

Part 2A of Form ADV – Firm Brochure
Item 1. Cover Page



ACHIEVE PARTNERS

Achieve Partners Funds Management, LLC

Part 2A of Form ADV

The Brochure

303 Spring Street
New York, NY 10013
(917) 821-9194

www.achievetpartners.com

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This brochure provides information about the qualifications and business practices of Achieve Partners Funds Management, LLC (“AP”, the “**Company**”, “**Achieve Partners**”, or the “**Applicant**”). If you have any questions about the contents of this brochure, please contact us at (917) 821-9194. 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. Achieve Partners is an investment adviser that is registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Achieve Partners is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

Item 2 is not applicable since this is the first Form ADV Part 2 filed by Achieve Partners.

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Item 4. Advisory Business

AP was founded in 2018 and is wholly owned by its two Managing Directors, Daniel Pianko and Ryan Craig (the “**Principals**”).

AP provides investment advisory services to one or more pooled investment vehicles (“**Funds**” or the “**AP Funds**”) that are exempt from registration under the Investment Company Act of 1940, as amended. The Funds’ securities are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and are privately placed to qualified investors in the United States (and potentially elsewhere). AP provides discretionary investment management services through affiliated general partners of the Funds (the “**General Partners**”). The General Partners may or may not be under common control with AP, but possess a substantial identity of personnel and/or equity owners with AP. Each General Partner operates as a single advisory business with AP and is deemed registered under the U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), in accordance with SEC guidance, pursuant to AP’s registration.

The primary focus of AP’s investment advisory activity is researching and advising on private equity investments, including direct or indirect growth-stage and buyout investments (potentially including through loans, other debt, equity, and/or other investments) related to portfolio companies organized in the United States (with such investments generally referred to herein as “**portfolio companies**”). Such investments often take the form of privately negotiated investment instruments. As discussed more fully in its confidential private placement memorandum, the current AP Fund focuses primarily on investing in later-stage (and, to a lesser extent, early-stage) investment opportunities in portfolio companies (including, but not limited to, those related to lower middle market staffing, business services enterprises, technology companies servicing these markets, and select scaled training or education programs) to build scalable employer-pay and last-mile training models that endeavor to close the skills gap. Although the primary focus of such AP Fund is on growth-stage and buyout investments in portfolio companies as described above, AP may from time to time recommend other types of investments consistent with such AP Fund’s investment strategy and objectives, as described in its confidential private placement memorandum and/or limited partnership or other governing document (each, a “**Fund Agreement**”).

AP generally provides investment advisory services to each AP Fund pursuant to a separate investment advisory agreement (each, an “**Advisory Agreement**”). Investment advice is provided by AP directly to the AP Funds, subject to the direction and control of the affiliated General Partner of such AP Fund. The AP Funds, together with any applicable parallel funds created for certain investors as may be described more fully in an AP Fund’s confidential private offering memorandum, are collectively referred to in this brochure as “**Clients**” and persons or entities that invest in the Funds are referred to in this brochure as “**investors**” or “**limited partners**.” AP provides investment advice and other services directly to the Funds and not individually to the investors of such Funds. The applicable General Partner of each AP Fund generally enters into side letter agreements with certain investors in the AP Funds (“**side letters**”), establishing rights under, or supplementing or altering the terms of, the applicable Fund Agreements and subscription agreements relating to such AP Fund with respect to such investors, including by providing, among other things, different information rights, co-investment rights and other economic rights that may be material, reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, certain

rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, veto rights and liquidity or transfer rights.

Additionally, from time to time pursuant to the terms of the Fund Agreement of the applicable AP Fund, AP may provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to AP Funds, certain clients and other parties that may have a relationship with AP, such as limited partners, other private fund sponsors, corporates, certain strategic advisors and single investor vehicles, as described in Item 11 below. Such co-investments may, in certain instances, involve investment and divestment of interests in the applicable portfolio company at the same time and on the same terms as the AP Fund making the investment. From time to time, for strategic and other reasons, a co-investor or co-invest vehicle may be established to purchase a portion of an investment from one or more AP Funds after such AP Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from an AP Fund by a co-invest vehicle or co-investor generally occurs shortly after the AP Fund's completion of the investment to avoid any changes in valuation of the investment, and the co-investor or co-invest vehicle generally will be required to reimburse the relevant AP Fund for related expenses.

Any restrictions on investments in certain types of securities are established by the General Partner of the applicable AP Fund and are set forth in the documentation received by each limited partner prior to investment in such AP Fund. Once invested in an AP Fund, investors cannot impose restrictions on the types of securities in which such AP Fund can invest.

AP does not currently participate as a manager in any wrap fee programs.

As of December 18, 2018, AP managed approximately \$0 of Client assets. Once the first AP Fund closes (on or about the first quarter of 2019), it is currently expected that all such assets will be managed on a discretionary basis.

Item 5. Fees and Compensation

As compensation for investment advisory services rendered to any AP Fund, AP receives from each AP Fund an annual management fee payable quarterly (in advance). Installments of the management fee payable for any period other than a full quarterly period are adjusted on a pro rata basis according to the actual number of days in such period. Upon termination of an Advisory Agreement, management fees that have been prepaid but have not been earned will generally be returned on a prorated basis. Management fees paid by an AP Fund are indirectly borne by the investors in such AP Fund. As described below, AP is permitted to reduce or waive the management fee in some circumstances in connection with the receipt by AP or its related persons of various fees paid by portfolio companies. To the extent that a management fee is not reduced as of any given date by the fees referred to herein because such management fee has been reduced to zero, the excess shall be carried over and applied as a reduction of the management fee, but not below zero, for future periods. Upon an investor's mandatory withdrawal from an AP Fund, if there is an excess that has not been applied to actually reduce the management fee, the investor shall receive a refund of its management fee paid to the extent of such unapplied excess.

The management fee is also generally subject to waiver or reduction by the General Partner of such AP Fund, in its sole discretion, in connection with investments made in the AP Funds by the applicable General Partner or certain affiliated or related parties.

AP Funds will also allocate a portion of their investment profits to their General Partners, which are affiliated with AP, as a “carried interest,” as discussed in Item 6 below.

In addition to the management fee and carried interest payable to AP and the General Partners, respectively, each Fund (and indirectly each investor therein) bears certain expenses. As set forth more fully in the applicable private placement memorandum and/or Fund Agreement of each AP Fund, each AP Fund bears all expenses (including organizational, investment, and operating expenses) relating to such AP Fund’s activities, investments and business to the extent not reimbursed by a portfolio company, including, but not limited to,

- out-of-pocket expenses incurred in connection with the making, holding, sale or proposed sale of any investment, including any expenses (including travel and entertainment) associated with proposed investments that are ultimately not made by such fund;
- routine expenses of such fund including legal, auditing, consulting and financing fees, insurance, and expenses associated with such fund’s financial statements and tax returns, and other administrative expenses of such fund; and
- litigation-related and indemnification expenses.

Each AP Fund also bears expenses indirectly to the extent a portfolio company pays expenses.

Each General Partner generally will pay all ordinary administrative and overhead expenses incurred in connection with maintaining and operating its office(s), including employees’ salaries, rent, utilities and similar overhead expenses, as specified in the applicable Fund Agreement. As is typical for private equity funds, the AP Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds.

From time to time, the General Partner of a Fund may create certain “special purpose vehicles” or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors (“SPVs”). In the event the general partner creates an SPV, consistent with the Fund Agreement of the applicable Fund, the SPV, and indirectly, the investors thereof, will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV.

For certain AP Funds, expense reimbursements are payable to AP or its affiliates. The nature of these expense reimbursements is disclosed to investors in the relevant offering documents and/or Fund Agreements. Additionally, portfolio companies typically will reimburse the General Partners (or service providers retained at their discretion) for expenses (including, without limitation, expenses related to training programs, meetings and other events (to the extent that such programs, meetings or events are attended by Portfolio Company personnel), certain entertainment expenses (to the extent that such expenses are attributable to Portfolio Company

usage), travel expenses, and expenses relating to recruiting, relocation and background checks for portfolio company positions) incurred by the General Partners (or such service providers) in connection with their performance of services for such Portfolio Company, but will offset any consulting fees (and other cash and non-cash compensation) incurred. These expense reimbursements are in addition to the investment advisory fees discussed above.

From time to time, the General Partners and their affiliates may also engage and retain senior or special advisors, advisors, consultants and other similar professionals who may be listed on the General Partners' website or other collateral materials but are independent industry executives and not employees or affiliates of the General Partner and who receive payments from an AP Fund and/or from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such fees or other compensation earned by such persons will be retained by them and will not be deemed to be earned by the General Partners and their affiliates. Such amounts will not be subject to any offset or sharing arrangements and will not benefit an AP Fund or investors.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to the relevant Fund Agreement and/or side letter(s). If a co-invest vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. If a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, ultimately is not consummated, broken deal expenses relating to such unconsummated transaction may be borne entirely by the Fund(s), and not by any prospective co-investors that were to have participated in such transaction.

The Fund is permitted to establish certain shared services agreements between Portfolio Companies that charge the Portfolio Companies for AP's (or its affiliates') costs but do not create profit for AP or its affiliates.

AP and its affiliates will have the right to contract for and receive transaction fees, break-up fees, directors' fees, and other fees from any portfolio company or person in connection with the activities of an AP Fund, provided that the management fee shall be reduced (but not below zero) for such persons' receipt of: (i) directors' fees or advisory fees paid to AP (or its affiliates) with respect to any AP Fund investment; (ii) transaction fees paid to AP (or its affiliates) with respect to any AP Fund investment; and (iii) break-up fees with respect to AP Fund transactions not completed that are paid to AP (or its affiliates), or (iv) any other similar fees ("**Related Services**"). For purposes of clarity, the management fee shall not be reduced for: (i) any amount received by AP or its affiliates from a portfolio company as reimbursement for expenses directly related to such portfolio company, (ii) certain shared services agreements between portfolio companies that charge the portfolio companies for the General Partners' costs but do not create profit for the General Partners or their affiliates, or (iii) payments to certain operating partners.

When AP utilizes the services of broker-dealers for limited purposes relating to transaction related services for an AP Fund, such AP Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, see Item 12 below.

It is critical that investors refer to the relevant Fund Agreement for a complete understanding of expenses they may pay through an investment in the Funds. The information contained herein is a summary only and is qualified in its entirety by such documents.

Item 6. Performance Based Fees and Side-by-Side Management

AP Funds allocate a portion of their investment profits to their General Partners, which are affiliated with AP, as a carried interest, as set forth in each Fund Agreement. Such allocation of profits is only allocated to the General Partner when specific conditions are met, including that a preferred return on such investment has been achieved. The General Partners' entitlement to performance-based allocations may create an incentive for AP to take risks in managing the AP Funds that it would not otherwise take in the absence of such performance-based arrangements, although AP generally considers performance-based compensation to better align its interests with those of its investors. Despite this potential conflict of interest, AP will always seek to manage its funds in accordance with their stated investment objectives. Achieve Partners and its affiliates and principals have sought to further mitigate this risk by including clawback provisions in the incentive fee structure, disclosing information about investments to limited partners, and personally investing in the funds.

Each General Partner of an AP Fund is a related person of AP. Carried interest paid by an AP Fund is indirectly borne by investors in such AP Fund. Certain AP Funds and investors in such AP Funds may incur lower or no carried interest.

Item 7. Types of Clients

As described in Item 4 above, AP provides discretionary advisory services to AP Funds in accordance with the terms of the Fund Agreements. Investment in the AP Funds is generally only available to high net worth individuals and institutional investors who are "accredited investors" as that term is defined under Regulation D of the Securities Act and "qualified clients" as that term is defined under Rule 205-3 of the Advisers Act.

The minimum capital commitment to invest in an AP Fund is typically \$1 million, but the General Partners reserve the right to reduce or waive this minimum.

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

Each Fund's Fund Agreement sets forth the terms of an investment in the Fund and identifies the Fund's investment objectives along with risk factors. The Fund Agreements contain additional information on the risks associated with an investment in the respective Funds, and should be reviewed by any prospective investor.

Achieve Partners focuses a range of business from early stage investments to later-stage investments in staffing and business service companies in skill gap areas principally in the U.S.

The investment processes described below are intended to help the Company achieve attractive

returns on invested capital, but all investing involves risks that clients and investors should be prepared to bear. Achieve Partners' research and analysis may vary depending on the opportunities and risks associated with each potential investment, but the steps described below summarize the Company's typical investment process.

1. *Identify Potential Opportunity:* The investment team leverages its expertise and contacts to develop and analyze a thesis around a particular opportunity. The investment team utilizes a proactive approach to either find acquisition targets or to build opportunities along its investable thesis.
2. *Initial Due Diligence & Management Presentation:* Achieve Partners' investment professionals perform initial due diligence to better understand the investment opportunity. This generally includes research on the industry, discussions with the target's management team, and discussions with advisors about the specific company.
3. *Deal Alert:* Achieve Partners' investment professionals prepare an Opportunity Evaluation Memo or Preliminary Investment Memo and present it to the Investment Committee. If approved by the Investment Committee at the initial or a subsequent Deal Alert meeting, then the opportunity proceeds into further diligence and discussions with the sponsors of the investments and their representatives.
4. *Non-Binding Letter of Intent (LOI) or First Round Bid:* The investment team may present the target investment sponsor with a non-binding LOI or term sheet for the transaction contingent upon certain criteria that have been shared with the investment team.
5. *Further Due Diligence with Management:* The investment team seeks more detailed information. Examples of information subject to review include the corporation's organization and legal entity documentation, board minutes and reports, operational records, owned and leased property agreements, intellectual property documentation, employee lists and employment agreements, and historical financials. The investment team may hire consultants and advisors to assist with the investigation and analysis.
6. *Investment Committee Memorandum:* With additional information gathered during Further Due Diligence, a more comprehensive Investment Committee Memorandum (ICM) is compiled to summarize the investment opportunity to the Investment Committee.
7. *Final Due Diligence and Process:* Provided that the ICM has been accepted by the Investment Committee, the investment team performs final and confirmatory due diligence in order to provide a final bid or offer for the investment.
8. *Update and Final Investment Committee Approval:* Upon approval of the LOI and based on additional findings in the Final Due Diligence, the investment team will update the Investment Committee on key deal issues and seek final approval to close the transaction and make the investment through a Final Investment Memorandum (FIM). The investment team recommends closing the investment at a specific valuation, which the Investment Committee will either reject or approve.

9. *Final Binding Commitment:* If it receives approval from the Investment Committee, the investment team will finalize the transaction commitment and proceed to closing.

As a component of the 20 percent of capital allocated to early-stage investments, it is expected that Achieve Partners will allocate up to \$5M to a seed stage pool whereby small investments are made into potentially disruptive businesses focused on higher education. Each investment will range between \$50k and \$250k and will be undertaken in collaboration with third party investors. The approval process is expedited within the investment committee and follows the below process:

1. *Identify Investable Thesis:* The investment team leverages its deep industry expertise and contacts to analyze potential investment opportunities with a focus on a core sector at the intersection of education and employment.
2. *Potential Investments Review:* Investment professionals write-up a memorandum on potential opportunities after meeting with management teams with information included but not limited to a company overview, operational model, regulatory restrictions, client contracts, industry competitiveness overview, opportunities and promises, investment merits, investment risks and leadership team. Memorandums are reviewed and discussed in weekly investment meetings with either a request for follow-up information made by the Investment Committee or approval of funding based on the information, structure and valuation presented.
3. *Follow-up:* In this stage, investment professionals perform additional due diligence on seed investments which may include testing products, conducting customer reviews and having further discussions with the management team.
4. *Funding:* Upon approval from the investment committee on the structure and satisfactory due diligence, a funding will be initiated and approved by one of the managers of the Company.

The sequential order in investment process may vary slightly on a deal-by-deal basis.

Despite Achieve Partners' best efforts to identify promising investment opportunities for its funds, an investment in the funds entails a high degree of risk. Risks associated with an investment in the funds are described in detail in the funds' confidential offering materials. These risks include, but are not limited to, the following:

- *No Assurance of Return:* There can be no assurance that the funds' investment objectives will be achieved or that there will be any return of capital.
- *Investments in Early Stage Companies:* Up to 20 percent of Achieve Partners' investments will be in early-stage companies at the intersection of education and employment. While these investments offer the potential for significant appreciation, they also involve a high degree of risk, generally provide no collateral to protect the amount

invested and can result in substantial losses, including a total loss of investment. These portfolio companies will have little operating history at the time of investment and will operate at a loss or with substantial variations in operating results from period to period.

- *Illiquid Investments:* Nearly all investments will be in private companies. The marketability and value of each such investment will depend upon many factors beyond the Company's control. Generally, the investments made by Achieve Partners will be illiquid and difficult to value.
- *Limited Ability to Transfer or Withdraw Interests:* An investment in one of Achieve Partners' funds is a long-term commitment. The governing agreements of each fund contain substantial restrictions on the transferability of the investor's interests. Withdrawal of interests in a fund generally will not be permitted. There is no public market for the interests in the funds, and it is not expected that a public market will develop.
- *Concentration of Investments:* Achieve Partners expects to moderate its investment risk by (i) limiting the amount invested by any fund in any one portfolio company, unless the fund obtains consent from the LP Advisory Committee, (ii) by spreading investments across different economic sectors and geographic areas, and (iii) active oversight and management of portfolio companies in order to identify problems and develop solutions. Notwithstanding these efforts, a fund may suffer material adverse effects resulting from a number of factors beyond the fund's control including, but not limited to, a decline in value in one or more portfolio companies in which the fund has a substantial investment, difficulties experienced in the industry sector, and a general decrease in the demand for entry-level talent at a time when the fund desires to liquidate its investments.
- *Non-U.S. Investments:* Although it is expected that capital will be principally invested in the U.S., Achieve Partners may invest capital outside of the U.S. Non-U.S. securities involve certain risk factors not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic, social, and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic, or social instability, including the risk of sovereign defaults, and the possibility of expropriation or confiscatory taxation; (iv) the possible imposition of foreign taxes on income and gains recognized with respect to such securities; (v) multiple and possibly overlapping and conflicting tax laws, (v) less developed corporate laws regarding creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors and (vi) acts of terrorism and war, epidemics and natural disasters.

In addition to the foregoing, investing or acquiring portfolio companies outside the United States pose significant legal and business risks regarding such companies and their founders regarding lack of transparency, compliance with local laws and inability to

effectively enforce judgments in such foreign jurisdictions. In addition, certain foreign jurisdictions may impose regulatory restrictions in order to operate a pathway to employment. Additionally, certain countries in which the fund may invest have in the past, and may in the future, experience political and social instability that could adversely affect the fund's investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic, and social conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. Governments of certain of these countries have exercised and continue to exercise substantial influence over many aspects of the private sector. The fund generally does not intend to obtain political risk insurance. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the return from investments. Exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on repatriation of capital, renunciation of foreign debt, political, economic or social instability, or other economic or political developments could adversely affect the assets of the fund held in a particular country.

- *Reliance on the Principals of the Fund Manager:* Achieve Partners is dependent on its Principals. The loss of any such individuals could have a material adverse effect on Achieve Partners' clients. Investors in Achieve Partners' funds will not be permitted to directly evaluate investment opportunities or relevant business, economic, financial or other information used by the fund in making investment decisions.

Item 9. Disciplinary Information

None.

Item 10. Other Financial Industry Activities and Affiliations

One or more AP affiliated entities act as the general partner(s) of the AP Fund(s). For a description of material conflicts of interest created by the relationship among AP, the AP Fund(s), and the General Partner(s), as well as a description of how such conflicts are addressed, see Item 11 below.

Achieve Partners' Principals are affiliated with University Ventures Funds Management, LLC, which advises the private funds listed below:

- University Ventures Fund I, L.P.
- University Ventures Fund II, L.P.
- University Ventures Fund I BECO-INVESTMENT, L.P.
- University Ventures Fund I PB & AFFILIATES, L.P.
- University Ventures Fund I UTIMCO-INVESTMENT, L.P.
- AP CO-INVESTMENT, L.P.
- USA Funds-UV Co-Investment Fund, L.P.
- Eden-USA Funds eIntern Parallel Fund, L.P.
- ECMC-UV Co-Investment Fund, L.P.

- University Ventures Income Share Agreement Fund I, L.P.
- Zoma-UV Fund, L.P.
- What about the IG Examity vehicle?

The general partners for the above listed private funds are University Ventures Funds Partners, LLC and University Ventures Funds Partners II, LLC.

Achieve Partners' Principals are also affiliated with American Pathway Capital Fund Management, LLC, which advises the private funds listed below:

- American Pathway Fund, L.P.

The general partner for the above listed private fund is American Pathway Capital, LLC.

University Ventures Funds Management, LLC and American Pathway Capital Fund Management, LLC (and their affiliated general partners) pose certain material conflicts of interest with respect to AP's management of the AP Funds, including the following.

- Such related persons will pose competition for the time and attention of the Principals. While the Principals shall devote as much of their time to AP Fund affairs as they deem necessary, proper or desirable to manage AP Fund affairs effectively, they will not necessarily devote their full working time to the operations of AP or any AP Fund. There can be no assurance, for example, that the Principals will devote any minimum number of hours each week to the affairs of any AP Fund or that they will continue to be employed by or affiliated with AP.
- Such related persons may be in competition for the best ideas of the Principals and related investment opportunities. In connection with its advisory activities on behalf of such related persons, the Principals may receive compensation which exceeds that which is received from the AP Fund(s). In such event, the Principals may have an incentive to favor such related persons. Furthermore, the current AP Fund's exclusivity provision does not preclude the Principals from continuing in their duties to or making investments on behalf of University Ventures Funds Management, LLC and affiliated funds and portfolio companies, or American Pathway Capital Fund Management, LLC and affiliated funds and portfolio companies, including special purpose vehicles or other investment vehicles formed to facilitate such investments including through new affiliated management company and general partner entities. Furthermore, the sharing of, or shared access to, research or other information might allow such related persons to compete with or precede the Fund with respect to an investment opportunity or idea. However, AP believes such conflicts related to the allocation of investment opportunities and the Principals' best ideas are helped alleviated (but not necessarily eliminated) by the fact that (1) the private funds advised by University Ventures Funds Management, LLC are outside of their investment period; and (2) while American Pathway Fund, L.P. can still make follow-on investments (for Genuent acquisitions), such investments are currently expected to be smaller than targeted investments of any AP Fund. Otherwise, to the extent applicable, AP (i.e. the Principals) will act in a manner which it considers fair and reasonable in allocating investment opportunities among an AP Fund and such related persons; notwithstanding the

foregoing, however, the performance of any AP Fund could still nevertheless be adversely affected by the manner in which particular investments are allocated amongst any such other related persons (i.e. their affiliated accounts and entities).

- Competing roles and duties for the Principals amongst AP and such related persons poses risks and conflicts of AP Fund information (i.e. inside information) and opportunities being shared with such related persons or leaked to outsiders. Because such related persons and AP are each subject to various compliance policies and procedures and Codes of Ethics (i.e. re: insider trading, amongst other things), and because the Principals commonly control both AP and the related persons, AP believes such conflicts will be alleviated (but not necessarily eliminated) thereby.
- Because AP and the related persons are commonly controlled and currently share office space, there are litigation risks of such other firms or companies impacting an AP Fund and/or AP. To seek to help alleviate such risks, AP has separately registered under the Advisers Act and has taken certain measures to legally separate AP investment activities from such related persons, including, but not limited to, seeking to quarantining assets and liabilities of AP from such related persons (through legally separate management entities and bank accounts), not having AP owned by such related persons, and having AP Funds managed only by entities utilizing the AP brand.

In general, AP and its affiliates will deal with all conflicts of interest with respect to the related persons and its clients (i.e. the AP Funds) using its best judgment and discretion. In the case of all conflicts involving AP Funds, the determination as to which factors are relevant, and the resolution of such conflicts, will be made in the sole discretion of AP, except as required by the Fund Agreements of the AP Funds. In resolving conflicts, AP will consider various factors, including the interests of the applicable AP Funds with respect to the immediate issue and/or with respect to their longer-term courses of dealing.

Furthermore, certain of the material conflicts of interest created by the relationship among AP, the AP Fund(s), and the General Partner(s), as well as a description of how such conflicts are addressed (see Item 11 below) should be read to apply equally as applicable to the related parties, including University Ventures Funds Management, LLC and American Pathway Capital Fund Management, LLC and the private funds they manage.

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

Code of Ethics

Achieve Partners has adopted a written code of ethics that is applicable to AP and all employees. Among other things, the code requires Achieve Partners and its employees to act in the AP Funds' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. Achieve Partners' restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. A copy of Achieve Partners' code of ethics is available

upon request.

Participation or Interests in Client Transactions

Certain employees and affiliates of AP may invest in and alongside the AP Funds, either through the General Partners, as direct investors in the AP Funds, or otherwise. An AP Fund or its General Partner, as applicable, may reduce all or a portion of the management fee and carried interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, see “Conflicts of Interest” immediately below.

Conflicts of Interest

In the ordinary course of conducting its activities, the interests of an AP Fund or its investors may conflict with AP or its affiliates or one or more other AP Funds or with their respective affiliates.

Resolution of Conflicts

AP and its affiliates will deal with all conflicts of interest using their best judgment and discretion. In the case of all conflicts involving the AP Funds, the determination as to which factors are relevant, and the resolution of such conflicts, will be made in the sole discretion of AP, except as required by the Fund Agreements of the AP Funds. In resolving conflicts, AP will consider various factors, including the interests of the applicable AP Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below.

The following factors may alleviate, but will not eliminate, conflicts of interest among AP and the AP Funds:

- Certain conflicts of interest will be addressed pursuant to set procedures, restrictions or other provisions contained in the relevant Fund Agreements;
- Prior to subscribing for an interest in an AP Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the AP Fund; and
- An advisory committee of representatives of the limited partners of each Fund (“**Advisory Committee**”) will approve or consent to certain conflicts of interest delineated in the Fund Agreements of the AP Funds and referred to the Advisory Committee by such AP Fund’s General Partner.

Potential Sources of Conflicts of Interest

The potential conflicts of interest encountered by an AP Fund include those discussed below, although the discussion below does not describe all of the potential conflicts that will be faced by the AP Funds. Other conflicts are disclosed throughout this document, and the document should be read in its entirety for other conflicts.

Conflicts Relating to AP and the General Partners of the AP Funds.

As described above, AP may receive fees in connection with its performance of Related Services. Such fees will be in addition to the management fee and the carried interest paid by such AP Fund. Subject to the Fund Agreements, AP will determine the amount of these fees, if any, in its own discretion, subject to agreements with sellers, buyers and management teams, the boards of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions. As a result of the Funds' controlling interests in portfolio companies, AP and/or its affiliates typically have the right to appoint portfolio company board members, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to AP and/or its affiliates. AP is not required by the Fund Agreements of the AP Funds to provide an AP Fund or its limited partners with information regarding the amounts of these fees, although such fees will be disclosed to the extent required.

The opportunity to receive fees from actual or prospective portfolio companies or other investment vehicles of an AP Fund creates a conflict of interest between AP, on the one hand, and such AP Fund and its limited partners on the other hand because the amounts of such fees over time is expected to be substantial, the AP Fund and its limited partners do not have an interest in AP, and the rights of the AP Fund and its limited partners to these fees is limited to the reduction of future management fees described above. Also, because there is a fixed investment period when capital may be invested by the AP Fund, and after which capital from investors in AP Funds may only be drawn down in limited circumstances, and because management fees are, at certain times during the life of an AP Fund, based upon capital invested by such AP Fund, this fee structure may create an incentive to invest capital when AP may not otherwise have done so.

AP generally exercises its discretion to recommend to an AP Fund or to a portfolio company thereof that it contract for services with (i) AP or a related person of AP (which may include a portfolio company of such AP Fund), (ii) an entity with which AP or its affiliates or current or former members of their personnel has a relationship, or (iii) an entity from which AP or its affiliates or their personnel otherwise derives financial or other benefit. This subjects AP to conflicts of interest, because although AP selects service providers based on the best interest of the Fund that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant AP Fund, AP may have an incentive to recommend the related or other person because of its financial, familiarity, performance or other business interest. There is a possibility that AP, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not AP has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. AP may have incentives to engage affiliates to perform certain consulting services rather than engage independent service providers. AP attempts to address this conflict by seeking to agree upon fees that AP believes are appropriate.

As discussed above, the management fee shall not be reduced for: (i) any amount received by AP or its affiliates from a portfolio company as reimbursement for expenses directly related to such

portfolio company, (ii) certain shared services agreements between portfolio companies that charge the portfolio companies for the General Partners' costs but do not create profit for the General Partners or their affiliates, or (iii) payments to certain operating partners (e.g. from time to time, portfolio companies and the AP Funds pay certain fees to other consultants introduced or arranged by AP and/or its affiliates that may regularly provide services to one or more portfolio companies, and such fees also do not offset the management fee).

The officers and employees of AP responsible for managing a particular AP Fund may have responsibilities with respect to other AP Funds, including AP Funds and accounts that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these AP officers and employees across existing and future AP Funds.

Similar to fees earned in connection with Related Services, a portfolio company typically will reimburse AP or service providers retained at AP's discretion for expenses (including without limitation travel expenses) incurred by AP or such service providers in connection with its performance of services for such portfolio company. AP selects service providers and determines the amount of reimbursements for such services in good faith in its discretion; however, the amount of such reimbursements over time is expected to be substantial.

Allocation of Investment Opportunities

If applicable, any other AP Funds, the General Partners of other AP Funds and certain related persons invest in transactions in which an AP Fund participates on the basis described in the AP Funds' Fund Agreements. In addition, other AP Funds may invest in assets eligible for purchase by an AP Fund. Employees and related persons of AP have, and are expected to continue to have, capital investments in certain AP Funds and therefore may have additional conflicting interests in connection with these investments. These relationships also may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to an AP Fund. Investments by more than one Client of AP in a portfolio company may also raise the risk of using assets of one Client of AP to support positions taken by other Clients of AP. There can be no assurance that any AP Fund's return from a transaction will be equal to and not less than another AP Fund participating in the same transaction or that it will be as favorable as it would have been had such conflict not existed.

When AP is presented with an investment opportunity that is suitable for more than one AP Fund, AP will follow the Fund Agreements of the affected Funds. Such Fund Agreements generally set forth terms with respect to the allocation of investment opportunities.

Multiple AP Funds may seek to make new investments concurrently, and investment opportunities arise that are appropriate for more than one AP Fund or other investment vehicle. In determining which AP Funds and investment vehicles should participate in such investment opportunities, AP and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. AP attempts to resolve such conflicts of interest in light of its obligations to investors in its AP Funds and the obligations owed by AP's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among such entities in a fair and equitable manner. AP generally will allocate investment opportunities based on each

AP Fund's investment strategy and scope under the respective Fund Agreements, among other relevant factors, which also include, each AP Fund's investment objectives and focus; transaction sourcing; each AP Fund's liquidity and reserves; each AP Fund's diversification; lender covenants and other limitations; amount of capital available for investment by each AP Fund as well as each AP Fund's projected future capacity for investment; stage of development of the prospective portfolio investment and anticipated holding period of the portfolio investment; composition of each AP Fund's portfolio; the suitability as a follow-on investment for a current portfolio investment of an AP Fund; the availability of other suitable investments for each AP Fund; risk considerations; cash flow considerations; asset class restrictions; industry and other allocation targets; minimum and maximum investment size requirements; tax implications; legal, contractual or regulatory constraints; and any other relevant limitations imposed by or conditions set forth in the Fund Agreements. AP, in its sole discretion, may allocate investment opportunities, which may include a review by the Advisory Committees of the applicable AP Funds if multiple AP Funds invest in the same opportunity. The Firm will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any AP Fund or (ii) the profitability of any AP Fund.

AP and the General Partner of the relevant Fund may form parallel funds to facilitate, from a legal, tax or regulatory standpoint, investments by certain foreign or other classes of investors, the structure and terms of which may differ from that of the AP Funds, but will invest proportionately in all transactions on effectively the same terms and conditions as the AP Funds.

The Funds may co-invest through partnerships, joint ventures or other entities with third parties that may have economic or business interests or objectives that are different than or conflict with those of the Funds. When attractive investment opportunities exceed certain thresholds of committed capital, AP can seek to limit exposure by syndicating the investment among other AP Funds, limited partners or co-investing with third parties, as determined by the relevant Fund Agreements, side letters, and any other applicable procedures regarding allocation. AP may take into consideration a variety of factors in making such determinations, including but not limited to those discussed herein. AP generally will allocate co-investment opportunities to applicable AP Funds whose investment objectives are consistent with the applicable investment up to an amount of the transaction deemed prudent by their respective General Partners, taking into account conflicts provisions in the relevant Fund Agreements, investment and operating guidelines, diversification limitations, tax and regulatory considerations, minimum dollar limits and other relevant factors, including risk.

Any excess amount over that allocated to the applicable AP Funds generally will be allocated to certain clients and other parties that may have a relationship with AP, such as limited partners, other private fund sponsors, corporates, and certain strategic advisors and single investor vehicles. Participation in co-investments is limited to persons with such knowledge and experience in financial and business matters necessary to make them capable of evaluating the merits and risks of the prospective investment. The relevant AP Fund's General Partner will determine, in its sole discretion, whether a limited partner and/or other person is eligible to participate in any co-investment opportunity and may consider some or all of a wide range of factors, which may include: whether a potential co-investor has the financial resources to provide the requisite capital in a timely fashion; the sophistication and experience of the potential co-

investor and its ability to promptly respond to and complete a co-invest opportunity; the size of the potential co-investor's commitment to existing AP Funds; the ability of the potential co-investor to make meaningful contributions to the transaction; the overall strategic benefit to the portfolio company of offering a co-investment opportunity to the potential co-investor; the expertise of the potential co-investor with respect to the geographic location or business activities or industry of the prospective target company; the investment objectives of the potential co-investor; the legal or regulatory constraints (including tax constraints) that the proposed investment is expected to raise; and the reporting, public relations, competitive, confidentiality or other issues that also arise as a result of the co-investment. These co-investment or syndication activities may present conflicts of interest in determining how much of certain investment opportunities will be offered to an AP Fund.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by AP or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. In general, (i) investors in an AP Fund typically do not have the right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of AP or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities typically will be offered to some and not other AP investors, in the sole discretion of AP or its related persons, and investors may be offered a smaller amount of co-investment opportunities than originally requested, and (iv) certain persons other than investors in the AP Funds (e.g., Third Parties) will, from time to time, be offered co-investment opportunities, in the sole discretion of AP or its related persons. Additionally, non-binding acknowledgements of interest in co-investment opportunities generally do not require AP to notify the recipients of such acknowledgements if there is a co-investment opportunity.

To the extent there is more than one AP Fund, AP's allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While AP will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to the AP Funds under the circumstances over time and considering relevant factors, there can be no assurance that an actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as would be if the conflicts of interest to which AP may be subject did not exist.

In the event AP determines to offer an investment opportunity to co-investors, there can be no assurance that AP will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the AP Fund or that expenses incurred by the AP Fund with respect to the syndication of the co-investment will not be substantial. In the event that AP is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the AP Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the AP Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect

thereto.

Subject to any relevant restrictions or other limitations contained in the Fund Agreements, the appropriate allocation among the Funds (to the extent more than one) of expenses generated in the course of evaluating and making investments often requires judgment, especially where more than one Fund participates. For instance, if an AP Fund and another AP Fund are considering making an investment that is not consummated, allocation of the expenses generated for the account of such Funds (such as expenses of common counsel and other professionals or AP staff travel (which may include first class travel) and related expenses or third party consultant expenses) will be made by AP in good faith, subject to any requirements of the Fund Agreements of the Funds, using its best judgment, considering all factors it deems relevant, but in its sole discretion. In exercising such discretion, AP may be faced with a variety of potential conflicts of interest. The allocations of such expenses also may not be proportional in any particular case. The Funds may have different expense reimbursement terms, including with respect to management fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

In addition, to the extent AP has discretion over a secondary transfer of interests in a Fund pursuant to the Fund Agreements or is asked to identify potential purchasers in a secondary transfer, AP will do so in its sole discretion, generally taking into account the following factors: evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations; perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future AP Funds and/or AP and the expected amount of negotiations required in connection with a potential purchaser's investment; whether the potential purchaser would subject AP, the applicable AP Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens; requirements in the Fund Agreements; and such other facts as it deems appropriate under the circumstances in exercising such discretion. A purchaser's potential investment into another AP Fund (including any commitment to a future fund) may be considered, but will not be the sole determining factor considered by AP, in determining whether to grant or withhold its consent to a secondary transfer of interests in a Fund.

Cross Transactions and Principal Transactions

In certain cases, AP will cause a Fund to purchase investments from another Fund, or it will cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or AP might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, AP, its affiliates and/or their professionals (i) will, from time to time, have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). AP and its affiliates receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and generally are entitled to share in the investment profits

of the relevant Funds. To address these conflicts of interest, in connection with effecting any such transactions, AP follows the requirements set forth in the Fund Agreements.

AP does not anticipate entering into principal transactions where AP or any of its affiliates purchases or sells any security for its own accounts from or to the accounts of any Fund. In the event that AP or any of its affiliates do engage in a principal transaction, any required approvals, including that of the applicable Fund's limited partnership Advisory Committee (as may be required), will be obtained in accordance with the terms of the applicable Fund Agreement and such transaction will be undertaken in compliance with Section 206(3) of the Advisers Act.

Subject to the Fund Agreements, each AP Fund also reserves the right to make independent decisions regarding recommendations of when an AP Fund should purchase and sell investments. Conflicts may arise when an AP Fund makes investments in conjunction with an investment being made by another Fund, or in a transaction in which another Fund has already made an investment. An AP Fund may not, for example, invest through the same investment vehicles or have the same access to credit or investment strategies as other Funds. Occasionally, this will result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms.

Conflicts Relating to Purchases and Sales of Investments

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds or in a transaction where another Fund has already made an investment. Investment opportunities are, from time to time, appropriate for more than one Fund at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest, particularly in Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by AP. In addition, a conflict will arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one Client of AP in a portfolio company will also raise the risk of using assets of a Client of AP to support positions taken by other clients of AP. Employees and related persons of AP and its affiliates have made or may make capital investments in or alongside certain Funds, and therefore will have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

From time to time AP will, in its discretion, enter into transactions with investors in one or more Funds to dispose of all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, AP will consider some or all of the factors it deems to be relevant. The sales price for such transactions will be mutually agreed to by AP and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by AP. Although AP is not obligated to solicit competitive bids for such sales transactions or to seek the highest available price, it will first determine that such transactions are in the best interests of the applicable Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the Fund Agreement of the applicable Fund(s).

An AP Fund may, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances the Funds will also enter into limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction or a fixed amount as a “reverse termination fee” to the seller entity. Certain co-investment vehicles may not be direct parties to the equity commitment arrangements or limited guarantees. In such a case, the Fund could be held responsible for the entire equity purchase price or reverse termination fee, as applicable.

Fund Management

AP will, from time to time, consider and reject an investment opportunity on behalf of one Fund and, AP or an affiliate of AP may subsequently determine to have another Fund make an investment in the same company. A conflict of interest arises because one Fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by AP on behalf of the original Fund considering the investment. In circumstances where the subsequent fund considers but does not make an investment in the opportunity, the subsequent fund or funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment. In circumstances where the subsequent fund does make an investment in the opportunity, the investing fund will be responsible for the cost of the evaluation, investigation, and due diligence undertaken in considering the investment.

The Funds may, from time to time, enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount. The Funds will only enter into such joint and several borrowing arrangement when AP determines it is in the best interests of the Funds.

Conflicts Relating to Existing Investments

Investments to finance follow-on acquisitions are expected to be a regular part of the business of the Funds. Follow-on investments may present conflicts of interest, including determination of

the equity component and other terms of the new financing. In addition, a Fund may participate in re-leveraging and recapitalization transactions involving portfolio companies in which other Funds have invested or will invest. Recapitalization transactions may present conflicts of interest, including determinations of whether existing investors are selling at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms, and determining the desirability of leverage for the applicable portfolio company. AP will address all such conflicts using its best judgment, but in its sole discretion, subject in certain cases to approval by the respective limited partner Advisory Committees, including if required under the Fund Agreements.

Fee Structure

Additionally, as discussed above in Item 6, the General Partners of AP Funds are typically entitled to carried interest under the terms of the Fund Agreements. Such General Partners are affiliates of AP. The existence of the General Partners' carried interest creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Pursuant to the Fund Agreements, the General Partner may be required to return excess amounts of carried interest as a "clawback". This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

Fund Level Borrowing

An AP Fund may from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses, to pay management fees, to make or facilitate new or follow-on investments, to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion, or to fund capital contributions at the closing of an investment. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Fund on a pro-rata basis, including the General Partner. In addition, fund facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds.

Although borrowing by the Fund has the potential to enhance overall returns that exceed the Fund's cost of funds, any such borrowings will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund's cost of borrowings. In addition, borrowings by the Fund are secured by capital commitments made by Fund investors to the Fund as well as by the Fund's assets and the documentation relating to such borrowings provides that during the continuance of a default under such borrowings, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of leverage by the Fund may cause the realization of "unrelated business taxable income." To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions or a portfolio company borrows funds directly through the Fund facility, the Fund's investors

generally make correspondingly later capital contributions. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and may make net IRR calculations higher than it otherwise would be without fund-level borrowing and can impact the carried interest the Fund's General Partner receives, as these calculations generally depend on the amount and timing of capital contributions as well as the level of the organizational structure at which such borrowed funds are borrowed or deployed.

Business with Portfolio Companies and Investors

Given the collaborative nature of AP's business and the portfolio companies in which the Funds may invest, it is expected that there may be situations where AP is in the position of recommending portfolio company services to other portfolio companies of the Funds, which may involve fees, commissions, servicing payments and/or discounts to AP, an affiliate, or a portfolio company. AP will generally have a conflict of interest in making such recommendations, in that AP has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

AP generally has an incentive to recommend the products or services of certain investors in the Funds, certain third parties, or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

Portfolio companies controlled by a Fund may from time to time in the future provide services to certain Fund investors. AP has an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

APs and/or its affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company. This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

In certain instances, a Fund's portfolio company may compete with, be a customer of, or be a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's business, AP is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by AP to a portfolio company may have adverse consequences to the portfolio company owned by another Fund.

A Fund's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Funds managed by AP that, although

AP determines to be consistent with the requirements of such Funds' Fund Agreement, may not have otherwise been entered into but for the affiliation with AP, and which may involve fees and/or servicing payments to affiliates of AP that are not subject to the management fee offset provisions described herein. For example, AP may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that may result in fees, better pricing, rebates, commissions or similar payments and/or discounts to AP, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While AP may have a conflict of interest because its economic benefit may incentivize AP to maintain such arrangements, AP believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and AP's benefits from such arrangements, if any, are reduced because AP only benefits on at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with AP will only take actions that are beneficial to, or not opposed to, the interests of a Fund and its portfolio companies.

Certain members of a Fund's Advisory Committee in the future may be officers or directors of, or otherwise affiliated with, investors in another Fund. The General Partner of a Fund will, from time to time, utilize the services of investors and their affiliates in accordance with any terms in the Fund Agreements.

Service Providers

AP and/or its affiliates may engage certain service providers to provide services to AP, the Funds and/or the portfolio companies. Such service providers may be investors in a Fund or affiliates of such investors and may include, for example, investment bankers, outside legal counsel, pension consultants and/or other investors who provide services (including mezzanine and/or lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as AP may give such investor preferred economics or other terms with respect to its investment in a Fund, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor.

Additionally, employees of AP or its affiliates, and/or their family members or relatives may have ownership, employment, or other interests in such service providers. These relationships that AP may have with a service provider can influence AP in determining whether to select, or recommend such service provider to perform services for a Fund or a portfolio company. AP will have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide AP information about markets and industries in which AP operates or is interested or will provide other services that are beneficial to AP. Although AP selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the

relevant Fund(s)), there is a possibility that AP, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. While AP may not have visibility or influence regarding advantageous service rates or arrangements, there may be situations in which AP receives more favorable service rates or arrangements than the Funds or their portfolio companies.

Positions with Portfolio Companies

Employees of AP may serve as directors of portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflicts with those of the Fund, it is expected that the interests will be aligned. Additionally, such employees are required to remit any remuneration they may receive as directors to the applicable Funds.

Advisory Committee Rights

Generally, each AP Fund has established an Advisory Committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the Advisory Committee. The Advisory Committee may also have the ability to approve conflicts of interests with respect to AP and the applicable AP Fund, which could be disadvantageous to the investors, including those investors who do not get to designate a member to the Advisory Committee.

Other Conflicts of Interest

The Fund Agreements of a Fund establish complex arrangements among the Funds, AP, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Fund Agreements, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While AP will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

From time to time, AP will consult with or co-invest with other parties in the private equity investment industry. While AP believes that such relationships will result in enhanced investment opportunities for the AP Funds, it is possible that certain opportunities will not be available to the AP Funds as a result of such relationships or, if available, such parties' interests or its obligations to their clients may diverge from the AP Funds' interests. In addition, such parties may possess inside information concerning specific companies that could limit an AP Fund's ability to buy or sell securities issued by such companies.

AP Funds may have tax-exempt, taxable, foreign and other investors, whereas members of the General Partners of the AP Funds are taxable at individual U.S. rates. Conflicts may exist with respect to various structuring, investment and other decisions because of divergent tax, economic

or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations. AP will address all such conflicts using its best judgment in accordance with the Fund Agreements.

As described in Item 4 above, the Funds have entered (or may in the future may enter) into side letters with one or more of the Fund's investors which provide such investors with additional or different rights than other investors have pursuant to the Fund Agreements, including but not limited to different information rights, co-investment rights, and liquidity or transfer rights.

AP and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may also represent one or more portfolio companies. In the event of a significant dispute or divergence of interest between Funds, AP and/or its affiliates, the parties may engage separate counsel in the sole discretion of AP and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, AP and the Funds and the portfolio companies of the Funds will, from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to AP, the Funds, and/or the portfolio companies. This may result in AP receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or AP receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between AP, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that AP will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

AP and its personnel may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in "miles" or "points" or credit in loyalty/status programs to AP and/or its personnel, and such rewards and/or amounts will exclusively benefit AP and/or such personnel and will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies.

AP may, in its discretion, in the future, cause the Funds and/or their portfolio companies to have ongoing business dealings, arrangements or agreements with persons who are former employees or executives of AP (or its affiliates). The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between AP and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that AP may favor the engagement or continued

engagement of such persons even if a better price and/or quality of service could be obtained from another person.

As neither AP nor any of its affiliates is registered as a broker-dealer, AP does not engage in agency cross transactions where one Fund purchases or sells any security for its account from or to the account of another Fund. In the event that the Firm causes the Funds to enter into any cross transactions, any required approvals, including that of the applicable Fund's limited partnership Advisory Committee (as may be required), will be obtained in accordance with the terms of the applicable Fund Agreement.

An AP Fund and one or more other Funds may be deemed or may desire to avoid being deemed to hold "plan assets" subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). With respect to ERISA considerations, AP and certain affiliates may be restricted from entering into certain transactions if the investment would trigger ERISA considerations with respect to an AP Fund, or may be obligated to take certain actions or refrain from taking certain actions in order to avoid an ERISA consideration with respect to such AP Fund.

Item 12. Brokerage Practices

As part of its fiduciary duty to clients, Achieve Partners has an obligation to seek the best price and execution of client transactions. SEC guidance regarding an adviser's best execution obligations relates primarily to managers that trade frequently in liquid securities. As a private equity manager, Achieve Partners' trading in liquid securities is limited, but the Company expects to incur costs associated with the evaluation and execution of private transactions. In keeping with the spirit of the SEC's guidance regarding best execution, Achieve Partners reviews deal-related payments to vendors that exceed thresholds set by the Chief Compliance Officer. This review is conducted during and after the closing of each deal or after Achieve Partners decides not to pursue the opportunity further.

For each review, the employee who retained the vendor and at least one other investment professional certify that:

- The vendor's costs were not excessive, given industry norms and the scope and quality of the vendor's work; and
- Any known conflict of interest associated with the vendor in question has been disclosed to the Chief Compliance Officer.

On at least an annual basis Achieve Partners reviews a sample of deal related costs in excess of the relevant thresholds to ensure that the Company has completed the Best Execution review process described above.

Achieve Partners does not receive any soft dollar benefits, such as research, in connection with clients' transaction costs.

Achieve Partners does not consider the referral of clients or investors when selecting third party service providers that help with the implementation of investment decisions.

Any shared investments, such as those that might be made at the end of one Fund's investment period and the beginning of a new Fund, would generally be made on the same terms (unless otherwise determined appropriate in the good faith discretion of the General Partners).

Item 13. Review of Accounts

Each of the Funds' investments is assigned to one or more investment professionals who have an ongoing responsibility to monitor the asset for any material developments. Additionally, the Investment Committee meets quarterly to review the Funds' holdings. The investment committee can add non-permanent members at its discretion.

Achieve Partners provides investors in its Funds with information about the Funds' performance and investments quarterly through a quarterly report and unaudited financials and during annual investor meetings. Information provided during the annual meetings may be provided during speeches and presentations, and/or in written reports. Investors also receive audited annual financial information and financial statements and K-1s on an annual basis. Achieve Partners and its affiliates may provide additional information to investors in oral or written formats at their discretion.

Item 14. Client Referrals and Other Compensation

Achieve Partners' clients are its Funds. The Company does not compensate any third parties for client referrals. However, Achieve Partners and its affiliates may enter into placement agent arrangements whereby third parties introduce investors to the Company or its Funds. Placement agents may collect fees from the introduced investors that reduce the amounts of those investors' interests in the Funds.

Achieve Partners and its affiliates may receive transaction fees, financial advisory fees, monitoring fees, break-up fees, and other fees with the Funds and their portfolio companies. Any such fees offset the Company's management fees, as described in the Fund Agreements.

Item 15. Custody

In order to comply with SEC requirements and ensure that the funds' assets are appropriately protected, Achieve Partners' and its affiliates have arranged for annual audits of the funds' assets. These audits are legally required to be distributed to all investors within 120 days of each fund's fiscal year-end. Achieve Partners and its affiliates have also arranged for all of the Funds' cash and securities (except for certain "privately offered securities" as such term is defined in Rule 206(4)-2 under the Advisers Act) to be held with qualified custodians.

Item 16. Investment Discretion

Achieve Partners serves as the investment adviser with discretionary authority to implement

investment decisions for each of the funds which it advises. Achieve Partners' investment decisions and advice with respect to each such fund are subject to investment advisory agreements between Achieve Partners and such fund, the Fund Agreements, and any side letters that it executes with investors.

Item 17. Voting Client Securities

Achieve Partners primarily invests in issuers that are not publicly traded, so the Company rarely has the opportunity to vote proxies on behalf of clients. If a voting opportunity does arise, Achieve Partners will vote with diligence, care, and loyalty.

For corporate actions that do not pose a conflict of interest, the investment professional with primary responsibility for overseeing the asset in question will determine how Achieve Partners should direct the funds to vote. In the presence of a conflict of interest, or the appearance of a conflict, Achieve Partners will either abstain from voting, or will ensure that it can unquestionably demonstrate that the vote was cast in the best interests of the fund in question. Investors cannot direct the way in which the Company will vote on behalf of the funds.

Current and prospective investors in the funds may request a copy of Achieve Partners' written policies and procedures governing the voting of corporate actions. Current investors may also request information about the way in which Achieve Partners voted in connection with assets held by their respective funds.

Item 18. Financial Information

Item 18 is not applicable.