

(Item 1. Cover Page.)

Private Capital Unit Brochure

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Investment Adviser Brochure
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RCP Advisors 2, LLC
8214 Westchester Drive Suite 950
Dallas, Texas 75225
Telephone: (312) 266-7300
www.rcpadvisors.com
www.cpprivatecap.com

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This brochure provides information about the qualifications and business practices of the Private Capital Unit of RCP Advisors 2, LLC. If you have any questions about the contents of this brochure, please contact us at (312) 266-7300 or compliance@rcpadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

RCP Advisors 2, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

This brochure contains information relating solely to the Private Capital Unit of RCP Advisors 2, LLC. Additional information about RCP Advisors 2, LLC, including with respect to its business lines other than the Private Capital Unit, is available on the SEC's website at www.adviserinfo.sec.gov.

This brochure does not constitute an offer or a solicitation of an offer to buy shares or interests in any investment fund sponsored, managed or advised by RCP Advisors 2, LLC. An offer to buy shares or interests of those funds can be made only to qualified investors by way of the approved offering materials for those funds and only in jurisdictions in which such offer will comply with applicable rules and regulations.

(Item 2. Material Changes.)

Summary of Material Changes

This is a new brochure for the Private Capital Unit of RCP Advisors 2, LLC. On October 9, 2018, RCP Advisors 2, LLC acquired the Private Capital Unit from Columbia Partners, L.L.C. Investment Management. RCP Advisors 2, LLC manages the Private Capital Unit under the name of Columbia Partners Private Capital.

(Item 3. Table of Contents.)

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Advisory Business

Item 4 Advisory Business

INTRODUCTION

The Private Capital Unit of RCP Advisors 2, LLC (“RCP”) provides advisory services primarily to institutional investors and is operated as a separate unit within RCP. The Private Capital Unit focuses on investing in alternative fund strategies, including private equity, venture capital, mezzanine lending and related strategies. The investment mandate of the Private Capital Unit is broader than RCP’s traditional lower middle market private equity fund of funds strategies. This brochure relates solely to the advisory business of the Private Capital Unit.

RCP GENERALLY

RCP is a Delaware limited liability company and is an investment adviser registered with the Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). RCP operates as an indirect wholly-owned subsidiary of P10 Holdings, Inc. (formerly known as P10 Industries, Inc.), a publicly held company (“P10”). RCP’s senior management holds approximately 49.5% of P10’s shares.

RCP is affiliated and shares common officers and directors with RCP Advisors, LLC (“RCP 1”) and RCP Advisors 3, LLC (“RCP 3”), which are each Delaware limited liability companies and investment advisers registered with the SEC under the Advisers Act. RCP 1 is separately registered as an investment adviser and RCP 3 is a relying adviser of RCP. The senior management of RCP and RCP 3 also serves as senior management of RCP 1 and is responsible for each firm’s day-to-day operations. Although RCP and RCP 3 are under different ownership than RCP 1, the three investment advisers generally operate together, with RCP 3 generally providing the employees and day-to-day investment management services. The members of the Private Capital Unit are employees of RCP.

RCP, whose predecessor RCP 1 was founded in 2001, is headquartered in Dallas with offices in Chicago, Newport Beach, California and the Washington D.C. metropolitan area. The Private Capital Unit operates out of the Washington D.C. office.

As of September 30, 2018, RCP managed approximately \$2,742,012,385 in client assets on a discretionary basis. In addition, as of September 30, 2018, RCP managed approximately \$84,041,004 in client assets on a non-discretionary basis. These amounts represent RCP’s regulatory assets under management and were calculated using the sum of (i) the estimated value for such assets plus (ii) the amount of remaining unfunded commitments with respect thereto.

THE PRIVATE CAPITAL UNIT

All of the Private Capital Unit's investment business is conducted on a discretionary basis, whereby clients enable the Private Capital Unit to provide advice on how their accounts are managed within guidelines established by the client and accepted by the Private Capital Unit. With respect to management of pooled investment funds such services are generally not tailored to the needs of individual investors. Rather, investors participate in the overall investment program and are generally not permitted to impose restrictions on investing in certain securities or types of securities, but may be excused from a particular investment due to legal, tax, regulatory or other applicable constraints.

The Private Capital Unit currently manages separate accounts and the CPPC Fund (as defined below) utilizing the strategies described herein. The Private Capital Unit plans to continue to offer its investment strategies to institutional clients through additional separate accounts and/or pooled investment vehicles. The Private Capital Unit's investment professionals operate independently of RCP, RCP 1 and RCP 3. RCP and the Private Capital Unit share various operational resources and systems of RCP, RCP 1 and RCP 3.

Separate Accounts. For the Private Capital Unit's current separate account clients, the Private Capital Unit invests directly in debt or select common or preferred equity securities of late stage venture or private equity backed growth companies, generally focused in the telecommunications, healthcare, media and technology sectors, and indirectly via underlying funds employing similar strategies. The objective of this strategy is to enable clients to participate in the growth investing sector through senior positions within portfolio companies' capital structures, while also providing diversified exposure to alternative fund strategies via the Private Capital Unit's fund-of-funds strategy. The Private Capital Unit also provides collateral manager and loan agent services to separate account clients investing in debt securities.

The CPPC Fund. The Private Capital Unit also manages Columbia Partners Private Capital Holdings, LP, a Delaware limited partnership (the "CPPC Fund"), which focuses on investing in a variety of alternative fund strategies, including investments in private equity, venture capital, mezzanine lending and related funds. The CPPC Fund allows investors to take advantage of the Private Capital Unit's fund-of-funds strategy.

Additional information about the Private Capital Unit's investment strategies can be found below in the "Methods of Analysis, Investment Strategies and Risks of Loss" section of this brochure.

As of September 30, 2018, the Private Capital Unit managed approximately \$469,207,435 in regulatory assets under management, all on a discretionary basis.

Fees and Compensation

Item 5 Fees and Compensation

While fee structures may vary depending on the type of client (as explained below), the typical fee structure for advisory services provided by the Private Capital Unit consists of: (1) a management fee, which is typically based on a percentage of assets under management (“Management Fee”); and (2) carried interest or performance fees, which are performance-based, as further described under Item 6, “Performance-Based Fees and Side-by-Side Management.” Fees are negotiable and minimum fees may be waived.

The Private Capital Unit or the client may terminate a separate account advisory agreement at any time upon 30 days’ prior written notice to the other party unless otherwise stated by the applicable contract. Typically, termination is without the payment of any penalty and without liability of either party to the other, except for any compensation due for services provided through the date of termination, including performance fees on deployed capital.

The Private Capital Unit bills separate account clients for investment advisory services. The clients pay the fee to the Private Capital Unit based on invoices submitted by RCP. RCP does not deduct fees from separate account clients’ assets. Fund investors’ investment advisory fees are deducted from the investors’ capital accounts.

MANAGEMENT FEE

Management Fees are assessed quarterly based on a percentage of the market value of the account or the amount of committed capital on the last business day of the quarter, unless otherwise agreed and stated in the investment advisory agreement. If the service is for less than the whole of any quarterly period, compensation will be calculated and payable on a pro rata basis for that portion of the period that the assets were in the account.

Separate Accounts. The Private Capital Unit charges an annual base management fee of up to 1.5% per annum. The separate account advisory agreement may be subject to step downs or other variances as agreed with the client. Investments by separate accounts in underlying funds are generally subject to lower management fee rates. Under normal circumstances, management fees are not assessed on idle cash in the separate accounts.

CPPC Fund. With respect to the CPPC Fund, the Private Capital Unit charges a management fee equal to 0.75% of committed capital in CPPC Fund with a fee step-down to 0.50% after 4 years. After 10 years, the Private Capital Unit charges a management fee equal to 0.50% of the cost basis of investments of the CPPC Fund. The management fee is payable quarterly in advance.

PERFORMANCE FEES AND CARRIED INTEREST

Clients and CPPC Fund investors may pay performance-based compensation (*i.e.* performance fees or carried interest) after such client or investor has received distributions equal to the amount of its capital contributions or the amount invested in a particular investment, plus its applicable preferred return. At the discretion of the Private Capital Unit, the performance fee or carried interest for a client or CPPC Fund investor may be reduced or waived.

Separate Accounts. The Private Capital Unit charges performance fees on separate account direct investments up to 20% of the excess proceeds, if any, generated after the client has realized a preferred return net of all management fees with respect to a particular direct investment. The Private Capital Unit may also charge performance fees on underlying fund investments up to 10% of the excess proceeds, if any, generated after the client has realized a preferred return net of all management fees. Performance fees are generally payable upon the successful exit from each investment in these accounts.

CPPC Fund. The CPPC Fund pays its general partner carried interest up to 10% on net profits of the CPPC Fund above a hurdle rate, calculated on an internal rate of return basis after the realized return of capital and all fees. Carried interest with respect to the CPPC Fund is paid to the general partner. The CPPC Fund may make a tax distribution to such CPPC Fund's general partner to enable payment of tax obligations in respect of allocations of income related to carried interest for which such general partner did not receive any cash. Any such tax distributions made to such CPPC Fund's general partner will reduce amounts subsequently distributable to such general partner as carried interest.

Performance-based compensation creates an incentive to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement. This is because the Private Capital Unit will receive a higher fee for good performance on a performance-based compensation account than from strictly asset-based fee accounts. Higher fees benefit RCP as well as the Private Capital Unit because the asset-based fees and performance-based compensation are included in the pool from which the Private Capital Unit is paid incentive bonuses. Nevertheless, RCP has adopted policies and procedures to address this conflict and other conflicts of interest associated with performance fee accounts. See a description of additional conflicts of interest associated with performance fee based accounts and the policies and procedures RCP has adopted to address such conflicts of interest in the "Performance-Based Fees and Side by Side Management" section of this brochure.

The fees for any given account are generally determined by the strategy used to manage the assets and by the size of the account. All such fees are negotiable.

FACILITY, START-UP OR RESTRUCTURING FEES

For certain separate account clients, the Private Capital Unit may receive facility fees ("Facility Fees") as compensation for sourcing, diligence, research, appraisal, break-up costs and consulting with respect to the debt securities. Facility Fees are negotiated as an up-front fee, payable by the issuer, for the placement of the debt securities and typically do not exceed two percent (2%) of the loan principal. The Private Capital Unit receives Facility Fees in its role as collateral manager and loan agent to the loan, and the separate account client and the Private Capital Unit negotiate the amount to be retained by the Private Capital Unit. The Private Capital Unit generally retains the entire amount of the Facility Fee, unless the Facility Fee is significantly above market. The Facility Fees may incentivize the Private Capital Unit to choose to make private debt investments on behalf

of separate account clients in those issuers that are willing to pay these fees. The Private Capital Unit does not receive any other economic benefits from any person who is not a client.

THIRD PARTY MANAGEMENT FEES AND EXPENSES

Each underlying fund in which a client acquires an interest pays management fees, carried interest and other expenses to a management company and/or general partner that is not affiliated with RCP. Fees paid to RCP or its affiliates for investment advisory services are separate and distinct from the fees and expenses charged by an underlying fund's independent investment adviser and/or general partner for such underlying fund's advisory or management services. With limited exceptions, direct investments made by a client will not be subject to third party management fees since such investments are made directly (or indirectly through special purpose vehicles) in equity and/or debt investments and not in other funds.

ADDITIONAL INFORMATION

Separate account clients incur other fees associated with the management of client assets in addition to the fees described above, including, among other expenses, transaction, custodial and administrator fees. Certain offering, organizational, and ongoing expenses are charged to the CPPC Fund, as more fully described in the CPPC Fund's limited partnership agreement and offering materials. Expenses borne by the CPPC Fund include, but are not limited to, the following:

- costs and expenses incurred in the purchase, sale or exchange of investments (including legal fees);
- real property or personal property taxes on investments, including documentary, recording, stamp and transfer taxes;
- brokerage fees or commissions;
- expenses incurred in connection with the investigation, prosecution or defense of any claims by or against the CPPC Fund, including claims by or against a governmental authority and taxes applicable to the CPPC Fund on account of its operations;
- fees incurred in connection with the maintenance of bank or custodian accounts;
- expenses incurred by the general partner in serving as the tax matters partner;
- the reasonable cost of liability and other premiums for insurance protecting the CPPC Fund, its general partner, RCP and each of their respective principals or employees from liability to third parties;
- all costs and expenses arising out of indemnification obligations;
- all organizational costs, fees, and expenses incurred by or on behalf of the general partner in connection with the formation and organization of the CPPC Fund and

the general partner, including legal and accounting fees and expenses incident thereto, up to a limit of \$100,000;

- all liquidation costs, fees, and expenses incurred by the general partner (or its designee) in connection with the liquidation of the CPPC Fund at the end of its term, specifically including but not limited to legal and accounting fees and expenses; and
- all other expenses that are not normal operating expenses of the general partner.

Normal operating expenses to be borne by the general partner (or its designee) shall include, without limitation, expenditures on account of salaries, wages, travel, entertainment, and other expenses of employees, consultants and agents of the CPPC Fund, overhead and rentals payable for space used by the general partner (or its designee) or the CPPC Fund, office expenses, expenses for clerical and consulting services, and equipment and expenses incurred in investigating and evaluating investment opportunities and in managing investments held by the CPPC Fund. Further, the general partner shall also bear out-of-pocket expenses of preparing and distributing financial statements to investors as well as all cost of governmental returns, reports and other filings, bookkeeping services, out-of-pocket expenses associated with CPPC Fund communications with investors, including preparation of annual or other reports to the investors and out-of-pocket costs associated with CPPC Fund meetings. The general partner of the CPPC Fund may also receive income from short term investments made by the CPPC Fund.

Performance-Based Fees and Side-By-Side Management

Item 6 Performance-Based Fees and Side-By-Side Management

As set forth in Item 5, “Fees and Compensation,” clients and CPPC Fund investors pay both a management fee to the Private Capital Unit and performance-based compensation to the Private Capital Unit or the CPPC Fund’s general partner. Performance-based compensation varies by the type of investment and generally is not payable until after the client’s or investor’s total capital contributions or capital contributions with respect to a particular investment are returned along with the applicable preferred rate of return.

Separate account clients may pay a performance fee directly to the Private Capital Unit, a portion of which is included in the incentive bonus pool payable to the Private Capital Unit. Carried interest received by the CPPC Fund’s general partner is payable to carried interest recipients who hold an equity interest in the general partner. The possibility of receiving performance-based compensation may create an incentive for the Private Capital Unit to make more speculative investments on behalf of the clients than it would otherwise make in the absence of such performance-based compensation. With respect to the CPPC Fund, members and employees of RCP and other carried interest recipients do not pay carried interest with respect to their investments. In addition, to the extent performance-based compensation is based upon a particular investment, RCP or the CPPC Fund general partner may receive performance-based compensation for certain investments even though the overall client account has incurred losses.

The Private Capital Unit’s investment professionals operate independently of RCP, RCP 1 and RCP 3. RCP and the Private Capital Unit share various operational resources and systems of RCP, RCP 1 and RCP 3. The Private Capital Unit’s Investment Committee makes all investment and allocation decisions with respect to its separate account clients and the CPPC Fund using the Private Capital Unit’s investment strategies, processes and policies, separate and apart from RCP’s strategies, processes and policies. Notwithstanding the foregoing, it is possible that two or more clients of the Private Capital Unit (such as where a separate account client is following the strategy of the CPPC Fund) or, more generally, RCP, RCP 1 and/or RCP 3 are allocating to underlying funds or other investments at the same time, creating a potential conflict of interest.

In the event that two or more clients of the Private Capital Unit are allocating to underlying funds or other investments at the same time, allocations may be influenced by, among other things, investment restrictions, participation in other opportunities, and compliance with laws as well as the relative size of the client. The Private Capital Unit follows a disciplined investment selection process and has adopted an investment allocation policy, which is intended to mitigate the risk for conflicts of interest among its clients and to prevent this conflict from influencing investment decisions. Notwithstanding the foregoing, such mitigants do not completely alleviate allocation conflicts, and investors should understand that, to the extent the clients of the Private Capital Unit have uncommitted capital, the potential for conflict exists. The policy of the Private Capital Unit is to allocate investment opportunities among its clients in a fair and equitable manner, consistent with its fiduciary obligations and governing documents, if applicable, for the relevant client. The Private Capital Unit does not guarantee any client the right to invest in any particular transaction.

While not anticipated, the Private Capital Unit may seek to allocate to an underlying fund or other investment at the same time as RCP and/or RCP 3. In such cases, the allocation conflict will be resolved in favor of the RCP or RCP 3 strategy or product, provided the proposed investment is within the RCP or RCP 3 client's investment mandate. As a result of this allocation methodology, it is possible that an investment opportunity is allocated to an RCP or RCP 3 client and the Private Capital Unit client will not participate in the investment.

The partners and employees of RCP, including the Private Capital Unit, are also subject to its Code of Ethics, which sets forth certain standards of business conduct that govern the personal investment activities of employees and officers of RCP, including the standard that the interests of advisory clients must be placed first. RCP's processes with regard to clients investing concurrently with other clients is set forth in Item 12, "Brokerage Practices."

Types of Clients

Item 7 Types of Clients

The Private Capital Unit provides investment advisory services to institutions, high net worth individuals, unions, Taft-Hartley plans and pension and profit-sharing plans. The Private Capital Unit's separate accounts have no stated minimum investment threshold, although an investment minimum may be established for future separate account clients. The CPPC Fund requires a minimum investment of \$2 million. Under certain circumstances the Private Capital Unit waives these minimums, and the Private Capital Unit reserves the right to do so.

Methods of Analysis, Investment Strategies and Risk of Loss

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

INTRODUCTION

The Private Capital Unit manages assets in a number of different investment strategies. Clients of the Private Capital Unit choose from among those strategies based on how they wish the portion of their assets they entrust to the Private Capital Unit's direction to be managed. In general, the Private Capital Unit manages only a portion of a client's total assets, which reflects the largely institutional nature of the Private Capital Unit's client base.

METHODS OF ANALYSIS AND SOURCES OF INFORMATION

The Private Capital Unit has a detailed set of investment analysis approaches it uses for each investment strategy. All investment decisions are made by the Private Capital Unit's Investment Committee, whose members are Christopher Doherty, Jason Crist and Tom Bain. The Investment Committee operates on a consensus basis.

The Private Capital Unit's methods of security analysis include economic and industry analysis, fundamental research concerning specific companies, securities and issuers, quantitative analysis, technical analysis including computerized screening, evaluation and optimization techniques, and any other method that one or more of the Private Capital Unit's investment personnel may deem appropriate from time to time. The Private Capital Unit's investment professionals obtain information from a variety of sources, including:

- meetings and discussions with securities industry analysts;
- discussion of publicly available information with issuers and company personnel, on-site inspections and corporate-sponsored meetings;
- discussion with a company's customers and competitors;
- computerized screening, evaluation, optimization studies and reports;
- trade journals and services, governmental publications, statistical summaries and analysis;
- with respect to private placements, discussions with the issuer and the intermediary;
- rating agencies, analysts' reports and various news and industry sources, on-line sources and periodicals; and
- other sources as one or more of the Private Capital Unit's investment personnel deem appropriate from time to time.

SEPARATE ACCOUNT STRATEGIES

For separate account clients, the Private Capital Unit invests in the debt and select common or preferred equity securities of late stage venture-backed or private equity-sponsored private companies. The Private Capital Unit's proprietary structured finance product utilizes a unique strategy to attempt to control risk. Through the use of collateralized senior debt and senior subordinated debt instruments in its investment strategy, the Private Capital Unit believes the risk profile is lower than standard venture capital or private equity strategies.

The Private Capital Unit seeks to make structured finance investments ranging from \$10 to \$40 million in mid to later stage venture and private equity backed companies in high growth markets. The Private Capital Unit seeks companies that have raised substantial amounts of capital from sophisticated institutional investors prior to the Private Capital Unit's involvement. The Private Capital Unit is flexible as to investment structure but investments will typically be highly structured secured loans with maturities of 2 to 5 years.

In addition to general market risks and risks relating to overall economic conditions, risk in this strategy is centered on the Private Capital Unit's ability to select companies which have positive prospects for revenue and profit growth and to enable these companies to find alternative sources of financing to its debt capital. If the Private Capital Unit is not successful in identifying companies which create value above the levels at which capital is invested, there is the risk of loss of accrued interest or principal. The Private Capital Unit seeks to manage risk in these private capital investments through the Private Capital Unit's Investment Committee.

INVESTMENT IN PRIVATE FUNDS

Clients of the Private Capital Unit also invest in underlying funds managed by other investment advisers that utilize private equity, venture, mezzanine and buyout strategies that are generally not available through public market investing. The strategy the Private Capital Unit employs for selecting such underlying funds centers on creating a portfolio of investments in a diversified set of underlying strategies including middle market buy-out, growth equity, mezzanine and venture funds. In addition, the Private Capital Unit reserves a portion of the CPPC Fund's capital for co-investments in those opportunities the Private Capital Unit determines to be most attractive to investors. The Private Capital Unit's process for selecting underlying funds for investment relies heavily on the Private Capital Unit's experience in direct investing and its contacts in the private investing world.

RISK FACTORS

The Private Capital Unit's investment strategies involve risk of loss, and clients should have the ability to sustain the loss of their entire investment. Past performance is not a guarantee of future results and there is no assurance that the performance of the Private Capital Unit, RCP, the separate account clients or the CPPC Fund will equal or exceed any past performance.

While prospective investors or clients should review the risk disclosures set forth in full in the offering documents of any pooled investment vehicle offered by the Private Capital Unit, the following are certain material risks with respect to the Private Capital Unit's investment advisory

activities. These risks are qualified in their entirety by the risks set forth in the Private Capital Unit's client's private placement memorandum, other offering materials or governing documents.

- General Market Conditions The condition of world markets can have an impact on investing in any strategy and if markets experience a general decline the Private Capital Unit's investment strategies could be affected negatively.
- Market Specific Risk In general, the Private Capital Unit's investments are focused on U.S. markets, funds and companies. If the U.S. experiences economic difficulties which reflect themselves in financial markets, the Private Capital Unit's investment strategies could be affected negatively.
- Long-Term Investment Investments are not intended to be short-term investments. Even if the investment strategy of a client proves successful, it is unlikely to produce a realized return for a number of years.
- Reliance on the Private Capital Unit The successful investment of the client's assets depends, among other things, upon the skills of the professional personnel of the Private Capital Unit and the managers and/or sponsors of the underlying investments, direct and/or co-investments. The loss of service of one or more member(s) of the Private Capital Unit or of a manager and/or sponsor of an underlying investment or co-investment could have an adverse effect on the client's ability to realize its investment objectives.
- Reliance on Underlying Fund Management Clients will be investing in underlying funds. Clients will not have an active role in the day-to-day management of the underlying funds in which they invest. Moreover, such clients will not have the opportunity to evaluate the specific investments made by any underlying fund. Accordingly, the returns of a client will primarily depend on the performance and recommendations of these underlying fund managers and could be substantially adversely affected by the unfavorable performance of the underlying funds' managers.
- Reliance on Portfolio Company Management Separate account clients will be making, directly or indirectly, direct financing investments in portfolio companies. Neither the clients in the separate accounts nor the Private Capital Unit are expected to have, or be permitted to have, an active role in the day-to-day management of the portfolio companies in which they invest. Accordingly, the investment performance of a separate account client will depend in large part on the performance and recommendations of each portfolio company's management team and the ability of the lead investor to recruit or retain qualified management. Any inability of a portfolio company's management to successfully manage and operate such portfolio company could have a substantial adverse impact on such separate account client's performance.
- Highly Competitive Market for Investments The business of identifying and investing in pooled investment vehicles, co-investments or direct financing

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

- Direct Lending Clients and underlying funds may invest in direct lending. Direct lending investments typically are high-yield loans to stressed or distressed companies that are asset rich but have limited liquidity, and that need quick access to capital to refinance other debt, prevent a covenant default or exploit an opportunity. Underlying managers directly originate these loans, which typically include relatively high coupons and generous structuring fees. In order to compensate for the less liquid nature of the instruments and other inherent risks of direct lending, direct financing arrangements often will be collateralized with assets, include restrictive covenants and provide upside equity participation. There can be no assurance that the assets being used to collateralize the loan will be sufficient to ensure repayment.
- Mezzanine Debt Clients and underlying funds may make direct or indirect investments in mezzanine debt. Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees. The ability of the holders of mezzanine debt to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. Accordingly, the holders of mezzanine debt are subject to an enhanced credit risk versus other more senior obligations of the company.
- Venture Capital Venture capital is a type of equity financing that addresses the funding needs of entrepreneurial companies that for reasons of size, assets, and stage of development cannot seek capital from more traditional sources, such as public markets and banks. Because investing in new or very early companies inherently carries a degree of risk, including the risk that a company will fail, the returns of the venture capital backed companies may be subject to greater volatility than the returns of more established publicly traded companies. As a result, the

clients' returns also may experience greater volatility than a direct or indirect investment in more established public companies.

- Possibility of Fraud and Other Misconduct When a client makes an investment, the client does not have custody of the unclearing investment's assets or control over its investment strategy. Therefore, there is the risk that the investment or its custodian could divert or abscond with those assets, fail to follow agreed-upon investment strategies, provide false reports of operations or engage in other misconduct. The underlying investments in which the client invests are generally private and have not registered their securities under federal or state securities laws. Moreover, there can be no assurances that the underlying investments will be operated in accordance with all applicable laws or that assets entrusted to the underlying investments will be protected.
- Reliance upon Due Diligence Information The Private Capital Unit will conduct due diligence on its investments. The Private Capital Unit expects to use outside legal advisers and accountants to varying degrees depending upon the investment. When conducting due diligence, the Private Capital Unit will be required to rely on the resources available, including information provided by the portfolio companies and underlying funds and, where an underlying investment is recently formed, some due diligence may be subjective. Therefore, there can be no assurance that the due diligence undertaken by the Private Capital Unit will reveal or highlight all relevant facts that may be necessary or helpful in evaluating a particular investment, and there can be no assurance that such due diligence will result in an investment being successful.
- Illiquidity; Restrictions on Transfer Client investments represent highly illiquid investments and should only be acquired by investors able to commit capital for an indefinite period of time. Investors will not be permitted to transfer their interests in the CPPC Fund without the written consent of the general partner, which may be withheld in its sole discretion, and the satisfaction of certain other conditions, including compliance with applicable securities laws.
- Risk of Inadequate Return The returns on a particular client's investments, if any, may not be commensurate with the degree of risk of an investment in such client. With respect to investments in underlying funds, there is a significant risk that an underlying investment 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 prior to the date the underlying investment is required to be dissolved, either by expiration of the underlying investment's term or otherwise. Accordingly, there is no assurance that investors will eventually receive any distributions from a client or that such investor will receive distributions equal to its capital

contributions to such client or its applicable preferred return. Investors should have the ability to sustain the loss of their entire investment.

- Conflicts of Interest As discussed in more detail in Items 6 (Performance-Based Fees and Side-By-Side Management) and 12 (Brokerage Practices), clients are subject to actual and potential conflicts of interests in the allocation of investment opportunities among clients. It is possible for conflicts of interests to arise in the competition for investments or for the time and attention of the Private Capital Unit members. Following the expiration of the commitment period of a client, the Private Capital Unit may and likely will focus their investment activities on other opportunities and areas unrelated to such client's investments.

The Private Capital Unit, RCP, its affiliates, and members, officers, principals and employees of RCP and its affiliates may buy or sell securities or other instruments that the Private Capital Unit has recommended to a client. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by a client. Such transactions are subject to the policies and procedures set forth in RCP's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of any client.

Because certain expenses are paid for by a client or, if incurred by the Private Capital Unit, are reimbursed by a client, the Private Capital Unit may not necessarily seek out the lowest cost options when incurring (or causing a client to incur) such expenses.

Any of these situations subjects the Private Capital Unit, RCP and/or its affiliates to actual and potential conflicts of interest. The Private Capital Unit attempts to allocate investment opportunities among Private Capital Unit clients in a fair and equitable manner. As explained in Item 6 (Performance-Based Fees and Side-By-Side Management), allocation conflicts between a Private Capital Unit client and a non-Private Capital Unit RCP client will generally be resolved in favor of the non-Private Capital Unit RCP client. To the extent that an investment or relationship raises particular conflicts of interest, RCP will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict.

- Multiple Fees and Expenses Clients will pay certain fees (as described in Item 5, "Fees and Compensation") and expenses of such clients and, to the extent applicable, will indirectly bear the fees (e.g., management fees to the sponsors of the underlying funds) and expenses of the underlying funds in which such client invests. This may include transaction, monitoring, consulting and/or success fees charged by the manager of an underlying fund as well as other reimbursed expenses which may not be offset against other fees charged by such manager. This will result in greater expense and less potential for return on investment than if such fees were not charged or such expenses incurred. Similarly, clients may charge performance-based fees in connection with an underlying fund's investments or other investments of the client, and may indirectly pay carried interest to a sponsor

of an underlying fund with respect to investments in underlying funds. It is possible a client will charge performance-based fees in connection with an investment of an underlying fund even though the sponsor of such underlying fund did not receive a carried interest from such investment.

- Management Fees Payable Notwithstanding Performance Investors in a pooled investment vehicle will generally be required to pay a management fee on a quarterly basis which is based in part on the entire amount of their commitment to such client, and the payment of that fee is required even if such client has not made an investment or experiences net losses in a particular quarter.
- Capital Calls Clients invested in underlying funds may be required to meet capital calls of underlying funds over an extended period of time. Failure by an investor to meet any capital call by such client could result in the failure of such fund to meet a capital call from an underlying fund, which could have adverse consequences for such client and its other investors, if any. Throughout the term of the client, the Private Capital Unit may utilize distributions from underlying funds which are recallable to satisfy such client's obligations, including capital commitments to an underlying fund. However, the Private Capital Unit is not required to do so. Such redeployed amounts may not reduce an investor's unfunded capital commitment. Investors should be prepared to fund their capital commitment until such client is no longer subject to capital contributions or funding obligations related to an investment. Any distributions utilized by such client to satisfy such client's obligations may be treated as a deemed distribution and subsequent capital contribution to such client. The use of recallable distributions to satisfy such client's obligations may result in an investor being deemed to have contributed in excess of its capital commitment to such client, although an investor will not be required to make cash contributions in excess of its capital commitment to such client.
- CPPC Fund Not Registered The CPPC Fund is not registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), or any other U.S. federal or state securities laws or the laws of any other jurisdiction. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, which will not be applicable to the CPPC Fund.
- Annual Tax Information With respect to investments in underlying funds, it is expected that annual federal tax information from such underlying funds will not be received in sufficient time to permit the client to incorporate such information into their respective annual federal tax information and to distribute such information to investors prior to April 15 of each year. As a result, investors in the client will likely be required to obtain extensions for filing federal, state and local income tax returns each year.
- Tax Risks An investment in a client involves complex tax considerations that will differ for each investor. Investors may be required to indemnify a client for any

taxes imposed on such client under legislation relating to partnership audits. Moreover, the federal income tax treatment of an investment in a client may be changed at any time by legislative, judicial or administrative action. Any such changes may have retroactive effect with respect to existing transactions and investments and may adversely affect such client, its underlying funds and its investors. Each investor in a client should consult its own tax advisers with reference to its specific tax situation.

- Partner Giveback An investor in a particular client may be required to return distributions it has received from the client if such client is obligated to return distributions it has received from an underlying fund or underlying investment because of an indemnification obligation of the client to an underlying fund or underlying investment. In this event, the investor would be required to give back to the client its pro rata share of the amount the client is required to return to the underlying fund or underlying investment, subject to certain limitations as set forth in such client's governing documents. Accordingly, an investor in such client may be required to return amounts previously distributed to it by such client (subject to certain limitations as set forth in such client's governing documents), even though such investor already paid taxes attributed to such amounts, and at a time when such investor may not have sufficient cash to satisfy such giveback obligation.
- Side Letters In accordance with common industry practice, the general partner of the CPPC Fund has entered and will enter into "side letters" or similar agreements with certain investors pursuant to which a general partner grants such investor in the CPPC Fund specific rights, benefits or privileges that are not made available generally to other investors in the CPPC Fund. Such side letters are not generally subject to the approval of other investors. The side letters have included and may include most favored nations provisions and grant investors specific rights, benefits or privileges including, but not limited to, more favorable fees, reporting, transparency, liquidation elections with respect to distributions in-kind and notice obligations, including notices of certain events such as indemnification, conflicts of interest, changes in service providers and certain tax matters, or other rights.
- Scrutiny and Regulation of the Private Equity Industry There continues to be significant attention paid to, and scrutiny of, the private equity industry in the U.S. and globally. Various federal, state, and local agencies have examined the role of placement agents, finders, and other similar private equity service providers as well as various conflicts of interest involving fees paid to private equity managers. There can be no assurance that this attention and scrutiny will not have an adverse impact on a client or such client's underlying investments.
- Valuations May Fluctuate The valuations of the Private Capital Unit's clients' investments are calculated based upon good faith assessment of the fair value of the assets. Therefore, valuations of investments for which market quotations are not readily available may differ materially from the values that would have resulted, if a liquid market for such investments had existed. Even if market quotations are available for any of a client's investments, such quotations may not reflect the

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

- Material Non-public Information As a result of the operations of the Private Capital Unit, RCP and its affiliates, the Private Capital Unit and RCP come into possession of confidential or material non-public information. Therefore, the Private Capital Unit, RCP and its affiliates may have access to material, non- public information that may be relevant to an investment decision to be made by a client. Consequently, a client may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken consistent with applicable securities laws or the Private Capital Unit's or RCP's internal policies. Due to these restrictions, a client may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.
- Operational Risks The Private Capital Unit's ability to conduct its business effectively is subject to a variety of operational risks as it is dependent upon the ability to process client transactions and investor transactions and to provide reporting and other services to clients and investors. If any of RCP's or a third-party service provider's financial controls, investment accounting or investment operations systems, or other data processing systems fail to operate properly or if there are other failures in the Private Capital Unit's, RCP's or a third-party service provider's internal processes, the Private Capital Unit could suffer business disruption, financial loss, liability to clients, or regulatory or reputational issues. Systems failures may result from factors that are beyond the Private Capital Unit's control notwithstanding the fact that RCP take precautionary measures and has in place a business continuity and disaster recovery plan, including reliance on the systems of third-party service providers. In addition, changes in legal, fiscal and regulatory regimes may occur that may have an adverse effect on the Private Capital Unit. The Private Capital Unit may not be permitted to, or be able to, make adjustments in its structure or investment program in order to adapt to such changes. Changes in economic conditions may occur during the life of the Private Capital Unit that may have an adverse effect on its investments, such as rising interest rates. Due to the illiquidity of the investments made by the Private Capital Unit, the Private Capital Unit will have limited ability to adapt to any such changes in economic environment or mitigate any corresponding losses.
- Cybersecurity Risk With the increased use of technologies such as the Internet to conduct business, the clients are susceptible to operational, information security

and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting a client or its service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of such client to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting the underlying funds and their portfolio companies in which a client invests, counterparties with which a client engages in transactions, governmental and other regulatory authorities, banks, brokers, dealers, insurance companies and other financial institutions. In addition, substantial costs may be incurred in order to prevent cyber incidents in the future. While the clients’ service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the clients cannot control the cyber security plans and systems put in place by their respective service providers or any other third parties whose operations may affect the clients and their respective investors. One or more clients could be negatively impacted as a result.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE CLIENTS. INVESTORS SHOULD READ SUCH CLIENTS’ RESPECTIVE PRIVATE PLACEMENT MEMORANDUM AND OTHER OFFERING MATERIALS OR GOVERNING DOCUMENTS AND CONSULT WITH THEIR OWN COUNSEL AND ADVISORS BEFORE DECIDING WHETHER TO INVEST IN ANY SUCH CLIENTS.

Disciplinary Information

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client or prospective client's evaluation of the Private Capital Unit's or RCP's advisory business or the integrity of the Private Capital Unit's or RCP's management. The Private Capital Unit and RCP have no information to disclose applicable to this Item 9.

Other Financial Industry Activities and Affiliations

Item 10 Other Financial Industry Activities and Affiliations

RCP shares common officers and directors with RCP 1 and RCP 3, but is not affiliated with any other investment advisers or broker-dealers. Although RCP and RCP 3 are under different ownership than RCP 1, the three investment advisers generally operate together, with RCP 3 generally providing the employees and day-to-day investment management services to the clients of RCP 1 and RCP through a sub-advisory agreement with RCP 1 and RCP, respectively. With respect to the Private Capital Unit, the members of the Private Capital Unit are employees of RCP and the Private Capital Unit manages clients through investment management agreements with separate account clients or the CPPC Fund, as applicable, on one hand, and RCP on the other hand.

The CPPC Fund also has a general partner, which is responsible for the daily operations of the CPPC Fund, excluding the selection of the CPPC Fund's investments, which is the responsibility of the Private Capital Unit as employees of RCP pursuant to an investment advisory agreement between RCP and the CPPC Fund. The general partner of the CPPC Fund does not have employees or other persons acting on such general partner's behalf other than the members of the Private Capital Unit and other officers and employees of RCP. The members of the Private Capital Unit and RCP jointly manage the general partner of the CPPC Fund, with RCP holding certain veto rights. The Private Capital Unit's predecessor employer also continues to hold a minority economic stake in the CPPC Fund's general partner and holds certain veto rights with respect to decisions of the general partner that may affect its minority economic interest. As noted in Item 4, RCP and RCP 3 are indirect wholly-owned subsidiaries of P10. RCP's principals own approximately 49.5% of P10.

Certain members and employees of RCP, including members of the Private Capital Unit, may spend substantially all of their business time and attention on multiple clients as well as funds managed by RCP 1 or RCP 3. As a result, the performance by these individuals of their obligations to one client could conflict with their responsibilities to other clients.

Please refer to Item 11, "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" for a description of certain relationships that are material to the Private Capital Unit's or RCP's advisory business or to the Private Capital Unit's or RCP's clients that the Private Capital Unit or RCP or any of its management persons have with certain "related persons," the conflicts of interest with clients potentially resulting from such relationships, and how the Private Capital Unit and RCP address such conflicts.

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

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CODE OF ETHICS

RCP has implemented a Code of Ethics as required by Rule 204A-1 under the Advisers Act, which is incorporated in RCP's Investment Advisory Compliance Manual and is applicable to the Private Capital Unit. RCP's Code of Ethics sets forth certain standards of business conduct that govern the personal investment activities of employees and officers of RCP, including the standard that the interests of advisory clients must be placed first at all times.

RCP's Code of Ethics requires "access persons" (officers and supervised persons with access to client information) of RCP, including members of the Private Capital Unit, to report their personal securities transactions to RCP on a quarterly basis and their securities holdings upon commencement of employment (or upon becoming an access person) and annually thereafter. Access persons also must obtain approval from RCP's Chief Compliance Officer before they acquire any ownership interest in any security in an initial public offering or limited offering. The Code of Ethics requires all employees and officers of RCP to comply with applicable federal securities laws and to promptly report any violation of the Code of Ethics to RCP's Chief Compliance Officer.

A copy of RCP's Code of Ethics will be provided upon request to any investor or prospective investor in the CPPC Fund and to any Separate Account client or prospective Separate Account client. A copy of the Code of Ethics may also be obtained by writing to: RCP Advisors, Attn: Chief Compliance Officer, 8214 Westchester Drive Suite 950, Dallas, Texas 75225.

The Private Capital Unit, RCP and their investment committees seek to ensure that the Private Capital Unit, RCP and their members, employees and affiliates do not personally benefit from investment recommendations. As mentioned above, access persons must obtain approval from RCP's Chief Compliance Officer before they acquire any ownership interest in any underlying fund or other limited offering.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

RCP and its affiliated persons, including the Private Capital Unit, may come into possession, from time to time, of material non-public or other confidential information about companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, RCP and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of RCP. Accordingly, should RCP or any of its affiliated persons come into possession of material non-public or other confidential information with respect to any company, RCP would be prohibited from communicating such information to clients, and RCP will have no responsibility or liability for failing to disclose such information to clients as a result of following its policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of RCP's personnel serving as directors of public companies and may restrict trading on behalf of clients, including the CPPC Fund or separate account clients.

Members of the Private Capital Unit may, directly or indirectly, own interests in the CPPC Fund. RCP believes that ownership of such interests aligns the interests of the Private Capital Unit's personnel with the interests of such clients.

Members of the Private Capital Unit will indirectly receive a portion of the carried interest paid to the general partner of the CPPC Fund as carried interest recipients and also receive a portion of the performance fees paid by separate account clients through incentive payments payable to members of the Private Capital Unit pursuant to their respective employment agreements with RCP. The allocation of performance-based compensation may vary among clients. While the Private Capital Unit intends to allocate investment opportunities among clients in a manner that it believes is fair and equitable, the possibility of receiving performance-based compensation and the variation of the structure of performance-based compensation among clients may create an incentive for the Private Capital Unit to favor one client over another and to recommend more speculative investments on behalf of a client. As detailed in Item 6, "Performance-Based Fees and Side-by-Side Management" and Item 12, "Brokerage Practices," the Private Capital Unit's investment selection process is intended to mitigate this risk.

Brokerage Practices

Item 12 Brokerage Practices

RCP, through the members of the Private Capital Unit and as the investment manager of the CPPC Fund and separate account clients, has the discretion to determine the direct investments and underlying funds in which clients invest. Investments in direct investments and underlying funds are negotiated on a private placement basis by RCP through the Private Capital Unit. The Private Capital Unit typically does not utilize broker-dealers in connection with such investments.

To the extent a client receives an in-kind distribution of securities that may be publicly traded or private, the Private Capital Unit will generally seek to liquidate the securities as quickly as possible, provided that the Private Capital Unit may hold public securities received by a separate account client through an in-kind distribution in certain circumstances. Such liquidation may be through a privately negotiated transaction, which may not utilize a broker, or to the extent publicly traded, through a broker. In liquidating publicly traded securities and if delegated the authority to do so, RCP and the Private Capital Unit will select the broker to effectuate the liquidation. In selecting a broker, RCP and the Private Capital Unit may consider a variety of factors, including: (i) the reliability, integrity, financial condition and execution capability of the firm being considered for effecting the transactions in light of the size and difficulty of executing the order, and (ii) the reasonableness of the commissions in light of the services being provided.

ADDITIONAL FUNDS AND ALLOCATION OF INVESTMENT OPPORTUNITIES

The Private Capital Unit, RCP and its affiliates may begin organizing and accepting capital commitments for other funds or other clients with investment objectives that are similar to those of the clients at any time. Unless otherwise prohibited by a client's offering materials or investment management agreement, these additional clients may invest concurrently with existing clients and may be allocated investment opportunities that are not allocated to existing clients. A client may make an investment in an underlying fund in which another client has already invested or intends to invest. RCP may have a conflict of interest as to the investment allocation among such clients.

Situations may arise in which accounts managed by the Private Capital Unit have made investments that would have been suitable for investment by one client of the Private Capital Unit, RCP, RCP 1 or RCP 3 but, for various reasons, were not pursued by, or available to, another client. This could arise with respect to an underlying fund that, for example, places stringent restrictions on the number of investors whose money it will manage or their aggregate assets under management. As a result, certain underlying funds to which the Private Capital Unit would like to allocate assets may limit, or be unable or unwilling to accept, an allocation of such client's assets. To the extent that entities affiliated with RCP invest in underlying funds, the ability of a client to invest in the same underlying fund may be adversely affected by any limitation on availability of the investment. While not anticipated, the Private Capital Unit may seek to allocate to an underlying fund or other investment at the same time as RCP and/or RCP 3. In such cases, the allocation conflict will be resolved in favor of the RCP or RCP 3 strategy or product, provided the proposed investment is within the RCP or RCP 3 client's investment mandate. As a result of

this allocation methodology, it is possible that an investment opportunity is allocated to an RCP or RCP 3 client and the Private Capital Unit client will not participate in the investment.

There may be instances when allocating investments among clients where some clients of the Private Capital Unit may participate in certain opportunities made available to the Private Capital Unit while other clients of the Private Capital Unit may not. Where accounts of the Private Capital Unit have competing interests in a limited investment opportunity, the Private Capital Unit does not typically allocate investment opportunities pro rata among clients but rather allocates investment opportunities on the basis of numerous other considerations, including, without limitation, the percentage of committed capital already allocated to investment opportunities, investment objectives and restrictions, participation in other opportunities, appropriate design and balancing of investment portfolios of such account, compliance with applicable laws, and tax concerns as well as the relative size of different accounts' same or comparable portfolio holdings.

As a general matter, the Private Capital Unit will allocate its investment opportunities based on each client's target allocation.

Certain limitations generally apply with respect to the Private Capital Unit's ability to make investments on behalf of a newly established fund, if such newly established fund has investment objectives that are substantially similar to those of the CPPC Fund, including until the expiration of the CPPC Fund's investment period. For a full explanation of these limitations that may apply to the CPPC Fund, investors should refer to the governing documents or offering materials of the CPPC Fund. These limitations are intended to help alleviate the conflicts, with respect to the allocation of investment opportunities between the CPPC Fund and a newly established fund. Such limitations do not completely alleviate allocation conflicts, and CPPC Fund investors should understand that the potential for a conflict exists.

An investor in the CPPC Fund (which may be a separate account client) may invest in an underlying fund or participate in a direct equity investment in which the CPPC Fund is invested. In certain instances, the Private Capital Unit may notify an investor of an investment opportunity if such opportunity is not appropriate for the CPPC Fund or if sufficient investment capacity exists such that the CPPC Fund would not be disadvantaged if the investor participated in such investment opportunity.

The Private Capital Unit's allocation of investment opportunities among clients is also described in Item 6, "Performance-Based Fees and Side-By-Side Management" and Item 11, "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading."

Review of Accounts

Item 13 Review of Accounts

Investment decisions of the clients are made by the Private Capital Unit's Investment Committee. The Private Capital Unit periodically monitors the portfolios of the clients. The Private Capital Unit's Investment Committee is responsible for such monitoring. Members of the Private Capital Unit's Investment Committee are:

- Christopher Doherty, Private Capital Unit Managing Director;
- Jason Crist, Private Capital Unit Managing Director; and
- Tom Bain, Private Capital Unit Managing Director.

Monitoring activities include but are not limited to: participation in underlying funds' annual meetings; membership on the advisory boards of the underlying funds (to the extent such membership is granted by the underlying funds); board observation rights with respect to direct investments of separate account clients (to the extent such observation rights are granted by the portfolio company); consistent contact with the managers of the underlying funds and management of direct investments in an effort to remain apprised of all developments; and, ongoing evaluation of the state of the market generally.

Clients receive quarterly reports from the Private Capital Unit. The quarterly reports display the performance of the assets based upon time-weighted rates of return for the designated period of statement of assets. The quarterly report includes the following pertinent information: account portfolio at cost and market, sector classifications, account yield, accrued income, change in portfolio value, purchases and sales, time weighted returns and performance composition.

The CPPC Fund provides to its investors the following written reports: annual audited financial statements of the CPPC Fund; quarterly unaudited financial statements of the CPPC Fund; and quarterly unaudited financial statements and a written report on the affairs of the CPPC Fund. U.S. income tax information is furnished annually.

Client Referrals and Other Compensation

Item 14 Client Referrals and Other Compensation

The Private Capital Unit is not currently party to any agreements with persons to act as placement agent for the CPPC Fund and does not otherwise pay fees to any party for client referrals. However, it may do so in the future, in which case such agreements will be on similar terms and subject to RCP's policies as described below. Notwithstanding the foregoing, RCP has entered into agreements with various entities to act as placement agents on behalf of one or more funds managed by RCP (the "RCP Funds") for the purpose of referring eligible investors for investment in such RCP Funds. The Private Capital Unit endeavors at all times to put first the interests of its clients and investors in its clients as part of the Private Capital Unit's fiduciary duty to its clients. Nevertheless, the receipt of compensation by the placement agents creates a conflict of interest, and may affect the judgment of such placement agents when referring eligible investors to the Private Capital Unit and its clients.

Custody

Item 15 Custody

The Private Capital Unit and the general partner of the CPPC Fund are deemed to have custody of the CPPC Fund's assets and client assets in the separate accounts. The Private Capital Unit is deemed to have custody by virtue of its discretionary authority to invest and otherwise control the assets. In addition, with respect to client assets in separate accounts running certain credit strategies, the Private Capital Unit serves as collateral and loan agent with respect to certain debt securities issued on behalf of separate account clients, which also results in deemed custody. Custody of the clients' assets is maintained in compliance with applicable rules and regulations set forth in the Advisers Act. Where required, cash and securities are maintained at a financial institution meeting the definition of "qualified custodian" under the Advisers Act. In addition, the financial statements of the CPPC Fund are audited annually and distributed to investors within 180 days of the applicable fiscal year-end of the fund. In the event that such distribution is expected to be delayed beyond the 180-day deadline because the Private Capital Unit has not received the financial information necessary from each of the underlying funds, direct or co-investments to prepare such audited financial statements, the Private Capital Unit will notify the clients and CPPC Fund investors of the delay, the reason for the delay and the expected date by which such delivery will occur.

The Private Capital Unit has implemented written policies and procedures to ensure compliance with the Advisers Act custody requirements. The Private Capital Unit periodically reviews the effectiveness of its custody controls.

Investment Discretion

Item 16 Investment Discretion

All portfolios of the separate accounts and the CPPC Fund are managed by the Private Capital Unit on a discretionary basis. Discretionary authority is granted to the Private Capital Unit in the clients' investment advisory agreements with RCP. During the initial structuring of each client account, the Private Capital Unit and the client jointly determine an optimal investment strategy given the client's investment objectives. In some cases, clients impose investment restrictions on their separate accounts.

The Private Capital Unit's investment professionals operate independently of RCP, RCP 1 and RCP 3. RCP and the Private Capital Unit share various operational resources and systems of RCP, RCP 1 and RCP 3. The Private Capital Unit's Investment Committee makes all investment and allocation decisions with respect to its separate account clients and the CPPC Fund using the Private Capital Unit's investment strategies, processes and policies, separate and apart from RCP's strategies, processes and policies.

By subscribing for an investment in the CPPC Fund and executing the applicable subscription agreement, each investor agrees that the CPPC Fund is formed for the object and purpose of providing, and the nature of the business to be conducted and promoted by the CPPC Fund is to provide, a limited number of select investors with the opportunity to realize long-term appreciation from acquiring and investing in, managing, liquidating or otherwise disposing of portfolio interests and the cash, securities and other property which are distributed to the CPPC Fund from time to time in respect of portfolio interests; to buy, sell, hold, and otherwise invest in securities; to enter into, make, and perform all contracts and other undertakings; and to engage in all activities and transactions as may be necessary, advisable, or desirable to carry out the foregoing.

RCP has entered and may enter into side letters with investors in the CPPC Fund in which the Private Capital Unit's investment discretion is altered or varied. Such terms may include, in some cases, the investor's right to be excused from a particular investment due to legal, tax, regulatory or other applicable constraints.

Voting Client Securities

Item 17 Voting Client Securities

The Private Capital Unit has the authority to vote proxies. While clients generally invest in private underlying funds and in private companies, additional procedures apply in the event a client receives distributions of public securities or otherwise holds public securities, as set forth below.

Private Underlying Funds and Companies

All amendments to partnership agreements with respect to private equity investments are recorded by the Private Capital Unit as proxy votes. The Private Capital Unit will evaluate issues that may have an impact on the economic value of a client's underlying investment or company and will seek to ensure that such client votes with a view toward maximizing the economic value of the investment at the time of the decision or by determining that a particular vote is in the best interest of the client.

Public Securities

Neither the Private Capital Unit nor a client typically receive distributions of public securities or otherwise holds public securities. In the event any client were to receive a distribution of securities in-kind, such client would expect to immediately sell such securities for cash pursuant to the terms of such client's offering materials or governing documents. Thus, proxy voting for in-kind distributions is not generally applicable to the Private Capital Unit's business.

In the event the Private Capital Unit did need to vote a security, the Private Capital Unit has adopted guidelines for voting proxies of publicly traded companies (the "Proxy Voting Guidelines") using the guidelines of the Institutional Shareholder Services, Inc. ("ISS"), a subsidiary of MSCI, Inc., a well-known third-party proxy voting service. Under the Proxy Voting Guidelines, the Private Capital Unit generally votes client proxies in accordance with what is commonly known as Taft-Hartley proxy voting policies, although the Private Capital Unit does not follow the Taft-Hartley policies in all cases. The Private Capital Unit has chosen these policies because the Private Capital Unit believes them to be most shareholder friendly and in the best interest of all of the Private Capital Unit's clients. The Proxy Voting Guidelines incorporate ISS' U.S. Proxy Advisory guidelines policies when the Private Capital Unit believes that all of its clients' interests are best served by such variances from the Taft-Hartley policies.

On an annual basis, the Private Capital Unit reviews ISS's Due Diligence Compliance Package including ISS's Policies, Procedures and Practices Regarding Potential Conflicts of Interest to obtain an understanding of ISS's capacity and competency to adequately analyze proxy issues. In conducting this review, the Private Capital Unit considers (1) the adequacy and quality of ISS's staffing and personnel; and (2) the robustness of ISS's policies and procedures regarding its ability to (i) ensure that its proxy voting recommendations are based on current and accurate information and (ii) identify and address any conflicts of interest. To the extent the Private Capital Unit believes it needs additional information to make the foregoing determinations, the Private Capital Unit reviews such other information as it deems necessary on the ISS website and/or conducts a due diligence call or meeting with an ISS account manager.

Where ISS does not vote on a particular issue or on the proxies of a company or the Private Capital Unit plans on deviating from the manner in which ISS intends to vote, the manner in which the Private Capital Unit will vote for such proxies will be determined by the Private Capital Unit Investment Committee. In situations where the Private Capital Unit's Investment Committee determines that a conflict of interest exists between the Private Capital Unit and its clients, at least two members of the Private Capital Unit Investment Committee must determine the position that is in the best interests of the Private Capital Unit client whose account owns the underlying security and vote the proxy in favor of that position.

The Private Capital Unit may choose to not vote a proxy if it is not practicable to do so or if the Private Capital Unit determines that the potential costs involved with voting a proxy outweigh the potential benefits to the client whose account owns the underlying security. Furthermore, there may be times when refraining from voting a proxy is in a client's best interest.

Clients may obtain a copy of the Private Capital Unit's proxy voting procedures or information about how the Private Capital Unit voted by writing to: RCP Advisors, Attn: Chief Compliance Officer, 8214 Westchester Drive Suite 950, Dallas, Texas 75225.

Financial Information

Item 18 Financial Information

Registered investment advisers are required in this Item 18 to provide certain financial information or disclosures about their financial condition. RCP does not require the prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item.