \$10,000,000, which the Client's board may waive in its discretion.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The following discussion of BuildGroup Management's strategies and risks is a summary of the discussion in, and is qualified in its entirety by, the Client's private placement memorandum.

Methods of Analysis and Investment Strategies

BuildGroup Management's investment strategy is to make control or minority investments in software and technology companies.

BuildGroup Management's goal is to invest with portfolio companies that seek an investor with relevant business-building experience, as well as capital, to focus on long-term goals. As an active investor, BuildGroup Management generally will seek to engage its portfolio companies' leadership teams both directly, through personal involvement, and indirectly, through its networks and the recruitment of additional leadership to portfolio companies, to:

- Deploy flexible growth frameworks in key functions such as product, marketing, sales and recruiting;
- Provide counsel to portfolio company founders and leadership teams;
- Manage through key inflection points;
- Deploy a strong network of personnel into companies as employees and advisors; and
- Focus on long-term foundation building versus short-term fixes.

BuildGroup Management generally will focus on investing in industry sectors that it believes have strong long-term growth dynamics, and companies within those sectors with demonstrable product traction and a durable economic profile. BuildGroup Management expects to primarily target the following areas:

- Vertical software-as-a-service;
- Open-source software and services;
- Big data analytics;

- Artificial intelligence / machine learning; and
- Cloud infrastructure software.

BuildGroup Management generally will seek to target portfolio companies for investment that have recurring revenue businesses with attractive operating margins and strong operating leverage. In addition, BuildGroup Management generally intends to concentrate on portfolio companies with early evidence of product market fit and attractive customer acquisition and retention metrics.

BuildGroup Management seeks portfolio companies where a substantial opportunity exists based on optimization of the existing business, and additional option value can be demonstrated on emerging and future markets for such portfolio companies.

Certain Material Risks

As with any investment, loss of principal is a risk of investing. Risk is the chance that an investment's or investment strategy's actual return will be different than expected. Risk includes the possibility of losing some or all of the original investment. A fundamental idea in finance is the relationship between risk and return. The greater the amount of risk that an investor is willing to take on, the greater the potential return. The reason for this is that investors need to be compensated for taking on additional risk. *The various risks outlined below are not the only risks associated or that may be associated with an investment in the Client. The following risks are qualified in their entirety by the risks set forth in the private placement memorandum of the Client.*

Concentration of investments. BuildGroup Management will concentrate investments in a limited number of portfolio companies in the software and technology sectors. Concentration in a limited number of portfolio companies could involve risks greater than those generally associated with companies with diversified investments. Instability, fluctuation or an overall decline within the software and technology sectors will not be balanced by investments in other sectors not so affected. If the software and technology sectors as a whole decline, the value of a portfolio will likely be adversely affected.

Expedited transactions. Investment analyses and decisions may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In these cases, the information available to BuildGroup Management at the time an investment decision is made may be limited, and it may not have access to detailed information regarding a portfolio company. Therefore, no assurance can be made that BuildGroup Management knows all circumstances that may adversely affect the investment.

Portfolio companies. The portfolio companies will be subject to a variety of operational risks, including reputational risk, legal and compliance risk, the risk of fraud or theft by employees or outsiders, operational errors, systems malfunctions or cybersecurity

incidents and other risks, which may adversely affect their businesses and results of operations.

The portfolio companies must address a number of strategic issues that may affect their businesses, including the availability of capital and liquidity and operational issues. If a portfolio company is unable to obtain access to capital and liquidity on a cost-effective and sustainable basis, it may face significant challenges. If any portfolio company is unable to fully implement its business plan and strategy, its inability could have a material adverse effect on its business, results of operations and financial position.

Portfolio companies outside of the United States. BuildGroup Management has and may continue to invest in and operate portfolio companies outside of the U.S., which are subject to risks inherent in doing business internationally, in addition to the risks non-U.S. portfolio companies face more generally. These risks may include changes in applicable laws and regulatory requirements, difficulties in staffing and managing foreign operations, longer payment cycles, difficulties in collecting payments, different, and in some cases, less stringent, legal, regulatory and accounting regimes, political instability, fluctuations in currency exchange rates, expatriation controls, expropriation risks and potential adverse tax consequences. These or other risks could have an adverse effect on the non-U.S. portfolio companies. Failure to comply with the applicable laws, rules, regulations, codes, directives, notices or guidelines in any jurisdiction outside of the U.S. could result in a wide range of penalties and disciplinary actions, including fines, censures and the suspension or expulsion from a particular jurisdiction or market or the revocation of licenses, any of which could adversely affect BuildGroup Management's reputation and operations. Regulators in jurisdictions outside of the U.S. could also change their policies or laws in a manner that might adversely affect the operations of the non-U.S. portfolio companies. In addition, the non-U.S. portfolio companies may be unable to keep up with, or adapt to, the ever changing, complex regulatory requirements in these jurisdictions or markets, which could further negatively impact the non-U.S. portfolio companies' businesses.

Early stage companies. Portfolio companies generally will be developing companies in industry sectors that entail significant operating risk. Many of the portfolio companies will be at an early stage of development, which involves greater risks than are generally associated with investments in more established companies (such as intellectual property issues, product roll-out delays or failures, rapid obsolescence and the inability to attract and retain qualified managerial and technical employees). Early-stage companies often have little or no operating history and no established products or services. Many of the portfolio companies will need substantial additional capital (which may not be available) to support additional research and development activities, to expand or to achieve or maintain a competitive position. These companies face intense competition, including from companies with greater financial resources, more extensive development, technological, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Early-stage companies are generally also

more susceptible to the negative effects of downturns in general economic conditions or loss of a single or a small number of employees.

Early-stage and development-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, these companies may require substantial amounts of financing, which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small.

Investments in more mature companies in the expansion or profitable stage. More mature companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing and general management of these activities.

Investment in companies dependent upon new scientific developments and technologies. The specific risks faced by these companies include, without limitation: rapidly changing science and technologies; products or technologies that may quickly become obsolete; exposure to a high degree of government regulation; making portfolio companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals; scarcity of management, technical, scientific, research and marketing personnel with appropriate training; the possibility of lawsuits related to patents and intellectual property; and changing investor sentiments and preferences with regard to technology sector investments, which are generally perceived as risky.

Nature of growth company investments. Investments in private, rapidly-growing companies are a form of late-stage venture investing. Although these investments tend to be less risky than seed capital or early-stage venture, they will involve significant financial and business risks. These companies will have shorter operating histories on which to judge performance and, in many cases, will operate with limited profits, at breakeven or at a loss, or with substantial variations in operating results from period to period. In addition, many of these companies will be actively seeking substantial capital to support growth activities such as additional research and development activities or expansion, to achieve or maintain a competitive position, or to develop new products, services and distribution capabilities. These companies may face intense competition, including from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Difficulty in valuing portfolio companies. BuildGroup Management will invest primarily in high-risk investments in unseasoned companies, and most will be difficult to

value. There will be no readily available market for most of these investments. BuildGroup Management's valuations of these investments may vary from similar valuations performed by other investors or independent third parties for the same or similar types of securities or assets, and there can be no assurance that the valuations of these securities reflect true fair market value. In addition, valuations for many private companies have increased significantly over the past few years. Recently, some companies with substantial valuations based on private investment rounds have had initial public offerings or have been acquired at valuations below those established by prior private investment rounds. In addition, based on publicly available and other information, valuations may be decreasing for certain other companies that remain private (with some companies that had previously achieved high valuations in prior private financing rounds raising additional capital at lower valuations). The value of the portfolio companies may be affected by changes in accounting standards, policies or practices. Due to a wide variety of market factors and the nature of certain securities and assets, there is no guarantee that the value BuildGroup Management determines will represent the value that it will realize on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment.

Minority investments. BuildGroup Management may invest in minority positions of companies and in companies which it does not control or for which it has no right to appoint a director or otherwise have the ability to protect its position. In these cases, BuildGroup Management will be significantly relying on the existing management and boards of directors of the companies, which may include representation of other financial investors whose interests may conflict with the Client's interests.

Reliance on portfolio company management. BuildGroup Management will take minority positions in portfolio companies, and although its representatives may serve on the boards of directors, BuildGroup Management may not have the power individually to control such companies or otherwise exert significant influence over portfolio companies' boards of directors and management. In these cases, BuildGroup Management will rely significantly on the existing management and boards of directors of these companies, which may include unseasoned managers and representatives of other investors with whom BuildGroup Management is not affiliated and whose interests or views may conflict with BuildGroup Management's interests. To the extent that the management of a portfolio company performs poorly, or if a key manager of a portfolio company terminates his or her employment with that company, an investment in that company could be adversely affected.

Projections. BuildGroup Management may rely upon projections it or a portfolio company develops about the portfolio company's future performance, outcome and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of BuildGroup Management and the portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize

projected values, outcomes and cash-flow.

Long term nature of portfolio investments. Investments typically take several years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Losses on unsuccessful investments may be realized before gains on successful investments are realized. It is unlikely that there will be a public market for the securities at the time of their acquisition, and the return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Prior to this time, there often will be no current return on the investments.

Limitations on ability to exit investments. BuildGroup Management expects to exit from privately-held portfolio company investments in two principal ways: (i) private sales and (ii) initial and secondary public offerings. At any particular time, one or both of these avenues may not be open, or the timing of these exit mechanisms may be inopportune. In particular, the receptiveness of the public market to the portfolio companies may vary dramatically from period to period, and an otherwise successful portfolio company may yield poor investment returns if BuildGroup Management is unable to dispose the portfolio company's securities due to poor market conditions in the market for publicly traded securities. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

Cybersecurity Risks. BuildGroup Management, the Client and their service providers depend on information technology systems and, notwithstanding the diligence that BuildGroup Management may perform on such service providers, BuildGroup Management may not be in a position to verify the risks or reliability of such information technology systems. BuildGroup Management, the Client and their respective service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. BuildGroup Management, the Client and their service providers' information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although BuildGroup Management and its affiliates have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, BuildGroup Management and the Client may have to make a significant investment to fix or replace them. The failure of these systems and/or of

disaster recovery plans for any reason could cause significant interruptions in BuildGroup Management's and/or the Client's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm BuildGroup Management's or the Client's reputations, subject any such entity and its respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to the Client or individual members by interfering with BuildGroup Management's operations. The Client may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose the Client or BuildGroup Management to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Client may be required to indemnify BuildGroup Management against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

The foregoing list of risk factors does not purport to be a complete explanation of the risks of BuildGroup Management's strategy. Prospective investors are urged to read the private placement memorandum.

9. DISCIPLINARY INFORMATION

Neither BuildGroup Management nor its management personnel has any legal or disciplinary events that are material to a client's or a prospective client's evaluation of its advisory business or the integrity of its management.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Family Office

Certain members and other employees of BuildGroup Management continue to have responsibilities with respect to the management of a family office. Therefore, such members and employees may have conflicts of interest in allocating time, services and functions between the family office and BuildGroup Management's investment advisory service.

Other Activities

Certain of BuildGroup Management's or the Client's employees, officers, members

and/or affiliates serve (and may in the future serve) as directors, officers or committee members of various portfolio companies of the Client. Such persons could face conflicts of interest between discharging their duties as directors, officers or committee members, as the case may be, of such companies and acting in the best interest of the Client or BuildGroup Management. Moreover, certain of BuildGroup Management's or the Client's affiliates, employees or principals also may serve as directors of public companies and their activities on behalf of those other companies may present actual and/or potential conflicts of interest (including conflicting fiduciary duties). BuildGroup Management principals and affiliates may receive compensation from companies in their capacities as directors, officers or committee members and this compensation may not be shared with the Client.

BuildGroup Management, members of the board of the Client, and BuildGroup Management principals have existing and potential relationships with a significant number of institutional and corporate entities, along with members of senior management thereof ("Other Entities"), and have advisory agreements with, or serve as directors of or have economic interests in, investments created prior to the formation of the Client and in certain portfolio companies ("Other Investments"). In establishing and continuing an investment relationship with the Other Entities in addition to the Client, BuildGroup Management, board members and BuildGroup Management principals may face conflicts of interest with respect to investments in connection with the Other Entities and/or Other Investments, on the one hand, and the Client, on the other hand. In addition, in determining whether to invest in a particular transaction on behalf of the Client, such persons will consider their other investment relationships and may elect not to undertake certain transactions on behalf of the Client in view of such other relationships. Such BuildGroup Management principals and affiliates may also face conflicts of interest in connection with a purchase or sale transaction between another Other Entity or investment of one of such persons and the Client, although the different investment objectives and strategies of the Other Investments and that of the Client may ameliorate this conflict of interest.

Third-Party Relationships

As part of BuildGroup Management's business, BuildGroup Management and the BuildGroup principals have developed many relationships with third parties, some of which could be viewed as significant, close or personal, which have the potential to raise conflicts of interest. Such third parties include, but are not limited to, entrepreneurs, former business associates, intermediaries, financial institutions, investment bankers, commercial bankers, financial advisors, attorneys, accountants, consultants, other individuals within their networks, placement agents, investment bankers, consultants, private equity and venture capital funds and current and former directors, officers and employees of potential portfolio companies. Certain of such third parties may: introduce investment opportunities to the Client; arrange for, or facilitate financing in, the purchase or recapitalization of potential portfolio companies; introduce portfolio companies to

potential acquisition or merger candidates; introduce the Client to potential buyers of portfolio company securities; facilitate the disposition of portfolio company securities; provide investment banking, consulting or advisory services to the Client or a portfolio company; co-invest in a portfolio company; introduce or recommend private investment opportunities to the BuildGroup Management principals or their friends and family members; or provide other significant business or investment services to the Client, BuildGroup Management, portfolio companies or the BuildGroup Management principals and their friends and family members. BuildGroup Management will have compliance policies and procedures designed to monitor and, as necessary, mediate such significant relationships, but no guarantee can be made that such policies will prevent actions which are to the detriment of the Client.

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

Code of Ethics

BuildGroup Management has adopted a code of ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 (“Code of Ethics”). The Code of Ethics sets forth the rules for business conduct and personal investing activities of its employees. The Code of Ethics, among other things, sets ethical standards and requires compliance with the securities laws, safeguards material nonpublic information about the Client’s transactions and portfolio holdings and requires initial and annual reports of securities holdings for access persons.

Investors and prospective investors may obtain a copy of the Code of Ethics upon request in writing to BuildGroup Management at the address on the cover of this Brochure.

Participation or Interest in Client Transactions and Personal Trading

BuildGroup Management’s employees and officers may maintain positions in, or buy or sell, the same securities or related options as the Client may buy or sell. In cases such as this, employees and officers would have an interest in the success of a security that may be recommended to, owned by, sold for or purchased for the Client.

Employee trades are reviewed for conflicts with Client trades. Employees are not permitted to buy or sell any securities that are included on a restricted security list without prior approval of the Chief Compliance Officer. However, this restriction does not apply to employee accounts under contract with, and managed by, a professional investment manager. Employee trades will be reviewed periodically and, if an employee traded a security on the restricted security list, the employee trade may, on a case-by-case basis, be unwound, except as noted above. The intent of such a restriction and corrective action is to avoid potential conflicts of interest that may arise in

the trading activities on behalf of clients.

Other than as set forth in the confidential private placement memorandum, neither BuildGroup Management nor any of its affiliates may engage in any principal transaction with the Client unless such transaction complies with applicable law and the terms, conditions and requirements set forth in the operating agreement of the Client.

The Client and/or a portfolio company may engage in transactions with third parties in which a BuildGroup Management principal or affiliate may have an economic interest. In such event, the board of the Company may permit such affiliated transactions if entered into on an arm's length basis (subject to the terms and conditions set forth in the operating agreement).

12. BROKERAGE PRACTICES

BuildGroup Management has the authority to determine the securities that are bought and sold for the Client, the amount of securities to be bought or sold, the broker dealer to be used (if any) and the brokerage commissions and other fees to be paid.

BuildGroup Management expects that most if not all of the securities purchased for the Client will be privately-issued rather than exchange-listed securities. If BuildGroup Management purchases publicly-traded securities for the Client, BuildGroup Management will seek to obtain best execution for the Client's transactions (*i.e.*, it will seek to obtain not necessarily the lowest commission or transactional fee but the best overall qualitative execution in the particular circumstances). Best execution means not only seeking to achieve the best price but also the consideration of many factors, such as the characteristics of specific trades, the security being traded, specific needs of clients, conditions in the market at the time the order is placed and the overall efficiency of market structure. When selecting broker-dealers, BuildGroup Management also may consider various factors and considerations deemed relevant or appropriate including, without limitation, execution capability, commission rate, the likelihood of price improvement, the speed of execution and likelihood of execution for limited orders, the ability to minimize market impact, the maintenance of confidentiality and responsiveness of broker-dealers.

BuildGroup Management does not have any formal or informal arrangements or commitments to use research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

Trade Aggregation and Allocation

BuildGroup Management currently has only one client, the Client, but BuildGroup Management and the Client each has the authority to form and serve as general partner or

manager (or in a similar management role) of one or more co-investment vehicles to invest alongside the Client in portfolio investments in certain circumstances as described in the private placement memorandum of the Client. For example, BuildGroup Management may form a co-investment vehicle where an investment opportunity exceeds the amount permitted to be invested by the Client in any one portfolio company or otherwise exceeds the amount BuildGroup Management determines is appropriate for the Client. BuildGroup Management may also form a co-investment vehicle to facilitate investments by strategic investors that add value beyond the value of their capital, as determined by the board, acting with special board approval. BuildGroup Management's allocation between or among the Client and co-investment vehicles is described in the private placement memorandum. Potential conflicts of interest may be inherent in, or arise from, the Client's or BuildGroup Management's discretion in determining when to establish a co-investment vehicle to co-invest alongside the Client.

13. REVIEW OF ACCOUNTS

BuildGroup Management reviews the Client's performance at least quarterly, which includes a review of asset allocation, holdings, performance, industry, sector and issue concentrations and general adherence to the stated strategy. Investors will receive a quarterly or semi-annual report summarizing the business activities and financial status of the Client. With respect to accounting matters, the Client has engaged a independent public accounting firm to conduct an annual audit of the Client and the Client will provide annual audited financial statements to all investors. Investors may choose to have reports and other communications delivered electronically.

14. REFERRALS AND OTHER COMPENSATION

BuildGroup Management entered into an agreement with a third party placement agent who marketed and offered preferred units in the Client to prospective investors. In consideration of its services, such placement agent is entitled to receive compensation from BuildGroup Management. Members are not charged any higher or additional fees as a result of such placement agent arrangement. Except as otherwise disclosed in this brochure or in the confidential private placement memorandum, BuildGroup Management does not accept economic benefits from non-clients in connection with giving advice to the Client.

15. CUSTODY

BuildGroup Management has custody of the Client's cash and securities for purposes of Rule 206(4)-2 under the Advisers Act. In accordance with Rule 206(4)-2, the Client's cash and securities (except for privately placed securities) are maintained at one or more qualified custodians selected by the board of the Client. An independent public accounting firm, which is registered with and subject to inspect by the PCAOB,

conducts annual audits of the Client, and audited financial statements (prepared in accordance with U.S. generally accepted accounting principles) are provided to investors on an annual basis. Such audited financial statements generally will be provided to investors within 120 days after the end of each fiscal year. Qualified custodians are not expected to provide account statements directly to investors in the Client.

16. INVESTMENT DISCRETION

BuildGroup Management has investment discretion over the Client's assets, which is limited by the terms of the Client's operating agreement and the investment management agreement with the Client.

17. VOTING CLIENT SECURITIES

Rule 206(4)-6 under the Advisers Act requires every investment adviser who exercises voting authority with respect to client securities to adopt and implement written policies and procedures, reasonably designed to ensure that the adviser votes proxies in the best interests of its clients. Rule 206(4)-6 further requires an adviser to provide a concise summary of its proxy voting process and offer to provide copies of the complete proxy voting policy and procedures to clients upon request. Lastly, Rule 206(4)-6 requires that each adviser disclose to clients how they may obtain information on how the adviser voted their proxies.

Due to the nature of its investment activities, BuildGroup Management generally does not expect to vote proxies with respect to securities owned by the Client. Nevertheless, to the extent applicable, BuildGroup Management will vote any proxies consistent with the best economic interests of the Client and seek to identify any material conflicts of interests between the Client's interests and its own interest within the proxy voting process. If BuildGroup Management or one of its applicable employees faces a material conflict of interest in voting a proxy, BuildGroup Management may engage an independent third party to vote such proxies or take such other actions as it deems necessary or appropriate to mitigate or ameliorate such conflict. Members generally may not direct or influence votes with respect to any particular proxy solicitation.

Any past proxy voting information would be made available to investors upon request. A copy of the policy and any past proxy voting information may be obtained by writing to BuildGroup Management at the address listed on the cover of this Brochure.

18. FINANCIAL INFORMATION

BuildGroup Management does not require or solicit prepayment of more than \$1,200 in fees from the Client six months or more in advance and therefore has not included a balance sheet for its most recent fiscal year. BuildGroup Management is not aware of any

financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.