

MONOGRAM CAPITAL MANAGEMENT, L.P.

PART 2A OF FORM ADV: FIRM BROCHURE

**Monogram Capital Management, L.P.
8383 Wilshire Blvd., Suite 430
Beverly Hills, CA 90211**

March 29, 2019

This brochure provides information about the qualifications and business practices of Monogram Capital Management, L.P. (the “Firm”). If you have any questions about the contents of this brochure, please contact Oliver Nordlinger, the Firm’s Chief Compliance Officer, at (310) 492-5515 or onordlinger@monogramcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Any reference to the Firm as a registered investment adviser does not imply a certain level of skill or training.

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

Item 2: Material Changes

This is the annual amendment to Form ADV Part 2A for the year ended December 31, 2018. There were no material updates since the last amendment filed on May 30, 2018.

Item 3: Table of Contents

	Page
ITEM 1: COVER PAGE	1
ITEM 2: MATERIAL CHANGES	2
ITEM 3: TABLE OF CONTENTS	3
ITEM 4: ADVISORY BUSINESS	4
ITEM 5: FEES AND COMPENSATION	5
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	9
ITEM 7: TYPES OF CLIENTS	9
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	10
ITEM 9: DISCIPLINARY INFORMATION	17
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	17
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	17
ITEM 12: BROKERAGE PRACTICES	18
ITEM 13: REVIEW OF ACCOUNTS.....	19
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION.....	19
ITEM 15: CUSTODY.....	19
ITEM 16: INVESTMENT DISCRETION	20
ITEM 17: VOTING CLIENT SECURITIES	20
ITEM 18: FINANCIAL INFORMATION.....	20

Item 4: Advisory Business

Item 4.A.

Monogram Capital Management, L.P. (the “**Firm**”), a Delaware limited partnership, was formed in April 2017. As indicated on the Firm’s Form ADV Part 1A, Jared R. Stein and Oliver Nordlinger are the Firm’s principal owners. Monogram Capital Management GP, LLC serves as the Firm’s general partner and Messrs. Stein and Nordlinger are its principal owners. The Firm became a registered investment adviser with the United States Securities and Exchange Commission (“**SEC**”) in April 2018.

Item 4.B.

The Firm is an investment management firm that provides advisory services on a discretionary basis to privately offered pooled investment vehicles. Currently, the Firm advises the Monogram Capital Partners I, L.P. (“**Fund I**”), a Delaware limited partnership, and Monogram Atlantic Co-Invest, L.P., a Delaware limited partnership (“**Atlantic Co-Invest Fund**”, and together with Fund I, the “**Funds**” and each a “**Fund**”). To facilitate investment by certain investors, the Firm may create one or more feeder funds or parallel funds or alternative vehicles.

The Firm is affiliated with Monogram Capital Management, LLC (“**Monogram Capital**”), a Delaware limited liability company, and Monogram Capital Management II, LLC (“**Monogram Capital II**”), a Delaware limited liability company. Messrs. Stein and Nordlinger are their principal owners. Each of Monogram Capital and Monogram Capital II manages special purpose vehicles (“**SPVs**”) each of which was formed to invest in a single portfolio company. In addition, Monogram Capital provides advisory services on a non-discretionary basis to a separately managed account (“**SMA**”, and together with the Funds and SPVs, the “**Advisory Clients**”).

Monogram Capital Partners I GP, L.P. (“**Monogram GP**”) serves as the general partner of each Fund. Monogram Capital, Monogram Capital II and Monogram GP are relying advisers and, along with the Firm, are all part of a single advisory business controlled by Messrs. Stein and Nordlinger. The Firm, Monogram Capital, Monogram Capital II and Monogram GP are hereafter collectively referred to as “**Monogram**”.

Monogram makes private equity investments (“**Portfolio Investments**”) in consumer and retail companies primarily based in North America. Monogram generally expects Portfolio Investments to be in the range of \$5 to \$30 million for any given portfolio company, although Portfolio Investments may also be outside this range.

Monogram, in its sole discretion, provides co-investment opportunities to some (but not necessarily all) Advisory Client investors and/or third parties. In circumstances where an entire investment could be made by an Advisory Client, Monogram may still allocate a portion of such investment to one or more co-investment vehicles or other co-investors in accordance with offering documents. The allocation of any co-investment opportunities may or may not be in proportion to the commitments of the co-investors and may involve different terms, fee structures and economics. As such, an Advisory Client may receive a smaller allocation in a particular investment than it otherwise might have received if Monogram had not provided the third party with the co-investment opportunity.

Monogram does not limit its investment advice to only certain types of investments.

Item 4.C.

Monogram's investment management and advisory services to Advisory Clients are provided pursuant to the terms of the applicable private placement memorandum, offering documents or advisory agreement and Advisory Client investors cannot obtain services tailored to their individual specific needs.

Item 4.D.

Monogram does not participate in a wrap fee program.

Item 4.E.

As of December 31, 2018, Monogram manages approximately \$232,021,819 in regulatory assets under management, of which \$ 227,238,502 is on a discretionary basis and \$4,783,317 is on a non-discretionary basis.

Persons reviewing this Form ADV Part 2A should not construe this brochure as an offering of interests in any of the Advisory Clients described herein.

Item 5: Fees and Compensation

Item 5.A.

With respect to Fund I, the investors of Fund I will be assessed an annual management fee, which is payable quarterly in advance to the Firm or its designated affiliate, in an amount of up to 2.0% per annum of the commitment of such investor from the initial capital call until the earlier of (a) the end of the commitment period and (b) the date as of which management fees payable by a successor fund begin to accrue, as disclosed in the limited partnership agreement. Thereafter, the management fee in respect of each investor will be equal to 2% per annum of the adjusted cost (as described in the limited partnership agreement) of all unrealized investments. The management fee is generally prorated with respect to any partial periods. Where management fees are based on committed capital or the adjusted cost of unrealized investments, the management fee will be payable even if the fair value of the relevant remaining investments is below cost.

Subject to the terms and limitations set forth in the applicable governing documents of Fund I (including periodic clawback obligations), Monogram GP generally is entitled to receive carried interest distributions equal to 20% of net profits derived from the disposition of investments (following a return of capital contributions attributable to disposed assets and a preferred rate of return of 8% per annum to investors).

With respect to the SPVs, the management fees payable to Monogram Capital or Monogram Capital II typically ranges from 1.5% to 2.0% of the commitment of each SPVs' investor. Additionally, subject to the terms and limitations set forth in the applicable governing documents of the respective SVP (including clawback obligations), Monogram Capital or Monogram Capital II generally are entitled to receive carried interest distributions from the SPVs ranging from 20-25%, with some including a preferred return (typically 8%) or multiple of invested capital thresholds to the investors along with a full catch-up to Monogram Capital or Monogram Capital II.

Monogram generally is not entitled to receive any management fees or carried interest distributions with respect to the Atlantic Co-Invest Fund.

The management fees and carried interest distributions are generally not negotiable; however, Monogram, in its sole discretion, may waive or modify the management fees or carried interest distributions for certain investors as set forth in the applicable offering and governing documents.

Monogram (subject to certain limitations set forth in the governing documents) may be entitled to receive topping, break-up, monitoring, directors', organizational, set-up, advisory, consulting, investment banking, underwriting, syndication, and other similar fees in connection with the consummating, monitoring, or disposition of Portfolio Investments or from unconsummated transactions, including warrants, options, derivatives and other rights with respect to the Advisory Clients ("**Other Fees**"). Certain Advisory Client's share of Other Fees is offset against management fees based on a percentage as disclosed in the Advisory Client's governing documents.

In certain limited circumstances, monitoring fee arrangements with portfolio companies may include provisions that permit the acceleration of monitoring fees upon certain events, such as the initial public offering or strategic sale of a portfolio company. These acceleration provisions typically require a termination payment by the portfolio company, which often reflects the net present value of at the time of the termination of the fees that would have been payable for the remaining term of the agreement. Because certain monitoring agreements with portfolio companies may have prolonged terms (which may exceed the relevant Advisory Client's (or investment's) term), the effects of such acceleration and termination payment is often substantial.

It should be noted that any Advisory Client launched by Monogram after the date of this brochure may have materially different terms than those summarized above and any terms for any existing Advisory Client may be amended from time to time.

Item 5.B.

Management Fees are typically funded with capital contributions drawn for such purpose, but may also be funded with or withheld from proceeds from Portfolio Investments or reserves or other assets of the Advisory Clients. Management fees due from a Fund may also be paid by drawdowns under such Fund's subscription loan facility (if available) which drawns are subsequently repaid out of capital contributions, proceeds or reserves. Carried interest distributions generally will be distributed to the applicable Monogram entity from time to time upon the disposition or receipt of proceeds in respect of Portfolio Investments by an Advisory Client and are distributed to such Monogram entity in accordance with the terms of the applicable governing documents.

Item 5.C.

Operating Expenses

Monogram will be responsible for paying its ordinary overhead expenses (e.g., employee salaries, office rent and equipment).

Fund I will pay all costs and expenses relating to its activities and operations (to the extent not reimbursed by a portfolio company), including, without limitation, (i) all costs and out-of-pocket fees and expenses attributable to sourcing, investigating, identifying, analyzing, evaluating, researching, diligencing, pursuing, committing to, acquiring, purchasing, investing, holding, monitoring, managing, seeking disposition opportunities for and disposing of, Fund I's investments (and prospective investments), whether or not consummated, including, without limitation, commitment fees or other lenders' fees that become payable in connection with a proposed Portfolio Investment, fees and expenses related to negotiating non-disclosure and confidentiality agreements, travel costs and ancillary expenses (including, without limitation, airfare, ground transportation, accommodations, meals, travel agency fees and reasonable

entertainment expenses), third-party consulting and deal investigation and identification fees and expenses, investment banking, legal and accounting fees and expenses, and printing expenses, (ii) all broken deal expenses, but only to the extent that such fees and expenses exceed topping and break-up fees applied against such expenses, (iii) all legal, accounting, auditing, administrative, custodian, appraisal, consulting, brokerage, service provider and other similar fees and expenses (including, without limitation, courier fees and expenses related to conference calls), all costs, fees and expenses of meetings of limited partners, fees of any administrator of Fund I and costs and expenses of D&O and/or E&O liability insurance or other insurance, other out-of-pocket fees, costs and expenses associated with monitoring compliance with Fund's agreement ("**Fund Agreement**"), any side letter agreements and any other agreements related to the Fund and with the preparation and delivery of Fund I's financial statements, tax returns and other tax-related documentation and reports and notices to Fund I's investors, and costs and expenses related to attendance at and/or sponsorship of industry conferences and subscription to industry publications and research services attributable to a specific Portfolio Investment (or proposed Portfolio Investment) or industries, products or sectors targeted for a potential Portfolio Investment, (iv) expenses of the Advisory Committee incurred in accordance with the Fund Agreement and holding meetings thereof, and all costs and expenses of any votes or consents of partners or the Advisory Committee or any amendments to or waivers of the Fund Agreement or any related agreement, (v) extraordinary expenses, liabilities, indemnities and other obligations of Fund I (including, but not limited to, litigation, audit, investigation and indemnification costs and expenses, judgments, penalties, fines and settlements) and the fees, costs and expenses of complying with applicable law, rules and regulations, (vi) all fees, costs and expenses of maintaining the existence of Fund I and Monogram GP (and its general partner), including, without limitation, franchise taxes and partnership registration and registered agent fees and expenses, (vii) all fees, costs and expenses of the wind down of Fund I and Monogram GP (and its general partner) and the liquidation of the assets of Fund I in connection therewith, (viii) all debt service obligations, including principal, interest, premium, if any, fees, expenses and other amounts payable in respect of indebtedness of Fund I, including, without limitation, any fees and expenses incurred as a result of the implementation (including negotiation and documentation), utilization and refinancing of any credit facility or other indebtedness or credit support, (ix) all taxes, duties, fees and other governmental charges levied against Fund I (other than any such taxes, fees or charges levied in respect of or otherwise in connection allocated to partners pursuant to the withholding sections of the Fund Agreement) and all related filing fees and tax consulting fees and expenses, (x) subject to apportionment among the partners, all costs and expenses associated with any organization, maintenance and operation of any alternative investment vehicle, blocker corporation, intermediate entity, alternative participation structure or any other entity or vehicle through or in which Portfolio Investments or bridge financings are made (other than any blocker expenses), (xi) out-of-pocket expenses of any operating partners incurred in performing services for Fund I and/or one or more of its portfolio companies (or prospective portfolio companies), and (xii) any other expense borne by Fund I pursuant to the Fund Agreement.

In the event that any potential investment of Fund I results in broken deal expenses and all or a portion of such amounts are not paid or reimbursed by any potential co-investment vehicles, co-investors or other third parties or transaction participants, as applicable, Fund I may be required to bear 100% of the amount of any such broken deal expenses.

The SPVs and Atlantic Co-Invest Fund will pay costs and expenses related to their operations as described in their governing documents.

Offering and Organizational Expenses

Advisory Clients will bear the organizational costs, fees and other expenses incurred in connection with the formation and organization of such Advisory Client subject to the terms and limitations set forth in the Advisory Client's governing documents.

Monogram may from time to time incur fees, costs and expenses on behalf of more than one Advisory Client, portfolio company or affiliate. In that event, expenses will be allocated in Monogram's good faith discretion with a view to being fair and reasonable and having regard to all relevant and available information, including the extent to which the relevant entity(ies) or group(s) required or benefitted from the good or service giving rise to the expense and whether all or a portion of a multiple-purpose expense should be viewed as overhead and absorbed by Monogram.

Operating Partners

Monogram, from time to time, engages Operating Partners in connection with Advisory Client's investment processes who may assist Monogram with a variety of activities, including market research, new investment identification, pre-investment business diligence and post investment value creation. Operating Partners may receive a salary or a consulting or other similar fee paid by Monogram. A portion of such fee may be paid from one or more portfolio company. In addition, with respect to the portfolio companies in which an Operating Partner is providing services, such operating partner may be entitled to participate in a portion of the equity and/or profits in respect of such Portfolio Investment. Any expenses incurred by any Operating Partner in connection with the provision of services related to an Advisory Client or its portfolio companies is typically considered an Advisory Client expense and borne by the Advisory Client. Compensation received by an Operating Partner will not offset management fees received by Monogram.

Consultants

In addition to Operating Partners, Monogram may, from time to time, engage third-party consultants in connection with an Advisory Client's investment processes. This may include individuals who are not employees or affiliates of Monogram but consultants who may work with Monogram on an exclusive or partly-exclusive basis. Such individuals or other consultants may also provide services directly to a portfolio company. Fees paid and expenses reimbursed with respect to such persons may be allocated to or borne by Monogram, an Advisory Client and/or one or more portfolio companies depending on the particular services provided by the consultant and the terms of any agreement that may exist between the consultant and a portfolio company. Monogram or an Advisory Client is not entitled to all or any portion of the compensation or other amount payable to such persons (including, without limitation, any fees or any payments in respect of expense reimbursements), and such amounts will not offset or otherwise reduce the management fees received by Monogram.

Other Benefits

Monogram and its personnel can be expected to receive certain intangible and/or other benefits arising or resulting from their activities on behalf of the Advisory Clients that will not be subject to a management fee offset or otherwise shared with the Advisory Clients or the investors therein and/or portfolio companies. For example, airline travel or hotel stays incurred in connection with the business of the Advisory Clients may result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to Monogram and/or such personnel even though the cost of the underlying service is borne by the Advisory Clients or portfolio companies.

The foregoing list of expenses is not intended to be exhaustive and is qualified in its entirety by the applicable governing documents of each Advisory Client.

The investment strategies employed with respect to the Advisory Clients generally do not involve the purchase or sale of publicly offered securities, and as such, do not typically entail expenses related to brokerage commissions. To the extent applicable, each Advisory Client generally is responsible for and pays any of its custodial fees and expenses. See Item 12 below.

Item 5.D.

Advisory Clients will pay a management fee in advance as set forth in Item 5.A. above.

Item 5.E.

Not Applicable. Monogram or its supervised persons are not compensated for the sale of securities or other investment products, and mutual funds.

It is important that investors refer to the relevant governing documents for a complete understanding of expenses and fees they may pay through an investment in the Advisory Clients. The information contained herein in this Item 5 is a summary only and is qualified in its entirety by such documents.

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

As noted under Item 5 above, certain Monogram entities generally are entitled to receive carried interest distributions with respect to applicable Advisory Clients. Monogram recognizes that existing and future Advisory Clients may have different terms in respect of fees and performance allocations and that, accordingly, actual or perceived conflicts of interest may arise in allocating opportunities to, between or among such Advisory Clients. Monogram recognizes its fiduciary duty to act in the best interests of the Advisory Clients and exercises due care to ensure that investment opportunities are allocated fairly and in accordance with the terms of the applicable governing agreements, including a consideration of the investment objectives and parameters of such Advisory Clients. The governing agreements address such matters, including to what extent opportunities must be allocated to a particular Advisory Client, whether co-investment is permissible and whether and on what terms Monogram, any of its affiliates, other investment vehicles they may manage and the principals of Monogram must or may participate in those opportunities. Subject to compliance with those terms and the terms of the governing agreements dealing with potential conflicts that must be reported to the relevant advisory committee of an Advisory Client or that require its consent or those of the Advisory Client investors, all investment decisions, including allocations, are made in the reasonable discretion of Monogram.

Without limiting the foregoing, Monogram recognizes it is not permissible to allocate, or to fail to allocate, an investment opportunity to, between or among Advisory Clients on the basis of the amount of compensation or profit that is likely to be realized for Monogram. Carried interest distributions could motivate Monogram to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. For example, a carried interest distribution generally entitles Monogram to a percentage of the net profits of an Advisory Client; however, such affiliate is not required to bear the same proportion of the net losses, if any, suffered by the Advisory Client as a whole. Monogram generally attempts to mitigate conflicts of interest associated with carried interest distributions through one or more of the following: (i) the requirement that invested capital, a preferred return and expenses from a particular investment be returned to investors before Monogram is entitled to receive any carried interest distributions attributable to that investment; (ii) making a capital commitment to the applicable Advisory Client; and/or (iii) the periodic clawback obligations of Monogram.

Item 7: Types of Clients

Monogram provides discretionary and non-discretionary investment advice solely to Advisory Clients, as described in Item 4.B. above.

Investors are generally “accredited investors” within the meaning of Rule 501(a) under the Securities Act of 1933, as amended, and are generally either “qualified purchasers” within the meaning of Section 2(a)(51) under the Investment Company Act of 1940, as amended, or “qualified clients” within the meaning of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

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

Item 8.A.

Monogram targets lower middle-market branded consumer and retail businesses in North America (U.S. and Canada). Monogram seeks to invest behind identifiable brands with a demonstrable reason to exist and flourish, with a specific focus on the following segments: consumer packaged goods, beauty and personal care, pet products and services, and fast casual restaurants, among other consumer sub-sectors.

Monogram’s investment strategy can be summarized by the following key principles:

- *Thesis / Data Driven Approach* – A top-down data driven approach to identify, analyze, and execute on key shifts in the consumer and retail sector enables Monogram to build and maintain a segment-level view within each sub-sector to identify where consumers’ preferences and spend are shifting. Monogram believes this analytical disciplined approach is unique to the lower middle market consumer and retail space.
- *Proactive Sourcing* – After identifying target investment themes, Monogram leverages its extensive network in addition to outreach efforts to meet with pertinent emerging brands. Monogram deploys diligence expertise from leading firms to help dissect industry and company data to find key insights on sustainable differentiation and positioning.
- *Brand Evangelism* – Core to its diligence process, Monogram seeks to identify leading indicators that measure the longer-term strength of brands with demonstrable data. This evangelism is typically measured through velocity metrics in wholesale brands and frequency in four-wall businesses. Monogram believes that the ability to identify a recurring customer base is indicative of brand loyalty and predictive of attracting future customers with additional capital and resources.
- *Tailored Structuring* – The Monogram team believes its flexible and creative approach to structuring helps solve for the entrepreneur’s needs. In most cases, these structures serve to both bridge valuation gaps and create asymmetric return fans, allowing Monogram to access a broader range of opportunities and better quality deals. Additionally, by selecting assets with fundamentally strong gross margins and/or unit economics, Monogram intends for its portfolio companies to have the ability to streamline the cost structure and focus on free cash flow should growth slow, to ensure that Monogram’s structures are not purely academic and that there is an underlying profit pool to ensure capital preservation. Monogram’s focus on structure reduces its loss ratio without compromising upside potential.
- *Value Creation* – Monogram has developed an operational playbook that focuses on core growth levers post-investment. Monogram leverages its deep network of strategic advisors, private equity investors, and influential consumer entrepreneurs to both tap into a broader talent pool and facilitate customer introductions.

Item 8.B. and Item 8.C.

All securities investments risk the loss of capital. No guarantee or representation is made that Advisory Clients will achieve their investment objectives or that an Advisory Client investor will receive a return of its capital. Making an investment in an Advisory Client is speculative and such an investment is not intended as a complete investment program. An investment in Advisory Clients is designed for sophisticated persons who are able to bear the economic risk of the loss of their investment in the Advisory Clients and who have a limited need for liquidity in their investment. In addition, there will be occasions when Monogram may encounter potential conflicts of interest in connection with Advisory Clients.

In evaluating whether to make an investment in the Advisory Clients, potential investors should consider all information contained in the respective Advisory Client's offering documents, including the considerations and risk factors set forth in the relevant offering documents.

Consumer Industry. The North American consumer and retail industry, which is the focus of Monogram, is very competitive, and has a significant number of competitors. Market success is subject to a number of factors, many of which lie outside the control of Monogram and the Advisory Clients' portfolio companies. In addition, such portfolio companies may face competition from a number of other companies, including ones with greater financial and other resources. Portfolio companies may ultimately be unsuccessful in gaining significant market position or an anticipated market opportunity may not develop as expected. In either case, Advisory Clients' investment results may be affected in a materially adverse manner.

Growth Company Investments. Monogram's strategy includes investing in high-growth companies. High-growth companies may be more volatile due to their limited product lines, markets or financial resources, or their susceptibility to major setbacks or downturns. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in lower- and middle-market companies, could make it difficult for Monogram to react quickly to negative economic or political developments.

Risks of Early-Stage Investments. Monogram may invest in the securities of smaller, less-established companies. Early stage and development stage companies often experience unexpected problems in the areas of operations, marketing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small. In addition, the securities of such companies may be subject to more abrupt and erratic market price movements than larger, more-established companies, because trading volumes for their securities are generally quite low. Less-established companies tend to have less capital and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may also have shorter operating histories on which to judge future performance. Monogram has not established any minimum size for the companies in which it will invest.

Risks in Effecting Operating Improvements. In some cases, the success of Monogram's investment strategy will depend, in part, on the ability of Monogram to restructure and effect improvements in the operations of the applicable Advisory Client's portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that Monogram will be able to successfully identify and implement such restructuring programs and improvements.

Limited Operating History of Portfolio Companies. The operations of the Advisory Clients' portfolio companies will likely depend on the successful development and sales of each portfolio company's

respective product offerings and services and the customers' experience. Certain portfolio companies may have limited operating histories with their respective products and services for which Monogram can use to evaluate their performance and prospects.

Limited Number of Investments; Lack of Diversity. Monogram is expected to participate in a limited number of investments and may not be able to identify or acquire an appropriate volume of investment opportunities and, as a consequence, the aggregate returns of an Advisory Client may be substantially affected by the unfavorable performance of a single investment. Because an Advisory Client may only make a limited number of investments and since an Advisory Client's investments generally will involve a high degree of risk, poor performance by one or more of Portfolio Investments could materially affect the total returns to investors. On any given investment, loss of all or a portion of the investors' capital is possible. Investors have no assurance as to the degree of diversification in Portfolio Investments. Monogram is not required to make investments that are diversified geographically or otherwise. Because an Advisory Client's Portfolio Investments may be concentrated within relatively few industries, sectors, countries or regions, portfolio diversification will be less than would be possible if Advisory Clients were to invest in a broader range of industries, sectors, countries or regions. Such reduced diversification may increase the volatility of an Advisory Client's returns, and could reduce the Advisory Client's returns relative to more diversified funds to the extent that such industries, sectors, countries or regions do not perform as well as other industries, sectors, countries or regions.

Available Opportunities and Competitive Marketplace. The success of Advisory Clients depends on the availability of appropriate investment opportunities and the ability of Monogram to identify, select, close and exit those investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable Monogram to invest all of its Advisory Clients' committed capital or that such investment opportunities will lead to completed investments by Advisory Clients. Advisory Clients will be competing with other private equity funds, as well as institutional investors and strategic investors, for investments in prospective portfolio companies. As a result of this competition, there can be no assurance that an Advisory Client will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its committed capital.

Leverage; Credit Support. Monogram's investments may include companies whose capital structures may utilize significant amounts of leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although Monogram will seek to use leverage in a prudent manner, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the portfolio companies or their respective industries. Additionally, the securities acquired by Monogram may be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss. Monogram may also make contingent funding commitments to their portfolio companies and provide credit support for such obligations. Such credit support may take the form of guarantees, letters of credit or pledges of a portion of the commitments to a lender. Such funding commitments may be secured by an assignment of Monogram's right to draw down capital from the investors. Utilization of the credit support will result in fees, expenses and interest costs to an Advisory Client, and may result in an under-utilization of an Advisory Client's capital. In addition, an Advisory Client may make investments for which third-party financing will be desirable but not necessarily available (on desired terms or at all) at the time of investment. Such financing may never become available, or a refinancing may not be able to be completed on desirable terms. This could result in an Advisory Client having a variety of unintended long-term investments or reduced diversification.

Bridge Financing; Over Commitment. In order to facilitate the acquisition of investments, Monogram may make (or commit to make), or may cause an Advisory Client to make (or commit to make), an investment in a potential portfolio company with a view to selling a portion of such investment to co-investors or other

persons or obtaining financing prior to or within a period after the closing of the acquisition. In such event, the Advisory Client will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, or that financing may not be available, and that, as a consequence, the Advisory Client may bear the entire portion of any breakup fee or other fees, costs and expenses related to such investment, or be required to hold a larger than expected investment. Additionally, if such portfolio company were unable to complete a refinancing, the Advisory Client could have a long-term investment in a junior security and the interest rate on such bridge financing may not adequately reflect the risk associated with the unsecured position taken by the Advisory Client. This could result in the Advisory Client having a variety of unintended long-term investments or reduced diversification.

Risk Relating to Due Diligence and Conduct at Portfolio Companies; Fraud. Before an Advisory Client makes an investment, Monogram will conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to the investment. Due diligence may entail marketing studies, business plan development, evaluation of important and complex business, financial, tax, accounting and legal issues as well as background investigations of individuals and feasibility and technical studies. Outside professionals, experts, consultants, legal advisors, accountants, investment banks and other third-parties may be involved in the due diligence process to varying degrees depending on the type of investment. The involvement of such third-parties may present a number of risks primarily relating to reduced control of the functions that are outsourced and may entail significant third-party expenses, which will be borne by the Advisory Clients. In addition, if the Advisory Client is unable to timely engage third-party providers, its ability to evaluate and acquire more complex assets could be adversely affected. Due diligence investigations with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity. Moreover, there can be no assurance that attempts to identify risks associated with an investment will achieve their desired effect. Potential investors should regard an investment in the Advisory Client as being speculative and having a high degree of risk.

Instances of fraud, material misrepresentations or omissions, professional negligence and other deceptive practices committed by any seller of securities or assets of a portfolio company or such seller's representatives, by a portfolio company or any of its affiliates, members of senior management, employees, officers or directors, or by any other third party may undermine Monogram's due diligence efforts with respect to such companies and, if such fraud or other action or omission occurs, the Advisory Client may suffer a material loss of capital and the value of the Advisory Client's investments may be adversely impacted. The Advisory Client will rely upon the accuracy and completeness of representations made by various persons in the due diligence process, and cannot guarantee such accuracy or completeness.

Uncertainty of Financial Projections. Monogram will generally establish the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projected operating results will typically be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General global economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Investments Longer than Term. Monogram may make investments that may not be advantageously disposed of prior to the date an Advisory Client will be dissolved, either by expiration of the Advisory Client's term or otherwise. Although Monogram expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, Monogram has a limited ability to extend the term of an Advisory Client and the Advisory Client may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of such dissolution. In addition, although upon the dissolution of the Advisory Client Monogram (or the relevant liquidator) will generally be required to attempt to reduce to cash and cash equivalents such assets of the Advisory Client as Monogram or such

liquidator deems it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the Advisory Client investors will occur.

Reinvestment. Under certain circumstances, proceeds distributable (or previously distributed) to certain Advisory Client investors that constitute a return of capital contributions may be retained and reinvested (or recalled for reinvestment) by the Advisory Client or used (or recalled for use) by the Advisory Client for any other proper purpose. Amounts available for recall will be restored to such Advisory Clients' investors respective unfunded commitments. Accordingly, an investor may be required to fund for investments or expenses during the term of Advisory Client in an aggregate amount that significantly exceeds its commitment.

Uncertain Exit Strategies. Due to the illiquid nature of the investments which an Advisory Client expects to make, there can be no assurances as to what, if any, exit strategy will ultimately be available for any given investment position. Exit strategies which appear to be viable when an investment is initiated may be precluded when the investment is deemed to be ready for realization due to economic, legal, political or other factors. The larger the transaction, the greater the risk to an Advisory Client's total returns and success if there is uncertainty around the Advisory Client's exit strategy.

Control Position Risk. Monogram may make investments that allow an Advisory Client to acquire control or exercise influence over management and the strategic direction of a portfolio company. The exercise of control over a company imposes additional risks of liability in circumstances where the limited liability characteristic of business operations of the company may be ignored. The exercise of control over a portfolio company by the Advisory Client could expose the assets of the Advisory Client to claims by such portfolio company and/or its executives, employees, pension beneficiaries, security holders and creditors. While Monogram intends to conduct the affairs of Advisory Clients in a manner that will minimize the exposure of these risks, the possibility of successful claims cannot be precluded.

Minority Investments. Monogram may make minority investments in entities where an Advisory Client does not participate in the management or otherwise control the business or affairs of such entities or has only limited participation in the management of such entities. Monogram will monitor the performance of each investment and maintain an ongoing dialogue with each portfolio company's management team. However, it will be primarily the responsibility of the management of the portfolio company to operate such portfolio company on a day-to-day basis. Although it is the intent of Monogram to invest in portfolio companies with strong operating management that has a successful track record and with significant minority governance, there can be no assurance that a portfolio company's management team will be able to operate the portfolio company successfully or that Monogram can exercise affirmative controls to effect decisions without the support of management.

Toehold Investments. While not a primary focus of Monogram's strategy, certain Advisory Clients may accumulate minority positions in the outstanding debt securities or in voting stock, or securities convertible into the voting stock, of potential portfolio companies. While Monogram will seek to achieve such accumulation through open market purchases, registered tender offers, negotiated transactions or private placements, Monogram may be unable to accumulate a sufficiently large position in a portfolio company to execute its strategy. In such circumstances, Monogram may dispose of an Advisory Client's position in the portfolio company within a short time of acquiring it; there can be no assurance that the price at which the Advisory Client can sell such securities will not have declined since the time of acquisition. Moreover, this may be exacerbated by the fact that securities of the companies that the Advisory Client may target may be thinly traded and that the Advisory Client's position may nevertheless have been substantial, although not controlling, and its disposal may depress the market price for such securities.

Investments in Public Companies. While Monogram does not expect investments in public companies to be a meaningful focus of its efforts, Monogram may invest in public companies or take private small-cap portfolio companies public. Investments in public companies may subject an Advisory Client to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Advisory Client to dispose of such securities at certain times (including due to the possession by the Advisory Client of material non-public information), increased likelihood of shareholder litigation against such companies' board members, which may include the principals and other members of Monogram's investment team, regulatory action by the domestic or foreign securities regulators and increased costs associated with each of the aforementioned risks.

Special Risks Associated with Non-U.S. Investments. Monogram may invest a portion of Advisory Client commitments in portfolio companies that are headquartered and have their principal operations outside of the United States. These investments may involve special risks not typically associated with investments in securities of U.S. issuers, including (a) economic and political factors, such as the risk of expropriation, restrictions on repatriation of profits, and political and social instability; (b) differences among U.S. and foreign practices, including the absence of uniform accounting, auditing, and financial reporting standards in foreign markets, the relatively greater price volatility and illiquidity of foreign securities markets; (c) currency exchange risks, including the cost of converting investment cash flows from one currency into another; and (d) tax-related issues, including the possibility of withholding taxes, confiscatory foreign taxes, and double taxation of income earned overseas.

Hedging. Monogram may enter into swaps, forward contracts and other arrangements and hedging transactions to seek to preserve a return on a particular investment or to seek to protect against currency or interest rate fluctuations. Such transactions have special risks associated with them, including the possible default by the counterparty to the transaction and the illiquidity of the instrument acquired by an Advisory Client relating thereto. Although such transactions may reduce the Advisory Client's exposure to currency or interest rate fluctuations or decreases in the value of investments, the costs associated with these arrangements may reduce the returns that the Advisory Client would have otherwise achieved if it had not entered into these transactions.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, an Advisory Client may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Advisory Client will make follow-on investments or that the Advisory Client will have sufficient funds to make all or any of such investments. Any decision by the Advisory Client 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 or may result in a lost opportunity for the Advisory Client to increase its participation in a successful operation.

Difficulty in Valuing Investment Portfolio. Monogram will value the Portfolio Investments from time to time at their fair market values. Advisory Client assets that are publicly traded securities for which market prices are readily available will be valued based on their trading prices; however, for almost every Portfolio Investment, there will likely be no public market for its securities. Thus, the valuation of Portfolio Investments inherently is highly subjective and imprecise and requires the use of techniques that are costly and time consuming and ultimately provide no more than an estimate of value. In establishing the value of Portfolio Investments, Monogram may also consult with accounting firms, investment banks and other third parties when needed, to assist with the valuation of the Advisory Clients' investments. The value set by Monogram (or such third party) may not reflect the price at which an Advisory Client could dispose of its interests in a particular Portfolio Investment at any given time.

Legal, Tax and Regulatory Risks. The regulatory considerations affecting the ability of an Advisory Client to achieve its investment objectives are complicated and subject to change and can result in significant compliance costs and expenses. In addition, other legal, tax and regulatory changes could occur during the term of an Advisory Client that may adversely affect the Advisory Client. For example, from time to time, the market for private investment fund transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. In addition, private investment funds and their investment advisers may be subject to increased regulation, taxation or other scrutiny by regulators or other market participants. There can be no assurance as to whether any such scrutiny or initiatives will have an adverse impact on the private investment fund industry generally or on an Advisory Client or Monogram, including the ability of an Advisory Client to take the measures necessary to effect operating improvements or restructurings of portfolio companies or otherwise achieve its objectives.

Global Economic Conditions. General global economic conditions may affect an Advisory Client's activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets may affect the value of investments made by the Advisory Client. Instability in the securities markets may increase the risks inherent in Portfolio Investments made by the Advisory Client and instability in the fixed income markets may cause significant dislocations, illiquidity and volatility in the structured credit, leveraged loan and high yield bond markets, as well as in the wider global financial markets. To the extent an Advisory Client's portfolio companies participate in such markets, the results of their operations may suffer. In addition, certain market events 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. Any resulting economic downturn could adversely affect the financial resources of the Advisory Client's portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Advisory Client could lose both invested capital in and anticipated profits from such portfolio companies.

Dependence on Key Personnel. The success of Advisory Clients depends in substantial part upon the skill and expertise of Monogram's principals and the other individuals employed to assist them. There can be no assurance that the principals or other personnel will continue to be members of or employed by Monogram. The loss of service to an Advisory Client of one or more principals or other personnel could have a material adverse effect on the success of the Advisory Client.

Cyber Security Breaches. Information and technology systems of Monogram, Advisory Clients, portfolio companies and any service providers for the foregoing may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Monogram, the Advisory Client, and/or the portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Monogram's, the Advisory Client's and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Monogram, the Advisory Client or a portfolio company's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Side Letters. Monogram may enter into a side letter or other similar agreement with a particular Advisory Client investor in connection with its investment without the approval of any other investor. This would have the effect of establishing rights under or supplementing the terms of the Advisory Client's operating agreement with respect to such investor in a manner potentially more favorable to such investor than those

applicable to other investors. Monogram may not be required to notify the other investors of any such side letters or of any of the rights or terms or provisions thereof, and some or all of the other investors may not be entitled to receive such additional benefits or other rights.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in an Advisory Client. Prospective investors should read the offering documents and consult their own counsel and advisors before deciding to invest in an Advisory Client.

Item 9: Disciplinary Information

Monogram and its supervised persons have no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Item 10.A.

Not Applicable. Monogram is currently not applying to register as a broker-dealer and does not intend to.

Item 10.B.

Not Applicable. Monogram and its management persons are not registered, and have not applied to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or associated persons of a futures commission merchant.

Item 10.C.

As noted in Item 4.B., Monogram GP serves as general partner to the GP. Also, Monogram Capital and Monogram Capital II provide advisory services to the SPVs.

One of Monogram's partners serves on the board of an unaffiliated private company. Conflicts may arise in allocating time between serving as a board member and responsibilities at Monogram. Monogram has internal policies and procedures to address actual and potential conflicts of interest that may arise from such activity.

Item 10.D.

Not Applicable. Monogram and its supervised persons do not recommend or receive compensation for selection of other investment advisers for its Advisory Clients.

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

Item 11.A.

Employees of Monogram may only purchase and sell securities in accordance with Monogram's Code of Ethics to which all employees are subject. This policy is monitored by the Chief Compliance Officer.

Employees are permitted to maintain personal brokerage accounts, subject to the Code of Ethics and personal trading policy.

The Code of Ethics includes the following points:

- A statement of the standard of business conduct.
- Limits on gifts and entertainment.
- Limits on political contributions.
- Employees are prohibited from purchasing or selling, directly or indirectly, any securities on Monogram's restricted list, including any security for which the employee may have received material non-public information.
- All employees are required to pre-clear certain purchases or sales of securities through the Chief Compliance Officer for personal accounts.
- Additionally, employees are subject to strict reporting requirements regarding personal holdings.
- Employees must acknowledge in writing having received and read a copy of the Code of Ethics.
- Any exceptions to the above need prior approval of the Chief Compliance Officer.

A copy of Monogram's Code of Ethics is available to investors and prospective investors upon request.

Item 11.B through Item 11.D.

Certain conflicts that may be encountered in the course of Monogram's activities for or on behalf of the Advisory Clients are described in Items 5, 6, 8 and 10 above and reference is made thereto. In addition, the governing agreements of the Advisory Clients address in detail certain other reasonably anticipated potential conflicts.

Item 12: Brokerage Practices

Monogram currently does not engage in trading transactions on behalf of its Advisory Clients or utilize the services of broker-dealers for transaction related services. In the event it requires the services of a broker-dealer, Monogram will seek to obtain best execution for all transactions. To the extent they aggregate orders for purchase and sale, Monogram will aggregate such orders as it deems appropriate and in accordance with Advisory Clients' organizational documents and in the best interests of Advisory Clients.

Monogram may face actual or potential conflicts of interest when allocating investment opportunities among Advisory Clients. The general policy of Monogram is to allocate investment opportunities among the applicable Advisory Clients in a fair and equitable manner and in accordance with the terms of its policies and the applicable governing documents for such Advisory Clients.

Item 13: Review of Accounts

Item 13.A. and 13.B.

The Portfolio Investments of Advisory Clients are continuously reviewed by a team of investment professionals, consisting of Monogram's principals and other investment professionals of Monogram. Monogram actively monitors the portfolio companies of the Advisory Clients and generally maintains an ongoing oversight position in such portfolio companies.

Item 13.C.

Investors in the Advisory Clients will typically receive, among other things, a copy of audited financial statements of the relevant Advisory Client within 120 days after the fiscal year end of such Advisory Client. In addition, investors in each Advisory Client will typically receive written reports containing unaudited summary financial information regarding such Advisory Client on a quarterly basis.

Item 14: Client Referrals and Other Compensation

Item 14.A.

Not Applicable. Monogram does not select or recommend broker-dealers for client transactions.

Item 14.B.

Acalyx Advisors, Inc. ("**Acalyx**") has been engaged by Monogram as a placement agent with respect to the private placement of interests in Fund I. For these services, Monogram has agreed to pay Acalyx a placement fee based upon the amount of capital commitments to Fund I by investors that such placement agent introduces to Monogram or Fund I. Any placement agent fees and expenses would be borne by Fund I subject to a 100% offset against the amounts payable to the Firm in respect of the Firm's management fee.

Item 15: Custody

In accordance with Rule 206(4)-2 under the Advisers Act ("**Custody Rule**"), the Funds and SPVs will be subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("PCAOB") and audited financial statements of each Fund and SPV will be prepared in accordance with generally accepted accounting principles and distributed to investors within 120 days of the end of each Fund's and SPV's fiscal year. Investors should carefully review the audited financial statements of the Funds and SPVs upon receipt, and should compare these statements to any account information provided by Monogram.

As Monogram's investment program involves some investments in certain privately offered securities, Monogram generally will be exempt from the requirement that securities be maintained with a "qualified custodian." Monogram anticipates that many of its investments will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated,

and ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the issuer's outstanding securities. To the extent that Monogram holds any publicly traded securities or securities which are otherwise ineligible for an exemption from the qualified custodian requirement of the Custody Rule, Monogram will maintain such securities with a qualified custodian in an account in the name of the applicable Fund or SPV or in accounts that contain only funds and securities owned by the Fund or SPV, under Monogram's name as agent or trustee for respective Fund or SPV.

Item 16: Investment Discretion

Monogram has discretionary authority to manage securities accounts on behalf its Funds and SPVs and provides non-discretionary services to the SMA. Monogram is authorized to make transaction recommendations for the Funds and SPVs. As explained in Item 4.B. above, each Fund's and SPV's investment strategy is set forth in detail in such Fund's and SPV's offering and governing documents. Investors do not have the ability to impose limitations on this discretionary authority. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in the applicable Fund or SPV.

Item 17: Voting Client Securities

Monogram has adopted the proxy voting policies and procedures set forth in its Compliance Manual. Under Monogram's proxy voting policy, Monogram will generally vote proxies in accordance with the recommendation of the issuing company's management on routine and administrative matters unless Monogram has a particular reason to vote to the contrary. Non-routine matters will be voted on a case-by-case basis in a manner that serves the Advisory Client's best interest. Under certain circumstances, Monogram may abstain from voting specific proxies if it believes that doing so is in the best interests of the applicable Advisory Client. Furthermore, under Monogram's proxy voting policy, Monogram may not vote proxies issued by companies if Advisory Clients no longer have any economic exposure to the issuer.

Investors generally do not have the ability to direct proxy votes. Advisory Clients may obtain additional information regarding how Monogram voted proxies and may obtain a copy of Monogram's proxy voting policies and procedures by contacting the Chief Compliance Officer.

Item 18: Financial Information

Item 18.A.

Not Applicable. Monogram does not require nor solicit pre-payment of more than \$1,200 in fees per client, six months or more in advance.

Item 18.B.

Monogram is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

Item 18.C.

Not Applicable. Monogram has not been the subject of a bankruptcy petition at any time during the past ten years.