

**INVESTMENT ADVISER BROCHURE**

**CAPITOL PEAK PARTNERS, INC.**

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**December 7, 2018**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Capitol Peak Partners, Inc. (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (303) 578-1026. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

The Adviser is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

This Brochure is dated as of December 7, 2018 and will be amended annually or as necessary to reflect material changes. This Brochure is being filed in association with the Adviser's initial registration. There have been no previous filings; therefore, no material changes have been made to this Brochure from any prior filing.

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## ADVISORY BUSINESS

The Adviser, a Texas corporation and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Adviser was originally formed in May 2017 as EFP Management, Inc., and is controlled by Gregg Engles. As of November 29, 2018, the Adviser amended its name to Capitol Peak Partners, Inc.

The Adviser's clients include the following (each, a "**Fund**," and together with any future private investment fund to which the Adviser or its affiliates provide investment advisory services, the "**Funds**");

- Capitol Peak Partners Fund I, L.P. and Capitol Peak Partners Fund I-A, L.P. (collectively, "**Fund I**").

The following general partner entities are affiliated with the Adviser:

- Capitol Peak Partners GP I, L.P.

(each, a "**General Partner**" and together with any future general partner entities affiliated with the Adviser, the "**General Partners**", and collectively with the Adviser and their affiliated entities "**Capitol Peak**").

Each General Partner is subject to the Advisers Act pursuant to the Adviser's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with the Adviser.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as "portfolio companies." Capitol Peak's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of the Adviser or its affiliates generally serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Capitol Peak's advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a "**Memorandum**"), investment management agreements, limited partnership or other operating agreements or governing documents (each, a "**Partnership Agreement**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Partnership Agreement. The Funds or the General Partners generally enter into side letters or other similar agreements ("**Side Letters**") with certain investors that have the effect of establishing

rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors.

Additionally, from time to time and as permitted by the relevant Partnership Agreement, the Adviser expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, the Adviser's personnel and/or certain other persons associated with the Adviser and/or its affiliates (*e.g.*, a vehicle formed by the Adviser's principals to co-invest, including the potential that such co-investment will be in an annually specified percentage, alongside a particular Fund's transactions). Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in the Adviser's sole discretion, the Adviser is authorized to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of December 7, 2018, the Adviser managed \$0 in client assets on a discretionary basis. The Adviser is submitting this Form ADV Part 2, and associated ADV Part 1, in reliance on Advisers Act Rule 203A-2(c) because as of the date of this Brochure, it expects to have a level of regulatory assets under management which would make it eligible for SEC registration within 120 days. The Adviser is controlled by Gregg Engles.

## **FEES AND COMPENSATION**

In general, certain Capitol Peak entities receive a management fee and a carried interest in connection with advisory services. Capitol Peak entities or affiliates may receive additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation will offset in whole or in part the management fees otherwise payable to Capitol Peak. In addition, in certain circumstances, Capitol Peak may receive compensation for management and other services performed in connection with co-investments made in portfolio companies of the Funds. Investors in a Fund also bear certain expenses.

### **Management Fees**

Each Fund will pay the Adviser or its affiliate, during such Fund's investment period, an annual management fee (the "**Management Fee**"), which will be payable quarterly in advance equal to 2.0% on an annual basis of aggregate Fund investor capital commitments ("**Commitments**") held by Fund investors not designated as "affiliated partners" by the General Partner. Commencing with the first Management Fee due date after the expiration of such Fund's

investment period or earlier upon the occurrence of certain events set forth in the relevant Fund's Partnership Agreement, the Management Fee will equal 2.0% of (i) the aggregate investment contributions, less (ii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or permanently written-down, in each case with respect to Fund investors not designated as "affiliated partners"; provided that investments in a portfolio company will be treated as having been disposed of or permanently written down only to the extent that, as of the date of any such disposition or write-down, the aggregate fair market value of all remaining Fund investments in such portfolio company is less than the Fund's aggregate investment contributions made with respect to such portfolio company. The General Partner may elect to waive a portion of the Management Fee in exchange for a reduction in the General Partner's cash capital contribution obligation and/or a corresponding interest in Fund profits. The Management Fee will be payable until the final distribution of the relevant Fund's assets or until the Adviser's relationship with the relevant Fund is terminated for other reasons (as described in the applicable Partnership Agreement). Installments of the Management Fee payable for any period other than a full quarter are adjusted on *pro rata* basis according to the actual number of days in such period.

The Fund's Management Fee will be reduced by an amount equal to 100% of the "Transaction Fees" attributable to Fund investors not designated as "affiliated partners" by the relevant General Partner. "Transaction Fees" include any: (i) directors' fees, financial consulting fees or advisory fees paid to the General Partner with respect to any Fund investment; (ii) transaction fees paid to the General Partner with respect to any Fund investment; and (iii) break-up fees with respect to Fund transactions not completed that are paid to the General Partner, in each case net of certain expenses (including those described below) as set forth in the Partnership Agreement; but not including, in any event, any amount received by the General Partner or other person from a portfolio company (a) as reimbursement for expenses directly related to such portfolio company, (b) as payment for services provided to such portfolio company in the ordinary course of such portfolio company's business or (c) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for such portfolio company. In the event that the amount of the Management Fee reduction referred to above exceeds the Management Fee any quarterly period, such excess shall be carried forward to reduce the Management Fee payable in following quarterly periods. To the extent any such excess remains unapplied upon the relevant Fund's final distribution of assets, each Fund investor (other than any Fund investor designated as an "affiliated partner") will receive its share of such unapplied excess unless such Fund investor has previously notified the relevant General Partner in writing of its irrevocable election not to receive its share of such excess.

Various costs and expenses will reduce Transaction Fees (and therefore such amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by the General Partner in connection with any consummated or unconsummated transaction or in connection with generating any such Transaction Fees.

As a matter of practice, Capitol Peak is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to

its allocable portion of any such fee and not the portion of any fee that relates to such co-investors, which have the potential to be significant.

Certain Partnership Agreements generally permit Capitol Peak to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Partnership Agreement as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the relevant Fund. The limited partners of such Fund may be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of Capitol Peak in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by Capitol Peak and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed.

### **Carried Interest**

Capitol Peak will receive a carried interest with respect to each Fund equal to 20% of all realized profits subject to an 8% compound preferred return, as more fully described in the Partnership Agreement. The carried interest distributed to Capitol Peak is subject to a potential giveback (i) upon the final distribution of the Fund's assets if Capitol Peak has received excess cumulative carried interest distributions and (ii) at certain interim intervals as provided in the Partnership Agreement.

### **Other Information**

Capitol Peak is permitted in its sole discretion to designate and to exempt certain "affiliated partner" investors in the Funds from payment of all or a portion of Management Fees and/or carried interest. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by Capitol Peak and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Capitol Peak professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the applicable Partnership Agreement, Capitol Peak has the right to permit investors, affiliated with Capitol Peak or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of Capitol Peak generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Capitol Peak or its affiliates.

In addition to the Management Fee and carried interest payable to Capitol Peak, each Fund bears certain expenses. As set forth more fully in the applicable Memorandum and/or Partnership Agreement of each Fund, a Fund generally will bear all other fees, costs, expenses, liabilities and obligations relating to the Fund's and/or its subsidiaries' activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to origination and sourcing of investment opportunities for the Fund, including meeting with broker-dealers, investment banks and other sources of investments and developing an investment pipeline; (ii) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to periodicals or databases), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, the Fund's portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (iii) indebtedness of, or guarantees made by, the Fund, the Adviser, the General Partner or any "affiliated partner" on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iv) financing, commitment, origination and similar fees and expenses; (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (vi) brokerage, sale, custodial, depository (including a depository appointed pursuant to the AIFMD or any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction), Swiss representative and paying agent (pursuant to the Swiss Collective Investment Schemes Act (as amended) including any law, rule or regulation relating to the implementation thereof), trustee, record keeping, account and similar services; (vii) legal, accounting, research, auditing, administration (including fees and expenses associated with the Fund's third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to consultants performing investment initiatives and other similar consultants), tax and other professional services; (viii) reverse breakup, termination and other similar fees; (ix) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles; (x) filing, title, transfer, registration and other similar fees and expenses; (xi) printing, communications, marketing and publicity; (xii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, other communications with limited partners, or any other administrative,



compliance or Fund-related or investment-related regulatory filings or reports (including Form PF), including fees and costs of any third-party service providers and professionals related to the foregoing; (xiii) the Adviser's, the General Partner's and the Fund's compliance with the requirements of the AIFMD (excluding, for clarity, the initial and/or preliminary registrations, filings and compliance related thereto), as implemented in any relevant jurisdiction and including any secondary legislation, regulations, rules and/or associated guidance, and any related requirements; (xiv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or the Fund investors; (xv) any activities with respect to protecting the confidential or non-public nature of any information or data; (xvi) to the extent provided in the Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the Fund's advisory committee (including any costs and expenses incurred by representatives of the General Partner, the Fund's advisory committee members, permitted observers and other persons in attending or otherwise participating in meetings of the Fund's advisory committee); (xvii) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the Partnership Agreement and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xviii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xix) any annual Fund investor meeting or other periodic, if any, meetings of the Fund investors, any other conference or meeting with any Fund investor(s) and any periodic executive forum of portfolio company management and other persons; (xx) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities and any other costs and expenses related to any structuring or restructuring of the Fund and/or its affiliated entities; (xxi) the termination, liquidation, winding up or dissolution of the Fund; (xxii) defaults by Partners in the payment of any capital contributions; (xxiii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the General Partner and related entities and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxiv) complying with any law, regulation or policy related to the activities of the Fund (including any legal fees and expenses related thereto and any regulatory expenses of the General Partner incurred in connection with the operation of the Fund); (xxv) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Partnership Agreement; (xxvi) any third-party experts, including independent appraisers, engaged by the General Partner in connection with the Fund considering, making or holding an investment in the same entity as one or more investment vehicles (other than the Fund) managed or controlled by the General Partner or any of its affiliates;

(xxvii) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a Fund investor; (xxviii) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a partner or such tax, fee or charge is treated as having been distributed to the partners pursuant to the Partnership Agreement); (xxix) distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; (xxx) compliance or regulatory matters related to the Fund, except as otherwise set forth in the Partnership Agreement; (xxxi) any travel (including, where appropriate as determined by the General Partner, the cost of using or chartering private aircraft or other private air travel at a cost not to exceed the cost of corresponding first class commercial airfare), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxii) any organizational expenses; (xxxiii) any placement fees; and (xxxiv) any other fees, costs, expenses, liabilities or obligations approved by the Fund's advisory committee. For the avoidance of doubt, any such fees and expenses, or other liabilities or obligations as described above that are incurred for transactions in which a co-investment was planned but ultimately not consummated (collectively, "**Broken Deal Expenses**") will be allocated by the Adviser in good faith, but in its sole discretion, such that, for example and not by limitation: (i) Broken Deal Expenses may be borne by the Fund(s) and not by any potential co-investor(s) that were to have participated in such transactions or (ii) where a co-investor was considered necessary to consummating such transaction (due either to the co-investor's experience or available capital), the expenses may be allocated among the relevant Fund(s) and co-investors; provided that to the extent such co-investors do not agree to bear a portion (or fail to bear their agreed upon portion) of such Broken Deal Expenses, the Fund generally will bear all or the remainder of such Broken Deal Expenses. The Funds also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of Capitol Peak and/or its affiliates. Excluded from Fund expenses are all ordinary overhead and administrative expenses incurred in connection with maintaining and operating its office(s), including employees' salaries, rent and equipment expenses, except as otherwise provided in the Partnership Agreement. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

In certain circumstances, one Fund is expected to pay an expense common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds by their share of such expense, without interest. While Capitol Peak believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Capitol Peak is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

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 Adviser's related policies and the applicable Partnership Agreement(s) and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its

formation and operation, many of which are similar in nature to those borne by the Funds. In the event that 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 or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, Broken Deal Expenses relating to such proposed transaction will be borne between the Fund(s), and any potential co-investors in such transaction in accordance with the above. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such Broken Deal Expenses.

Capitol Peak and/or its affiliates generally have discretion over whether to charge Transaction Fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Capitol Peak and/or its affiliates on the other hand.

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under “Fees and Compensation,” Capitol Peak receives a carried interest allocation on certain realized profits in the Funds. As of the date of this Brochure, Capitol Peak does not advise Funds not subject to a carried interest, although it generally has the authority to waive carried interest with respect to certain affiliated partners as described under “Fees and Compensation and may in the future create special purpose vehicles or other entities designed to permit investment by employees or co-investment alongside the Funds, and Capitol Peak may structure such vehicles so as to not pay management fees, carried interest, or both.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Capitol Peak generally considers performance-based compensation to better align its interests with those of its investors.

#### **TYPES OF CLIENTS**

The Adviser provides investment advice to the Funds. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of the Adviser and its affiliates and members of their families or other service providers retained by the Adviser.

The Funds may include alternative investment vehicles established from time to time in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

The Funds generally have a minimum investment amount of \$10,000,000 for third-party investors, and Fund interests are offered and sold solely to accredited investors that are also qualified clients and, unless waived in the discretion of the General Partner, qualified purchasers (or qualified knowledgeable Capitol Peak personnel). Such minimum investment amount may be waived by the Adviser.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

Capitol Peak is a private investment firm focused primarily on making control investments in North American consumer products and services (“**Consumer**”) companies by utilizing its transaction experience, operating expertise and industry network. The Adviser’s investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly of non-public companies although investments in public companies are permitted.

Capitol Peak is focused on investing in the Consumer industry and is interested in the following sub-categories: food, beverage, household, personal care, beauty, baby, pet, fitness, outdoor, private label, co-manufacturers and consumer services. Some of these opportunities are small and nimble, while others are large and transformational. Capitol Peak seeks to leverage the Partners’ prior experience to invest in the broad middle-market. Such an investment strategy may result in a more concentrated portfolio than other similarly sized private equity funds.

### **Investment and Operating Strategy**

The Capitol Peak team intends to leverage its experience, capabilities and relationships to source, diligence, transact and drive value creation. Capitol Peak intends to apply the following core components to its platform investments in the Funds:

*Consumer Industry Expertise & Focus.* The Partners of Capitol Peak have spent the vast majority of their careers focused on the Consumer industry and believe the Consumer industry currently presents a compelling investment opportunity.

*Opportunistic Approach to the Middle-Market.* Capitol Peak believes that valuations for smaller control transactions are more compelling in the current market due to lower available leverage, little competition from strategic acquirers and comparatively less attention from other Consumer-focused financial sponsors. However, Capitol Peak may pursue larger opportunities in certain circumstances. If the Capitol Peak team decides to invest in larger opportunities, it will aim to transform these larger businesses strategically and operationally by upgrading management talent, implementing operating best practices and leveraging Capitol Peak’s long-standing industry relationships.

*Advantaged Sourcing Model.* The Capitol Peak team is well-known among intermediaries, entrepreneurs and management teams that operate in the Consumer industry and they have an expansive network that includes industry executives across all functional areas that provide valuable insights into Consumer categories and businesses.

*Rigorous Investment Process.* The Capitol Peak team has refined their investment process by completing more than 100 transactions in their previous capacity as executives at publicly-traded companies.

*Significant Involvement Post-Acquisition.* Capitol Peak seeks to build the businesses it acquires in partnership with entrepreneurial management teams who typically have a meaningful equity stake. In addition to the appropriate alignment of incentives, Capitol Peak believes that it can leverage its deep Consumer industry expertise, significant prior operating experience and expansive network to assist portfolio company management in transforming a business in addition to targeting select add-on acquisitions.

## **Risks of Investment**

Each Fund and its investors bear the risk of loss that the Adviser's investment strategy entails. The risks involved with the Adviser's investment strategy and an investment in a Fund include, but are not limited to:

*Business Risks.* A Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

*Future and Past Performance.* The performance of the Adviser's Principals prior investments is not necessarily indicative of the Fund's future results. While the General Partner intends for the Fund to make investments that have estimated returns commensurate with the expected risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

*Investment in Junior Securities.* The securities in which a Fund will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Fund's investment once made.

*Concentration of Investments.* Each Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified.

*Lack of Sufficient Investment Opportunities.* The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, Fund investors will be required to bear Management Fees through the Fund during the Investment Period based on the entire amount of the Fund investors' Commitments and other expenses as set forth in the Partnership Agreement.

*Dynamic Investment Strategy.* While the General Partner generally intends to seek attractive returns for the Fund primarily through making private equity investments as described

herein, the General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner may pursue investments outside of the industries and sectors in which the Adviser's Principals have previously made investments or have internal operational experience.

*Growth Equity Transactions.* The Fund may target growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

*Impact of Government Regulation, Reimbursement and Reform.* Certain industry segments in which the Fund may invest are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund invests.

*Illiquidity; Lack of Current Distributions.* An investment in the Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Fund (including the Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded Commitments.

*Leveraged Investments.* The Fund may make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The

use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency.

The Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by the Fund also will result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent the Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

*Use of Credit Facility.* The Fund will be permitted to borrow funds pursuant to a revolving credit facility or other debt facility, including a facility based on the aggregate Commitments available to be called. The Fund's use of such facilities will be determined by the General Partner, and the performance of the Fund may be impacted by how the General Partner causes the Fund to utilize such facilities. Although the use of such a facility may increase the Fund's ability to swiftly invest capital, it also will cause the Fund to incur interest expense. Conflicts of interest may arise in that the use of such facilities may, and likely would, delay the need for Partners to make certain contributions to the Fund, which may enhance the Fund's performance figures and thereby benefit the General Partner and its affiliates.

*Limited Transferability of Fund Interests.* There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the Partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Partners. After a distribution of securities is made to the Partners, many Partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the

price of such securities. The price at which such securities may be sold by such Partners may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

*Reliance on the General Partner and Portfolio Company Management.* Control over the operation of the Fund will be vested with the General Partner, and the Fund's future profitability will depend largely upon the business and investment acumen of the Adviser's Principals. The loss or reduction of service of one or more of the Adviser's Principals could have an adverse effect on the Fund's ability to realize its investment objectives. In addition, the Adviser's Principals may in the future manage or advise other investment funds besides the Fund and the Adviser's Principals may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the Adviser's Principals. Fund investors generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of the Fund will depend on the actions of the General Partner. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

Although the General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although the Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

*Absence of Operating History.* The Fund has no operating history and will be entirely dependent on the General Partner. While the Adviser's Principals have previous experience making and managing investments similar to those contemplated by the Fund, the Adviser's Principals have no experience managing and investing a committed pool of funds. Furthermore, there can be no assurance that the Fund's investments will achieve results similar to those attained by previous investments of the Adviser's Principals. In addition, the Fund's investments may differ from previous investments made by the Adviser's Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

*Projections.* Projected operating results of a company in which the Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.



*Conflicting Investor Interests.* Fund investors may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one Fund investors than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment and tax objectives of the Fund and its Partners as a whole, not the investment, tax, or other objectives of any Fund investors individually.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund's activities, including the ability of the Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the 2007-2008 downturn in the U.S. and global financial markets, may complicate or prevent the Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

*Alternative Investment Fund Managers Directive.* The AIFMD regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area (the "EEA").

To the extent that the Fund is actively marketed to investors domiciled or having their registered office in the EEA: (i) the Fund and the Adviser will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Fund incurring additional costs and expenses; (ii) the Fund and/or the Adviser may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which would result in the Fund incurring additional costs and expenses or may otherwise affect the management and operation of the Fund; (iii) the Adviser will be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD will restrict certain activities of the Fund in relation to EEA portfolio companies (including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership), which may in turn affect operations of the Fund generally. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Fund to raise its target amount of Commitments.

In the future, it may be possible for non-EEA alternative investment fund managers ("AIFMs") to market an alternative investment fund ("AIF") within the EEA pursuant to a pan-

European marketing “passport”, instead of under national private placement regimes. Access to the passport may be subject to a non-EEA AIFM complying with various additional requirements under the AIFMD, which may include one or more of the following: (i) additional conduct of business and organizational requirements; (ii) rules relating to the remuneration of certain personnel; (iii) minimum regulatory capital requirements; (iv) restrictions on the use of leverage; (v) additional disclosure and reporting requirements to both investors and EEA home state regulators; (vi) independent valuation of an AIF’s assets; and (vii) the appointment of an independent depository. Certain EEA member states have indicated that they will cease to operate national private placement regimes when, or shortly after, the passport becomes available, which would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD in order to market to professional investors in those jurisdictions. As a result, if in the future non-EEA AIFMs may only market in certain EEA jurisdictions pursuant to a passport, the Adviser may not seek to market interests in the Fund in those jurisdictions, which may lead to a reduction in the overall amount of capital invested in the Fund. Alternatively, if the Adviser sought to comply with the requirements to use the passport, this could have adverse effects on the Fund including, amongst other things, increasing the regulatory burden and costs of operating and managing the Fund and its investments, and potentially requiring changes to compensation structures for key personnel, thereby negatively affecting the Adviser’s ability to recruit and retain these personnel.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, the Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Fund will make follow on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund’s ownership in a portfolio company if a third party invests in such portfolio company.

*Non-U.S. Investments.* The Fund may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the Partners with respect to the Fund’s income, and possible non-U.S. tax return filing requirements for the Fund and/or the Partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing

legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

*Hedging Arrangements; Related Regulations.* The General Partner may (but is not obligated to) endeavor to manage the Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission ("CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

*Unfunded Pension Liabilities of Portfolio Companies.* Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although the Fund intends to manage its investments to minimize any such exposure, the Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own an 80% or greater interest in such a portfolio company. If the Fund (or other 80%-owned portfolio companies of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Memorandum, which may change in the future as the case law and guidance develops.

*Significant Adverse Consequences for Default.* Certain Partnership Agreements provides for significant adverse consequences in the event a Fund investor defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the Fund, a defaulting Fund investor may be forced to transfer its interest in the Fund for an amount

that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

*Dilution.* Fund investors admitted or that increase their respective Commitments to the Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing Fund investors in such investments. Although any such new Fund investor will be required to contribute its *pro rata* share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund's existing investments at the time of such contributions.

*General Partner's Carried Interest.* The fact that the General Partner's carried interest is based on a percentage of net profits may create an incentive for the General Partner to cause the applicable Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.

*Transfer by General Partner.* To the extent the General Partner, its partners, the Adviser's Principals and/or their respective affiliates commit to make a direct or indirect investment in or along-side the Fund, a material participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Partnership Agreement.

*Public Company Holdings.* The Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Adviser's Principals, and increased costs associated with each of the aforementioned risks.

*Non-controlling Investments.* The Fund may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if the Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

*Director Liability.* The Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio

companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities.

*Limitation of Recourse and Indemnification.* The Partnership Agreement will limit the circumstances under which the General Partner and its affiliates will be held liable to the Fund. As a result, Fund investors may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Partnership Agreement will provide that the Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially impact the returns to Fund investors.

*Litigation.* In the ordinary course of its business, the Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the Adviser's Principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

*Advisory Committee.* The General Partner will appoint one or more Fund investor representatives to the Fund's advisory committee. The Partnership Agreement may provide that to the fullest extent permitted by applicable law, none of the Fund's advisory committee members shall owe any fiduciary duties to the Fund or any other Partner. In addition, representatives of the Fund's advisory committee may have various business and other relationships with the Adviser and its partners, employees and affiliates. These relationships may influence their decisions as members of the Fund's advisory committee.

*Material Non-Public Information.* As a result of the operations of the Adviser and its affiliates, the Adviser may come into possession of confidential or material, non-public information. Therefore, the Adviser and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Fund. Consequently, the Fund 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 on account of applicable securities laws or the Adviser's internal policies. Due to these restrictions, the Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

*Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund and its portfolio companies to execute their respective

strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's portfolio companies.

*Market Conditions.* The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Fund and may affect the Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Fund's ability to raise funding to support its investment objective

*Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments.* In the event that the global credit markets deteriorate and it becomes more difficult for investment funds such as the Fund to obtain favorable financing for investments, the Fund's ability to generate attractive investment returns may be adversely affected. Moreover, to the extent that such deterioration is not temporary, it may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such deterioration also may restrict the ability of the Fund to realize its investments at favorable times or for favorable prices.

*Valuation of Assets.* There is not expected to be an actively traded market for most of the securities owned by the Fund. When estimating fair value, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. Valuations are subject to multiple levels of review for approval. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, including in

connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

*Contingent Liabilities Upon Disposition.* In connection with the disposition of an investment, the Fund and the General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Fund and, ultimately, its investors.

*Cyber Security Breaches and Identity Theft.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the General Partner or one of its affiliates or service providers holding its financial or investor data, the General Partner, its affiliates or the Fund may also be at risk of loss.

## **Conflicts of Interest**

The Adviser and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds and portfolio companies. The Adviser will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the applicable Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Adviser conducting its activities, the interests of a Fund may conflict with the interests of the Adviser, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, the Adviser will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

Until such time as the Adviser is permitted to raise a successor investment fund under the Funds' Partnership Agreements, all appropriate investment opportunities will be pursued by the Adviser through such Funds, subject to certain limited exceptions. Without limitation, the Adviser

principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and may direct certain relevant investment opportunities to those investments. The Adviser's principals and the Adviser's investment staff will continue to manage and monitor such investments until their realization. Such other investments that the Adviser principals may control or manage may potentially compete with companies acquired by a Fund. Following the commitment period of a Fund, the Adviser principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, the Adviser will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of the Adviser. In determining which investment vehicles should participate in such investment opportunities, the Adviser and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of the Adviser in a portfolio company may also raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser.

The Adviser must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. The Adviser generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Partnership Agreement, as well as factors including but not limited to: each Fund's investment restrictions and objectives (including those set forth in the relevant Funds' Partnership Agreements, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle, structure and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund may invest together with other Funds advised by an affiliated adviser of the Adviser in the manner set forth in the applicable Partnership Agreements and the Adviser's Allocation Policy. The Adviser will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with the Adviser's obligations and may take into consideration factors such as those set forth above.

Following such determination of allocation among Funds, the Adviser will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and any such excess may be offered to one or more potential co-investors, including third parties, as determined by the Funds' Partnership Agreements, Side Letters and the Adviser's procedures regarding allocation. The Adviser's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: expressed interest in co-investment opportunities; prior co-investing experience; relevant industry knowledge; speed and certainty of closing; prior, current and potential future commitment levels; tax, regulatory, securities laws and/or other legal considerations (*e.g.*, qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; the Adviser's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective



co-investor would act upon the investment opportunity if offered or would impair the Adviser's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; the likelihood that an investor may invest in a future fund sponsored by the Adviser or its affiliates; and whether the Adviser believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the Funds or the Adviser. The Advisers may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the Adviser or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other the Adviser investors. When and to the extent that employees and related persons of the Adviser and its affiliates make capital investments in or alongside certain Funds, the Adviser and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from 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.

The Adviser'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 the Adviser will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

In certain cases, the Adviser will have the opportunity (but, subject to any applicable restrictions or procedures in the applicable Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund,, and unless required by the applicable Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may 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. The Adviser and its affiliates may express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given

transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Partnership Agreements of the Funds, the Adviser will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, the Adviser may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by the Adviser or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size. The Funds 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.

As a result of the Funds' controlling interests in portfolio companies, the Adviser and/or its affiliates typically have the right to appoint portfolio company board members (including current or former personnel of the Adviser or persons serving at their request), 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 the Adviser and/or its affiliates. Unless such amounts are subject to the Partnership Agreements' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to the Adviser.

Additionally, a portfolio company typically will reimburse the Adviser or service providers retained at the Adviser's discretion for expenses (including without limitation travel expenses) incurred by the Adviser or such service providers in connection with its performance of services for such portfolio company. This subjects the Adviser and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. The Adviser determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to the Adviser or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

The Adviser generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) the Adviser or a related person of the Adviser

(which may include a portfolio company of such Fund), (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, the Adviser may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects the Adviser to conflicts of interest, because although the Adviser selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, the Adviser may have an incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that the Adviser, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or the Adviser), 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 the Adviser 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.

Although expected to be uncommon, from time to time the Adviser may cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by the Adviser, or co-investors or co-investment vehicles. Such transactions may arise in the context of re-balancing an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. Any such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' limited partnership agreements or otherwise in the sole discretion of the Adviser, the Adviser may seek to mitigate such conflicts by obtaining the consent of the relevant Fund(s) (including where authorized, the consent of each Fund's advisory board) to such transaction. The Adviser intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Although the Adviser generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In each such case, the Adviser intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

The Adviser and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by the Adviser and/or its affiliates; conversely, current or former personnel or executives of the Adviser and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by the Adviser. Similarly, the Adviser, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Adviser and/or its affiliates, and/or the Funds or other investment vehicles they advise. The Adviser may have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide the Adviser information about markets and industries in which the Adviser operates (or is contemplating operations) or will provide other services that are beneficial to the Adviser. The Adviser may have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

In certain circumstances, current or former personnel of the Adviser may serve in interim or part-time roles at a portfolio company, or may provide services to a portfolio company as a secondee or in similar capacities, while maintaining certain benefits, support services or indicia of employment at the Adviser. Under such arrangements, the Adviser and/or the relevant portfolio company may pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships will not result in additional offsets to the Management Fee. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold. Employees may or may not return to the Adviser at the end of such secondee arrangement.

The Adviser, its affiliates, and equity holders, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to a Fund. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to any restrictions in the Fund's Partnership Agreement and any policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of the Adviser have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these investments.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when the Adviser may not otherwise have done so. Since the Adviser is permitted to retain certain Transaction Fees (as described under “Fees and Compensation”) in connection with Fund investments, it could have a conflict of interest in connection with approving transactions and setting such compensation.

The Adviser and/or its affiliates may enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

The Adviser expects that it may, where appropriate, institute a program under which portfolio companies owned by the Funds are given the option to participate in purchasing, vendor or similar arrangements with the Adviser, its affiliates and other portfolio companies. Program participants expect to receive discounts negotiated with various vendors and service providers on a group-wide basis. It is expected that participants’ participation in the program will be voluntary, and the Adviser expects to allocate any associated fees and third-party administration costs for such programs among, as relevant, the Funds and/or portfolio companies that utilize such services. The Adviser and its affiliates may also participate in the program in exchange for an allocable portion of such fees and costs, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will result in additional offsets to the Management Fee. The Adviser believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the negotiated discounts rates for goods and services are discounted relative to those widely available in the market.

From time to time the Adviser, its affiliates and personnel and persons selected by them may have the opportunity to participate in “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Because its portfolio companies offer such discounts to customers other than the Adviser and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, the Adviser believes that the potential for conflicts of interest relating to such discounts is mitigated. The Adviser, its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course.

Any of these situations subjects the Adviser and/or its affiliates to potential conflicts of interest. The Adviser attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by the Adviser’s advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among

a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, the Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Adviser consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

Mr. Engles has historically made personal investments, directly and through his family office (including through certain family and/or estate planning investment vehicles that include accounts of Mr. Engles' family members (the "**Family Office**")), in a broad range of investment opportunities across industry and product types, and is expected to continue to hold such investments. Subject to certain restrictions discussed in the relevant Fund's partnership agreement, Mr. Engles will be entitled to source, make, hold and/or dispose of investments for his own account (or for the account of his family members and estate and wealth planning vehicles) during the life of the Fund, although as described in the Partnership Agreement, Mr. Engles will offer to the Fund new investment opportunities within the Fund's strategy and profile. The amount of such other investment activity by Mr. Engles and/or the Family Office may be substantial and, in general, neither such other investments nor any transactions related thereto will be disclosed to the Fund or any Fund investors, and neither the Fund nor any Fund investors will receive economic or other rights thereto. In certain cases, such other investments may be (or may become) competitive with one or more of the Fund's portfolio companies or potential portfolio companies.

Mr. Engles and/or the Family Office have made investments at varying levels of the capital structure within certain companies in which the Fund(s) are expected to acquire an interest, although they expect to divest interests in such companies following the Fund(s) purchase of interests. Any investment by a Fund in an entity in which Mr. Engles and/or the Family Office has a pre-existing investment (or vice versa) may have an effect (either positive or negative) on the market value of, as applicable, Mr. Engles and/or the Family Office or Fund's investments. The Adviser may seek the approval of a Fund's investors or Advisory Board to mitigate these or any related potential conflicts of interest. There can be no assurance that the return on the Fund's investments will not be less than the returns obtained by Mr. Engles and/or the Family Office. If the Funds make an investment in a portfolio company that Mr. Engles and/or the Family Office has an existing interest in, such investment may directly benefit Mr. Engles and/or the Family Office. This may lead under certain circumstances to a lack of alignment between the interests of the Adviser and the Fund(s) investors. Capitol Peak faces potential conflicts of interest in respect of the actions the Adviser takes with respect to each party concerning (i) the advice it gives to any Fund or portfolio company, (ii) determining the terms of each such investment (iii) whether payment obligations and covenants should be enforced, modified or waived, (iv) whether debt should be refinanced or restructured (v) whether to enforce claims, or (vi) whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring.

#### **DISCIPLINARY INFORMATION**

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Adviser is affiliated with other Capitol Peak investment advisers registered with the SEC under the Advisers Act pursuant to the Adviser's registration in accordance with SEC guidance. These entities operate as a single advisory business together with the Adviser and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions. As disclosed in "Methods of Analysis, Investment Strategies and Risks of Investment – Conflicts of Interest," the Adviser is under common control with the Family Office, which has historically made investments in a broad range of investment opportunities across industry and product types, and is expected to continue to hold such investments. The Family Office is exempt from registration as an investment adviser as it provides investment advice solely to "family clients" as such term is defined under Advisers Act Rule 202(a)(11)(G)-1.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

The Adviser has adopted the Capitol Peak Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Capitol Peak principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Capitol Peak personnel to report their personal securities transactions, prohibits or requires pre-clearance for Capitol Peak personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Capitol Peak personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Capitol Peak Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Teresa Miller Cunningham, the Capitol Peak Chief Compliance Officer, at (303) 578-1026. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

The Adviser and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Adviser 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 the Adviser.

Accordingly, should the Adviser or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, the Adviser generally would be prohibited from communicating such information to clients, and the Adviser will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Capitol Peak personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and employees of the Adviser and its affiliates may directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles may invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities may also be presented to certain affiliates of the Advisers, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles or directly in a particular portfolio company. Such co-investment opportunities generally will be allocated in the manner described under “Methods of Analysis, Investment Strategies and Risk of Loss.”

The Adviser and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain Funds may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or may give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds.

From time to time, the Adviser may borrow funds on behalf of a Fund and contribute such borrowed amounts to the relevant Fund as a special capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing is borne by the relevant Fund as a Fund expense, consistent with the Partnership Agreement and the expense policy described under “Fees and Compensation.” In borrowing on behalf of a Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund. The Adviser will effect such borrowings in a manner it believes to be fair and equitable to the Fund, and consistent with the Adviser’s obligations to the Fund and the Partnership Agreement.

### **BROKERAGE PRACTICES**

The Adviser focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Adviser may also distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Adviser does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If the Adviser sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.



The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Adviser generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Adviser generally does not make use of such services at the current time and has not made use of such services since its inception. The Adviser may, in its discretion, cause the Funds to pay brokers providing such research services a commission to effect such transactions in excess of the amount that would have been charged by another adequately qualified broker. This may be done where the Adviser has determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. To the extent the Adviser uses “soft dollars” on behalf of the Funds, it will seek to do so within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

The Adviser does not anticipate engaging in significant public securities transactions; however, to the extent that the Adviser engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. In the event that the Adviser will purchase or sell securities for several client accounts at approximately the same time, such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to Funds over time.

In the Adviser’s private company securities transactions on behalf of the Funds, the Adviser may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, the Adviser may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although the Adviser generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

## **REVIEW OF ACCOUNTS**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Adviser monitors companies in which the Funds invest, and the Capitol

Peak Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners: (i) audited financial statements annually commencing with the first fiscal year in which it either is in operation for the full year or makes an investment, (ii) unaudited financial statements for the first three quarters of each fiscal year commencing with the first fiscal quarter in which the Fund delivers a capital call notice, (iii) annual tax information necessary for each Partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio company annually.

#### **CLIENT REFERRALS AND OTHER COMPENSATION**

The Adviser and/or its affiliates may provide certain business or consulting services to companies in a Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the Partnership Agreement, this compensation may, in many cases, offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. *See* "Fees and Compensation."

From time to time, the Adviser may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents will be borne by the Adviser indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). The Adviser currently has retained Credit Suisse Securities (USA) LLC, to solicit Commitments from investors in exchange for a fee calculated as a certain percentage of Fund Commitments, in addition to the reimbursement of certain expenses.

#### **CUSTODY**

The Adviser maintains custody of assets held in the name of one or more Funds with the following qualified custodian(s): Pegasus Bank in Dallas, Texas.

#### **INVESTMENT DISCRETION**

The Adviser has discretionary authority to manage investments on behalf of each Fund. As a general policy, the Adviser does not allow clients to place limitations on this authority. Pursuant to the terms of the Partnership Agreement, however, the Adviser and/or its affiliates may enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Adviser assumes this discretionary authority pursuant to the terms of a management agreement and/or the applicable Partnership Agreement, as well as powers of attorney executed by the investors of the applicable Fund.

## **VOTING CLIENT SECURITIES**

The Adviser has adopted the Capitol Peak Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Fund and each Fund’s portfolio investments. The Proxy Policy seeks to ensure that the Adviser votes proxies (or similar instruments) in the best interest of the relevant Fund, including where there may be material conflicts of interest in voting proxies. The Adviser generally believes its interests are aligned with those of each Fund’s investors, for example, through the principals’ beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Adviser may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory committee on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s advisory committee may approve the Adviser’s vote in a particular solicitation. The Adviser does not consider service on portfolio company boards by personnel of the Adviser or the Adviser’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Adviser when voting proxies on behalf of a Fund. Clients or investors that would like a copy of the Adviser’s complete Proxy Policy or information regarding how the Adviser voted proxies for particular portfolio companies may contact Teresa Miller Cunningham, the Capitol Peak Chief Compliance Officer, at (303) 578-1026, and it will be provided at no charge.

## **FINANCIAL INFORMATION**

The Adviser does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.

**INVESTMENT ADVISER BROCHURE SUPPLEMENT**

**CAPITOL PEAK PARTNERS, INC.**

**Capitol Peak Partners, Inc.  
250 Fillmore Street, Suite 525,  
Denver, CO 80206  
<https://capitolpeakpartners.com/>**

**December 7, 2018**

**This Brochure Supplement provides information about investment personnel of Capitol Peak Partners, Inc. (the “Adviser”) that supplements the Adviser’s Brochure. You should have received a copy of that Brochure. Please contact us at (303) 578-1026 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this supplement. All defined terms used but not defined herein shall have the definitions assigned to them in the Adviser’s Brochure.**

## **Gregg Engles**

### *Educational Background and Business Experience*

Gregg Engles (61) is the Managing Partner of the Adviser, and a member of the Adviser's Investment Committee.

Mr. Engles founded the Adviser in August 2017. Prior to Capitol Peak, Mr. Engles was the Chairman and Chief Executive Officer of The WhiteWave Foods Company ("WhiteWave"), a High-Growth, Branded Food & Beverage company. Prior to WhiteWave, Mr. Engles was the Chairman and Chief Executive Officer of Dean Foods Company ("Dean"), the largest processor and distributor of fluid milk in the United States and the former parent company of WhiteWave. Mr. Engles built Dean through more than 100 transactions over 25 years beginning with the acquisition of Reddy Ice Corporation from the Southland Corporation in 1988 for approximately \$25 million.

He began his career as an investor and operator in Dallas after serving as a clerk for Judge Anthony M. Kennedy on the United States Court of Appeals for the Ninth Circuit.

Mr. Engles received his BA from Dartmouth College and a JD from Yale Law School.

Mr. Engles currently serves on the Board of Trustees of Dartmouth College and the Board of Directors of Danone (ENXTPA.BN), Liberty Expedia Holdings, Inc. (NasdaqGS:LEXEA) and GCI Liberty, Inc. (NasdaqGS:GLIBA). He previously served on the Boards of TreeHouse (NYSE:THS), the Grocery Manufacturers Association, The Hockaday School, the Southwestern Medical Foundation, the Children's Medical Center of Dallas and as the Chairman of the Tate Lecture Series at Southern Methodist University.

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Engles.

### *Other Business Activities*

Mr. Engles is affiliated, and has a control relationship with his family office, an investment adviser exempt from registration with the SEC pursuant to relevant guidance. Mr. Engles has historically made personal investments, directly and through his family office, in a broad range of investment opportunities across industry and product types, and is expected to continue to hold such investments. Subject to certain restrictions discussed in the relevant Fund's partnership agreement, Mr. Engles will be entitled to source, make, hold and/or dispose of any investments for his own account (or for the account of his family members and estate and wealth planning vehicles) during the life of such Fund, and Mr. Engles may determine to pursue any such investment opportunities independently and without any obligation to offer such investment opportunities to the Fund. The amount of such other investment activity by Mr. Engles may be substantial and, in general, neither such other investments nor any transactions related thereto will be disclosed to the Fund or any Fund investors, and neither the Fund nor any Fund investors will receive economic or other rights thereto. In certain cases, such other investments may be (or may become) competitive with one or more of the Fund's portfolio companies or potential portfolio companies.

### *Additional Compensation*

Mr. Engles sits on three public boards and receives compensation in connection with those positions. Because of his interest in and position with the Family Office, Mr. Engles may receive the benefit of certain management fees received by the Family Office for providing services to various ventures.

### *Supervision*

Mr. Engles, in his role as a member of the Adviser's Investment Committee, shares responsibility for providing investment advice to the Funds advised by the Adviser. Mr. Engles is subject to the provisions of the Adviser's Compliance Manual and Code of Ethics. The Adviser's Chief Compliance Officer, Teresa Miller Cunningham, supervises the actions of Mr. Engles with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Memorandum and Partnership Agreement of the Funds provided to investors in the Funds. Ms. Miller Cunningham can be reached at (303) 578-1026.

## **Ed Fugger**

### *Educational Background and Business Experience*

Ed Fugger (50) is a Partner of the Adviser, and a member of the Adviser's investment committee.

Ed Fugger co-founded Capitol Peak with Mr. Engles and is responsible for the day-to-day operations of the Firm, in addition to sourcing, structuring and executing investments. Prior to Capitol Peak, Mr. Fugger was Executive Vice President, Strategy & Corporate Development for WhiteWave where he oversaw the development and execution of the company's growth and capital structure strategies. He was responsible for WhiteWave's China Joint Venture. Prior to WhiteWave, Mr. Fugger was Senior Vice President, Strategy & Corporate Development for Dean which he helped transform through numerous transactions over eight years. Prior to Dean, he was a Managing Director in the Mergers & Acquisitions Group of the Bear, Stearns & Co. Inc. He began his career in the Audit and Assurance practice at Price Waterhouse LLP.

Mr. Fugger received his BBA from Texas A&M University and an MBA from Harvard Business School.

Mr. Fugger currently serves on the Finance Department Advisory Board for Mays Business School at Texas A&M University.

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Fugger.

### *Other Business Activities*

Mr. Fugger is not currently engaged in any investment-related business outside of his roles with Capitol Peak and its affiliated investment advisers.

### *Additional Compensation*

Mr. Fugger does not receive any additional compensation that is required to be disclosed.

### *Supervision*

Mr. Fugger, in his role as a member of the Adviser's Investment Committee, shares responsibility for providing investment advice to the Funds advised by the Adviser. Mr. Fugger is subject to the provisions of the Adviser's Compliance Manual and Code of Ethics. The Adviser's Chief Compliance Officer, Teresa Miller Cunningham, supervises the actions of Mr. Fugger with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Memorandum and Partnership Agreement of the Funds provided to investors in the Funds. Ms. Miller Cunningham can be reached at (303) 578-1026.

## **Kelly Haecker**

### *Educational Background and Business Experience*

Kelly Haecker (53) is a Partner of the Adviser, and a member of the Adviser's Investment Committee.

Kelly Haecker joined Capitol Peak in 2018 and is responsible for sourcing, evaluating and executing investments, and providing financial and operational counsel to those investments post-acquisition. Prior to Capitol Peak, Mr. Haecker served as Executive Vice President and Chief Financial Officer of WhiteWave. Mr. Haecker joined WhiteWave initially as Senior Vice President and Chief Financial Officer of WWF Operating Company, the primary North American operating division of the company. Prior to WhiteWave, Mr. Haecker held senior management roles at the Gillette Company, Inc., where he began as Head of Finance for its Duracell battery division, and then went on to lead the finance function for Gillette's European Commercial Operations based in Geneva, Switzerland. Mr. Haecker previously served as Senior Vice President and Chief Financial Officer of Mother's-Archway Cookie Company, a manufacturer and distributor of branded bakery products, and as Vice President and Corporate Controller of Specialty Foods Corporation, a diversified branded food company. Mr. Haecker began his career in the Commercial Audit and Financial Consulting Division of Arthur Andersen LLP.

Mr. Haecker received his BS from the University of Nebraska and a Masters of Management from Northwestern University (Kellogg).

Mr. Haecker currently serves on the Board of Directors of Porter Adventist Hospital, Denver and is Chairman of the Board of Directors of Denver KLIFE.

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Haecker.

### *Other Business Activities*

Mr. Haecker is not currently engaged in any investment-related business outside of his roles with Capitol Peak and its affiliated investment advisers.

### *Additional Compensation*

Mr. Haecker does not receive any additional compensation that is required to be disclosed.

### *Supervision*

Mr. Haecker, in his role as a member of the Adviser's investment committee, shares responsibility for providing investment advice to the Funds advised by the Adviser. Mr. Haecker is subject to the provisions of the Adviser's Compliance Manual and Code of Ethics. The Adviser's Chief Compliance Officer, Teresa Miller Cunningham, supervises the actions of Mr. Haecker with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Memorandum and Partnership Agreement of the Funds provided to investors in the Funds. Ms. Miller Cunningham can be reached at (303) 578-1026.



## **Kevin Yost**

### *Educational Background and Business Experience*

Kevin Yost (52) is a Partner of the Adviser, and a member of the Adviser's Investment Committee.

Mr. Yost joined Capitol Peak in 2018 and is responsible for sourcing, evaluating and executing investments, and providing operational guidance post-acquisition. Prior to Capitol Peak, Mr. Yost served as Executive Vice President of WhiteWave where he was President of Americas Food & Beverages, the company's primary operating segment. Mr. Yost led the U.S. and Canada operating functions where he oversaw WhiteWave's portfolio of brands. Prior to WhiteWave, Mr. Yost was President and Chief Operating Officer of Saputo Dairy Foods USA LLC, an operating segment of Saputo, Inc., a global dairy manufacturer based in Montreal, Canada. Mr. Yost previously was President and Chief Operating Officer of Morningstar, an operating segment of Dean, which was ultimately sold to Saputo, Inc. Prior to Dean, Mr. Yost was Executive Vice President of Swift & Company, a private equity-owned protein company with U.S. and Australian operations and sales offices throughout Asia and Mexico. Earlier in his career, Mr. Yost held various operating and general management positions, including Senior Vice President and General Manager at ConAgra Foods, Inc.

Mr. Yost received his BS from the University of Nebraska.

Mr. Yost currently serves on the Board of Directors of Denver KLIFE, the Board of Trustees and Investment Committee of the University of Nebraska Foundation and is Chairman of the Dean's Advisory Board of the University of Nebraska College of Business. Mr. Yost currently serves on the Board of Directors of CBBC Holdings, Inc., an unaffiliated company.

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Yost.

### *Other Business Activities*

Mr. Yost is not currently engaged in any investment-related business outside of his roles with Capitol Peak and its affiliated investment advisers.

### *Additional Compensation*

Mr. Yost does not receive any additional compensation that is required to be disclosed.

### *Supervision*

Mr. Yost, in his role as a member of the Adviser's investment committee, shares responsibility for providing investment advice to the Funds advised by the Adviser. Mr. Yost is subject to the provisions of the Adviser's Compliance Manual and Code of Ethics. The Adviser's Chief Compliance Officer, Teresa Miller Cunningham, supervises the actions of Mr. Yost with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Memorandum and Partnership Agreement of the Funds provided to investors in the Funds. Ms. Miller Cunningham can be reached at (303) 578-1026.

## **Colin Murphy**

### *Educational Background and Business Experience*

Colin Murphy (37) is a Principal of the Adviser, and a member of the Adviser's Investment Committee.

Colin Murphy is a founding team member of Capitol Peak and is responsible for sourcing, diligencing and structuring investments. Prior to Capitol Peak, Mr. Murphy was Vice President, Strategy & Corporate Development for WhiteWave. Prior to WhiteWave, Mr. Murphy was a Principal at Centerview Capital Holdings LLC where he a member of the investment team for Centerview Capital, L.P., an operationally-oriented, consumer-focused private equity fund with approximately \$500 million in committed capital. Prior to Centerview Capital Holdings LLC, he was an Associate at Centerview Partners LLC, an independent investment banking and advisory firm. He joined Centerview Partners LLC at the firm's inception. He began his career at UBS Investment Bank, the securities brokerage and investment banking division of UBS AG.

Mr. Murphy received his BA from Georgetown University.

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Mr. Murphy.

### *Other Business Activities*

Mr. Murphy is not currently engaged in any investment-related business outside of his roles with Capitol Peak and its affiliated investment advisers.

### *Additional Compensation*

Mr. Murphy does not receive any additional compensation that is required to be disclosed.

### *Supervision*

Mr. Murphy, in his role as a member of the Adviser's investment committee, shares responsibility for providing investment advice to the Funds advised by the Adviser. Mr. Murphy is subject to the provisions of the Adviser's Compliance Manual and Code of Ethics. The Adviser's Chief Compliance Officer, Teresa Miller Cunningham, supervises the actions of Mr. Murphy with respect to compliance matters, including compliance with applicable investment guidelines set forth in the Memorandum and Partnership Agreement of the Funds provided to investors in the Funds. Ms. Miller Cunningham can be reached at (303) 578-1026.