
FORM ADV PART 2A

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Landon Capital Partners, LLC

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This brochure ("Brochure") provides information about the qualifications and business practices of Landon Capital Partners, LLC. If you have any questions about the contents of this Brochure, please contact us at (617) 589-3652. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Landon Capital is also available on the SEC's website at www.adviserinfo.sec.gov.

Landon Capital is registered as an investment adviser with the SEC pursuant to the Investment Adviser Act of 1940, as amended (the "Adviser Act"). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser's skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

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ITEM 1. MATERIAL CHANGES

This is the initial registration filing of Landon Capital Partners, LLC. Going forward, the Firm will make changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving regulatory and industry practices.

ITEM 2. ADVISORY BUSINESS

Landon Capital Partners, LLC ("Landon Capital", "LCP", the "Adviser" or the "Firm") is registered as an investment adviser with the Securities and Exchange Commission (the "SEC") under the Investment Adviser Act of 1940 (the "Adviser Act").

LCP is the direct private equity investment group of the Landon family and select, family office, co-investment partners. Landon Capital invests directly in middle market private equity opportunities primarily in the United States. The Adviser began operations in 2015 and has offices in Boston and London.

The Firm's mission is to source, acquire and manage lower middle market private equity buyouts, targeting opportunities for control equity positions in companies with \$5 to \$20 million of EBITDA. Preferred investment targets display a high percentage of recurring revenue and strong free cash flow conversion and seek to leverage LCP's flexible approach to partnership and long-term growth orientation. LCP utilizes a "buy and build" approach towards investment management and will not focus on "lever and de-lever" opportunities.

LCP's geographical focus is primarily the United States, and opportunistically in Europe, in sectors with an abundance of successful lower middle market companies including healthcare services, business services, niche manufacturing, and food and beverage. Yet regardless of a company's sector, the Firm will seek investments which possess key characteristics such as:

- An opportunity to remove or resolve an existing impediment to value creation
- An opportunity to partner with strong management and/or operating partners
- Strong free cash flow conversion ratios
- High level of recurring revenue as a percentage of total revenue
- Predictable earnings
- Defensible operating margins based on barriers to entry or competitive positioning

Preferences:

- Growth oriented companies with \$5 to \$20 million of EBITDA
- Healthcare services, business services, niche manufacturing, and food and beverage
- Control equity position
- Companies in the United States

Once an investment is identified, LCP will form a Special Purpose Vehicle ("SPV"), usually in the form of LLC, that will be used to invest, through negotiated transactions, in operating entities. These entities are generally referred to herein as "Portfolio Companies" (and individually as a "Portfolio Company"). LCP provides investment supervisory services to the clients listed below, which also serve as co-investment vehicles ("Co-Invest Fund" or "Co-Invest Funds") (the clients below and the Co-Invest Funds are collectively referred to in this Brochure as "Funds"):

- Landon Cavaliers AIV, LLC
- LCP Bush, LLC

- LCP NSA, LLC
- Loeb London Clarus, LLC

The Adviser's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, overseeing such investments during the time they are held by a Fund and achieving dispositions for such investments.

All discussions of the Funds in this Brochure, including but not limited to their investments, the strategies used in managing the Funds, the fees and other costs associated with an investment in the Funds and other terms, are qualified in their entirety by reference to each Fund's respective LLC agreement (if any) (each, an "Agreement") and limited partnership or similar agreement or other governing document (each, a "Securities Purchase" or "Subscription Agreement"). Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable Fund's Sole Adviser ("Adviser") and not individually to the members in the Funds. Services are provided to the Funds in accordance with each Fund's LLC Agreement.

ITEM 3. FEES AND COMPENSATION

Each Adviser receives a carried interest allocation from the Member's proceeds from the Funds generally equal to 20% of all realized gains, subject to a preferred return generally equal to 10% (as more fully described in the Management Agreements of each Fund).

The precise amount of, and the manner and calculation of, carried interest and incentive allocations are detailed in each applicable Fund's Management Agreement. Carried interest may differ from one Fund to another, as well as among Investors in the same Fund.

Other Compensation

LCP does not charge co-investors any management fees. LCP does receive management and transaction closing fees from the Portfolio Companies ("Funds"), as specified in the applicable Management Agreements. However, the fees are not offset against any co-investor payments.

LCP generally has discretion over whether to charge Advisory Fees or other similar fees to a Portfolio Company and, if so, the rate, timing and/or amount of such fees. The receipt of such fees may give rise to conflicts of interest which are further discussed under Item 4 herein.

ITEM 4. PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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

ITEM 5. TYPES OF CLIENTS

LCP is the direct private equity investment group of the Landon family and select, family office, co-investment partners (“Co-Investors”). Landon Capital invests directly in middle market private equity opportunities primarily in the United States. Direct investments are made via a newly created Special Purpose Vehicle (SPV), usually in the form of an LLC. Co-Investors participate in an equity syndication once the acquisition of a portfolio company is finalized via the newly formed LLC.

Co-Investors participating in an equity syndication are required to meet certain suitability and net worth qualifications, such as (i) an “accredited investor” within the meaning of Rule 501 of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”); (ii) a “qualified purchaser” as defined in Section 2(a)(51) of the Company Act; or (iii) a “knowledgeable employee” within the meaning of Rule 3c-5 of the Company Act, depending on the applicable eligibility requirements of the respective Client.

ITEM 6. METHODS OF ANALYSIS, INVESTMENT STRATEGY, AND RISK OF LOSS

The key elements of the Adviser’ investment strategy and process are: deal origination; transaction review and execution process; post-acquisition management; and exiting and value creation. The Adviser generally seek to acquire Portfolio Companies with attractive market positions that can grow significantly.

For each Portfolio Company owned by a Fund, the Adviser seeks to identify a clear and credible strategy both to increase earnings and qualitatively improve the company, thereby optimizing its exit valuation. The senior principals or other personnel of the Adviser may serve on a Portfolio Company’s board of directors or otherwise act to influence control or management of Portfolio Companies in which the Funds have invested.

Investment Related Risks

The summary below is not a complete or exhaustive list or explanation of all risks involved in an investment in the Funds. Prospective and existing investors are advised to review the Partnership Agreements for full details on the investment, operational and other actual and potential risks associated with a particular Fund. The risks involved include, but are not limited to:

Long-Term Nature of Investment; No Assurance of Investment Return. The task of identifying and negotiating investment opportunities, managing such investments and realizing a significant return for investors is typically a long, time-consuming process with no certainty of return of investment, and there is no assurance that any Fund will be able to invest its capital on attractive terms, generate returns for the Members or return the capital contributed by them.

Dependence on Key Personnel. The success of each Fund will be highly dependent on the expertise of the Adviser, and other individuals employed by LCP. Members will be relying entirely on the Adviser to manage the business of the relevant Fund. There can be no assurance that the Adviser or the other key investment professionals will continue to be associated with or employed by LCP throughout the life of the relevant Fund. The

loss of one or more of these individuals could have a material adverse effect on the performance of such Fund.

Limited Prior History; Relation of Previous Investment Programs. Certain of the Funds have limited or no operating history. The prior investment results of the Adviser is not indicative of such Funds' future investment results. The nature of and risk associated with a Fund's future investments may differ substantially from those investments and strategies undertaken historically by the Adviser. Past performance is not necessarily indicative of future results and is no guarantee of future performance. There can be no assurance that a Fund's investments will perform as well as the past investments of the Adviser or other individuals employed by LCP or that such Fund will be able to avoid losses.

Risks Relating to Non-U.S. Investments. Certain non-U.S. investments involve risks and special considerations not typically associated with U.S. investments. Such risks may include but are not limited to (i) differing business cultures and legal regimes, (ii) greater price fluctuations and market volatility, less liquidity and smaller capitalization of securities markets, (iii) currency exchange rate fluctuations, (iv) higher rates of inflation, (v) controls on, and changes in controls on, foreign investment and limitations on repatriation of invested capital and on a Fund's ability to exchange local currencies for U.S. dollars, (vi) greater governmental involvement in and control over the economies, (vii) differences in auditing and financial reporting standards, which may result in the unavailability of material information about issuers, (viii) less extensive regulation of the securities markets, (ix) longer settlement periods for securities transactions, (x) differences in tax regimes (including potential withholding obligations on proceeds paid from a Fund) and changes in tax treaties or U.S. tax law regarding foreign investments and (xi) less developed corporate laws regarding fiduciary duties and the protection of investors. Although the Adviser may attempt to enter into certain currency hedges at the Fund level to mitigate currency risk, there is no guaranty the hedging will be successful or sufficient to protect the entire investment and any gain on such investment.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. 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 relevant Fund, to substantial losses. In addition, in the event that such a cyberattack or other unauthorized access is directed at LCP or one of its service providers holding its financial or investor data, LCP or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under LCP's policies.

Deemed Joint Employment or Control. There is a risk to the Funds if the Fair Labor Standards Act, the Migrant and Seasonal Agricultural Worker Protection Act or other laws,

rules or regulatory interpretations would deem the Funds, the Adviser or various Portfolio Companies to be a single “employer,” “control group” or similar term. In some cases, it may not be possible to limit liabilities across such entities.

Difficulty of Locating Suitable Investments; Competitive Marketplace. The success of each Fund will depend on the relevant Principals’ ability to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of portfolio investments on terms favorable to such Fund. LCP employs dedicated personnel (“Origination Professionals”) to identify attractive investment opportunities suitable for each Fund. Although in the past, the Origination Professionals have found a sufficient number of suitable investment opportunities that meet the Funds’ investment objectives, there are no assurances that there will be, or the Origination Professionals will find a sufficient number of, suitable investment opportunities to enable a Fund to invest all of its committed capital in opportunities that satisfy such Fund’s investment objectives, or that such investment opportunities will lead to completed investments by such Fund. Many of the investment opportunities identified by the Origination Professionals are through auctions or limited auctions where there is a substantial amount of competition among prospective buyers of these companies, including other private equity firms. There can be no assurances that once LCP identifies an investment opportunity the seller will select LCP to acquire the relevant Portfolio Company. Further, even if LCP is selected as the buyer, there can be no assurances that the Portfolio Company will still be deemed an appropriate investment opportunity for the Fund after due diligence is completed.

Nature and Illiquidity of Fund Investments. Almost all of the Funds’ investments will be highly illiquid, and there can be no assurances that any Fund will be able to realize a positive return on such investments. The illiquidity of the Funds’ investments is the result of several factors, including the following:

- Each Fund generally will invest in illiquid securities of privately held companies and will often seek to generate returns by selling these securities in a private sale to a strategic buyer or to another private equity firm. There can be no assurances that any Fund will be able to complete sales of Portfolio Company securities at attractive prices and otherwise on acceptable terms and conditions.
- Each Fund may also attempt to sell Portfolio Company securities in a public offering. Any such public offering of securities would require a substantial investment of time and attention by the Principals and other key investment professionals and a substantial cash expense by the Portfolio Company whose securities are being registered, in part because the laws of the U.S. and non-U.S. jurisdictions where the Portfolio Companies are located and the regulations of applicable securities exchanges can be quite burdensome and complex in connection with such an offering. There can be no assurances a market for the securities of any Portfolio Company would exist even following a public offering.
- The cultivation of an investment for disposition, together with the disposition itself, may involve a substantial amount of time. Even when an investment is successfully disposed, some of the consideration may be deferred through the use of lock ups, earn-outs, promissory notes, escrows, holdbacks and other similar arrangements.

A significant portion of most Fund investments will be in common equity which, by their nature, involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in substantial loss of principal. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. A variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of a Fund's activities. As a result, such Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods or over the life of the Fund.

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 a 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 such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's Portfolio Companies.

Health Care Regulation, Reimbursement and Reform. Various segments of the health care industry are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally, (ii) subject to frequent regulatory change and (iii) dependent upon various government or private insurance reimbursement programs. While the Funds intend to make investments in companies that comply with relevant laws and regulations, certain aspects of their operations may not have been subject to judicial or regulatory interpretation. An adverse review or determination by any one of such authorities, or an adverse change in the regulatory requirements or reimbursement programs, could have a material adverse effect on the operations of the companies in which a Fund invests. Recent legislative changes have had, and will likely continue to have, a significant impact on the health care industry. In addition, various legislative proposals related to the health care industry are introduced from time to time at the United States federal and state level, and any such proposals, if adopted, could have a significant impact on the health care industry.

Need for Additional Capital, Support Equity and Add-on Acquisitions. The Adviser may recommend that a Fund provide follow-on funding for Portfolio Companies to finance add-on acquisitions or to provide support equity or loans. There can be no assurance that such Fund will have sufficient capital to do so, and, even if it does have sufficient capital, it may be limited by restrictions on the amount of capital it can invest in any one Portfolio Company. Any decision by the Principals not to invest additional capital, or such Fund's

inability to invest additional capital, may have a substantial negative impact on a Portfolio Company in need of such an investment or may diminish such Fund's ability to influence the Portfolio Company's future development.

Equity Investing. While 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. 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. 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 Adviserial and technical personnel.

Portfolio Concentration. Generally, related portfolio concentration may enhance total returns to Members, if any large position has a material loss, then returns to the Members may be lower than if they had invested in a more diversified portfolio.

Bankruptcy of Portfolio Companies. A Fund may hold investments in the securities and obligations, including debt obligations that are in covenant or payment default, of Portfolio Companies experiencing significant financial difficulties and material operating issues, including Portfolio Companies that may become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Given the heightened difficulty of the financial analysis required to turn around distressed companies, there can be no assurance that the Adviser will be able to execute the successful restructuring or recapitalization of such company. Therefore, in the event that a Portfolio Company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Fund invested. Additionally, various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of such Fund. There is also a risk that a court may subordinate a Fund's investment to other creditors or require a Fund to return amounts previously paid to it by a Portfolio Company that became insolvent or files for bankruptcy, a risk that could increase if such Fund has management rights in such Portfolio Company.

Reliance on Principals for Use of Proceeds. Purchasers of interests in a Fund will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding any future investments made by such Fund and, accordingly, will be dependent upon the judgment and ability of the Adviser in investing and managing the capital of such Fund. No assurance can be given that a Fund will be successful in obtaining suitable investments, or that if such investments are made, the objectives of a Fund will be achieved.

Material Non-public Information. Although LCP generally acquires private companies, it may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund related to the acquisition of public securities. Consequently, a 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, a 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.

ERISA-Related Risks. To the extent a Fund is operated to maintain qualification as a venture capital operating company, such Fund could be precluded from making certain investments. In addition, attempting to maintain such qualification could further require such Fund to accelerate or delay the liquidation of Fund investments, resulting in lower proceeds to such Fund than might have been the case without the need for qualification. If a Fund's assets are treated as plan assets, interests of certain investors that are "benefit plan investors" within the meaning of Section 3(42) of ERISA could be fully or partially redeemed, or the Fund could be dissolved, in certain circumstances. In addition, for any period of time that a Fund's assets are deemed to be plan assets, the operations of such Fund and its investments could be restricted by ERISA's prohibited transaction and fiduciary rules. These risks may adversely affect all investors, not just those that are benefit plan investors.

Diverse Investor Group. The Members may include U.S. taxable and tax-exempt entities, institutions from jurisdictions outside of the United States, and also may include U.S. residents and residents of other countries. The Adviser is a U.S. resident with a controlling interest in each underlying Portfolio Company through their control of each Fund's Members. As a result, Members may have conflicting investment, tax and other interests with respect to their investments in any Fund. The conflicting interests of individual Members may relate to or arise from, among other things, the nature of investments made by such Fund, the structuring of the acquisition of investments and the timing of the disposition of investments and the various tax laws applicable to various Members. As a consequence, conflicts of interest may arise in connection with decisions made by the Adviser, including with respect to the nature or structuring of investments, that may be more beneficial for one Member than for another, especially with respect to Member's individual tax situations. Subject to specific provisions outlined in each LLC Agreement, the Adviser will generally consider the investment and tax objectives of the relevant Fund and its Members as a whole in making investments, and will use reasonable best efforts to structure portfolio investments in as tax-efficient a manner as possible.

Public Disclosure Obligations. A Fund may be required to disclose confidential information relating to its investments and its financial results to third parties that may request such information if and to the extent required by law. Such disclosure obligations may adversely affect certain Members, particularly Members who are not otherwise subject to public disclosure of information relating to the private holdings of the Fund in which they invest.

Distributions in Kind. Although each Fund intends to make distributions in cash, it is possible that under certain very limited circumstances (including the liquidation of a Fund), distributions may be made in kind and could consist of securities for which there is no readily available public market or securities of entities unable to meet required interest or sinking fund payments. Distributions in kind to the Members of a Fund may be difficult to liquidate 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 LLC Agreement, including the value used to determine the amount of carried interest available to the applicable Adviser with respect to such investment.

Valuation of Investments. Generally, the Adviser will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available because, among other things, the securities of Portfolio Companies held by such Fund generally will be illiquid and not quoted on any exchange. LCP will determine the value of each Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States ("GAAP"). There can be no assurance that LCP will have all the information necessary to make valuation decisions in respect of these investments, that any information provided by third parties on which such decisions are based will be correct, or that the valuation decision with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by LCP may cause it to ineffectively manage the relevant Fund's investment portfolios and risks and may also affect the diversification and management of such Fund's portfolio of investments.

ITEM 7. DISCIPLINARY INFORMATION

N/A

ITEM 8. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

N/A

ITEM 9. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

LCP has adopted a Code of Ethics and Securities Trading Policy and Procedures (the "Code"), which sets forth standards of conduct that are expected of LCP Principals and employees and addresses conflicts that arise from personal trading. The Code requires LCP personnel to report their personal securities transactions and prohibits LCP personnel from directly or indirectly acquiring or disposing of beneficial ownership of securities, with limited exceptions, without first obtaining approval from LCP's 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.

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 covered 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 covered 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 LCP or any of its covered persons come into possession of material non-public or other confidential information with respect to any 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 LCP personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

LCP employees, related persons and consultants may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics. In addition, and in limited circumstances, LCP employees, related persons, and consultants may invest in companies or other securities or instruments that were offered to but passed on by a Fund. Such investments are also subject to the policies and procedures set forth in the Adviser's Code of Ethics and may be subject to Advisory Committee approval.

ITEM 10. BROKERAGE PRACTICES

The Adviser focuses on securities transactions of private companies and generally purchase and sell 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 for the securities of a Portfolio Company. Although the Adviser do not intend to regularly engage in public securities transactions, to the extent they do so, they follow the brokerage practices described below.

If a Fund sells publicly traded securities, the Adviser is responsible for directing orders to broker-dealers to effect securities transactions. 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 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 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 may generally seek 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.

As a matter of practice, the Adviser currently does not engage in soft dollar transactions, and although it is permitted to do so and may engage in soft dollar transactions in the future in accordance with the limitations of Section 28(e) of the Securities Exchange Act of 1934, as amended, it is not anticipated that they will do so. Although LCP may receive proprietary research from certain brokerage firms, it does not take the value of such research into account when selecting brokers. In addition, gifts and other entertainment are monitored.

Although the Adviser does not anticipate engaging in significant public securities transactions, to the extent that it 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. To the extent that orders for the Funds are completed independently, a Adviser may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, an Adviser may, but is not obligated to, 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. Batched transactions are executed in a manner intended to ensure that no participating Fund is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing 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.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to pro rata allocations are permissible provided they are fair and equitable to the 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.

ITEM 11. ACCOUNT REVIEW

LCP continuously monitors the portfolio companies of the Funds. Monitoring activities include but are not limited to: participation in each portfolio company's annual meeting; membership on the advisory boards of the portfolio companies (to the extent such membership is granted by the portfolio company); and, ongoing contact with the Advisers of the portfolio companies.

LCP creates a quarterly report with financial information for each direct investment (portfolio company), which are presented to the Adviser and Co-Investors of the Funds. In addition, any performance issues or concerns are highlighted.

Each Fund provides its members the following written reports: annual audited financial statements of the Fund, quarterly unaudited financial statements of the Fund, and quarterly unaudited account statements specific to each investor. US income tax information is furnished annually.

ITEM 12. CLIENT REFERRALS AND OTHER COMPENSATION

No firms or other persons solicit advisory clients on behalf of LCP, and LCP does not utilize, and has no plans to utilize, placement agents on behalf of the Funds.

ITEM 13. CUSTODY

With respect to the Funds, LCP is deemed to have custody because its affiliates serve as the Adviser of the Funds. All assets of the Funds are held in custody by unaffiliated broker/dealers or banks. Members will not receive statements from the custodians. Instead, most Funds are subject to an annual audit and the audited financial statements are distributed to each Member. The audited financial statements will be prepared in accordance with GAAP and distributed within 120 days of each Fund's fiscal year end.

ITEM 14. INVESTMENT DISCRETION

The Adviser has discretionary authority to manage investments on behalf of the Funds. LCP assumes this discretionary authority pursuant to the terms of the LLC Agreements.

ITEM 15. PROXY VOTING

In accordance with SEC requirements, LCP has adopted a Proxy Voting Policy to address how it will vote proxies, as applicable, as Adviser for each Fund's portfolio investments. The Proxy Voting Policy seeks to ensure that the Adviser vote proxies (or similar instruments) in the best interest of the applicable Fund, including where there may be material conflicts of interest in voting proxies.

LCP generally believes their interests are aligned with those of the Funds' investors through the Adviser's beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event there is or may be a

conflict of interest between the Adviser and a Fund in voting proxies, the Proxy Voting Policy provides that the Adviser may address the conflict using several alternatives. The Adviser does not consider service on Portfolio Company boards by LCP employees 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.

A copy of LCP's Proxy Voting Policy or information regarding how the Adviser voted proxies for specific Portfolio Companies will be provided to investors or prospective investors upon request.

ITEM 16. FINANCIAL INFORMATION

LCP is not required to include a balance sheet for its most recent fiscal year, is aware of any financial condition reasonably likely to impair its ability to meet its contractual commitments to Clients or Co-Investors or has been the subject of a bankruptcy petition at any time during the past ten years.