

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



ACHIEVE PARTNERS

Achieve Partners Management, LLC
Part 2A of Form ADV
The Brochure

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This brochure provides information about the qualifications and business practices of Achieve Partners Management, LLC (“AP”, the “**Company**”, “**Achieve Partners**”, or the “**Applicant**”). If you have any questions about the contents of this brochure, please contact us at (917) 821-9194. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Achieve Partners is an investment adviser that is registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

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

Item 2. Material Changes

The following summary discloses material changes made to this brochure since AP's Form ADV Part 2A was filed in June 2019.

AP moved its office from 303 Spring Street, New York, NY 10013 to its current location, 530 Seventh Ave., Suite 1909, New York, NY 10018.

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Item 4. Advisory Business

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

AP provides investment advisory services to a pooled investment vehicle (“**the Fund**” or the “**AP Fund**”) that is exempt from registration under the Investment Company Act of 1940, as amended. The Fund’s securities are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and are privately placed to qualified investors. AP provides discretionary investment management services through an affiliated general partner of the Fund (the “**General Partner**”). The General Partner is under common control with AP. The General Partner operates as a single advisory business with AP and is deemed registered under the U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), in accordance with SEC guidance, pursuant to AP’s registration.

The primary focus of AP’s investment advisory activity is researching and advising on private equity investments, including direct or indirect growth-stage and buyout investments (potentially including through loans, other debt, equity, and/or other investments) related to portfolio companies organized primarily in the United States (with such investments generally referred to herein as “**portfolio companies**”).

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

AP provides investment advisory services to the AP Fund pursuant to a separate investment advisory agreement (an “**Advisory Agreement**”). Investment advice is provided by AP directly to the AP Fund, subject to the direction and control of the affiliated General Partner. AP provides investment advice and other services directly to the Fund (AP’s “**Client**”) and not individually to the investors of the Fund. The General Partner of the AP Fund may enter into side letter agreements with certain investors in the AP Fund (“**side letters**”), establishing rights under, or supplementing or altering the terms of, the Fund Agreement and subscription agreements relating to the AP Fund with respect to such investors, including by providing, among other things, different information rights, co-investment rights and other economic rights that may be material, reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, certain rights or terms necessary in light of particular legal, regulatory, or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, veto rights, and liquidity or transfer

rights.

Additionally, from time to time pursuant to the terms of the Fund Agreement of the AP Fund, AP may provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to other parties that may have a relationship with AP, such as limited partners, other private fund sponsors, corporates, or certain strategic advisors and single investor vehicles, as described in Item 11 below. Such co-investments may, in certain instances, involve investment and divestment of interests in the applicable portfolio company at the same time and on the same terms as the AP Fund.

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

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

As of June 2019, AP managed approximately \$90,000,000 of Client assets. All assets are managed on a discretionary basis.

Item 5. Fees and Compensation

AP's fees are described in the Fund Agreement. As compensation for investment advisory services rendered, AP receives from the AP Fund an annual management fee payable quarterly (in advance). Installments of the management fee payable for any period other than a full quarterly period are adjusted on a pro rata basis according to the actual number of days in such period. Upon termination of an Advisory Agreement, management fees that have been prepaid but have not been earned will generally be returned on a prorated basis. As described below, AP is permitted to reduce or waive the management fee in some circumstances in connection with the receipt by AP or its related persons of various fees paid by portfolio companies.

The AP Fund will also allocate a portion of its investment profits to the General Partner as a "carried interest," as discussed in Item 6 below.

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

- out-of-pocket expenses incurred in connection with the making, holding, sale, or proposed sale of any investment, including any expenses (including travel and entertainment) associated with proposed investments that are ultimately not made by the Fund;
- expenses of the Fund including legal, auditing, consulting and financing fees, insurance, and

expenses associated with the Fund's financial statements and tax returns, and other administrative expenses of the Fund; and

- litigation-related and indemnification expenses.

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

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

Certain expense reimbursements are payable to AP or its affiliates. The nature of these expense reimbursements is disclosed to investors in the Fund Agreement. Additionally, portfolio companies typically will reimburse the General Partner (or service providers retained at its discretion) for expenses (including, without limitation, expenses related to training programs, meetings and other events (to the extent that such programs, meetings, or events are attended by Portfolio Company personnel), certain entertainment expenses (to the extent that such expenses are attributable to Portfolio Company usage), travel expenses, and expenses relating to recruiting, relocation, and background checks for portfolio company positions) incurred by the General Partner (or such service providers) in connection with their performance of services for such Portfolio Company, but will offset any consulting fees (and other cash and non-cash compensation) incurred. These expense reimbursements are in addition to the investment advisory fees discussed above.

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

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

AP and its affiliates have the right to contract for and receive transaction fees, break-up fees,

directors' fees, and other fees from any portfolio company or person in connection with the activities of the AP Fund, provided that the management fee shall be reduced (but not below zero) for such persons' receipt of: (i) directors' fees or advisory fees; (ii) transaction fees; (iii) break-up fees; or (iv) any other similar fees ("***Related Services***"). For purposes of clarity, the management fee shall not be reduced for: (i) any amount received by AP or its affiliates from a portfolio company as reimbursement for expenses directly related to such portfolio company, (ii) certain shared services agreements between portfolio companies that charge the portfolio companies for the General Partner's costs but do not create profit for the General Partner or its affiliates, or (iii) payments to certain operating partners (e.g., from time to time, portfolio companies and the AP Fund pay certain fees to other consultants introduced or arranged by AP and/or its affiliates that provide services to one or more portfolio companies).

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

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

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

Item 7. Types of Clients

As described in Item 4 above, AP provides discretionary advisory services to the AP Fund, a privately offered pooled investment vehicle. The minimum capital commitment to invest in the AP Fund is typically \$1 million, but the General Partner reserves the right to reduce or waive this minimum.

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

AP focuses on a range of businesses, including early-stage and later-stage investments in staffing and business service companies in skill gap areas principally in the U.S.

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

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

As a component of the up to 20 percent of capital allocated to early-stage investments, it is expected that Achieve Partners will allocate monies to a seed stage pool whereby small investments are made into potentially disruptive businesses focused on higher education. Each investment will range between \$250k and \$2.0M and will generally be undertaken in collaboration with third party investors. The approval process is expedited within the investment committee and follows the below process:

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

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

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

- *No Assurance of Return:* There can be no assurance that the Fund's investment objectives will be achieved or that there will be any return of capital.
- *Investments in Early Stage Companies:* Up to 20 percent of Achieve Partners' investments may be in early-stage companies at the intersection of education and employment. While these investments offer the potential for significant appreciation, they also involve a high degree of risk, generally provide no collateral to protect the amount invested, and can result in substantial losses, including a total loss of investment. These portfolio companies will have little operating history at the time of investment and will operate at a loss or with substantial variations in operating results from period to period.

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

In addition to the foregoing, investing or acquiring portfolio companies outside the United States pose significant legal and business risks regarding such companies and their founders regarding lack of transparency, compliance with local laws, and inability to effectively enforce judgments in such foreign jurisdictions. In addition, certain foreign jurisdictions may impose regulatory restrictions that could impair the Fund's portfolio companies' ability to provide pathways to employment. Additionally, certain countries in which the Fund may invest have in the past, and may in the future, experience political and social instability that

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

- *Reliance on the Principals of the Fund Manager:* Achieve Partners is dependent on its Principals. The loss of any such individuals could have a material adverse effect on Achieve Partners' clients. Investors in the Achieve Partners' Fund will not be permitted to directly evaluate investment opportunities or relevant business, economic, financial, or other information used by the Fund in making investment decisions.
- *Cybersecurity:* Achieve Partners, the Fund, and the portfolio company may face cybersecurity threats to gain unauthorized access to sensitive information, including information regarding Achieve Partners' investment activities and the investors in the Fund, or to render data and systems unusable, which could result in significant losses. If such events were to materialize, they could (i) lead to loss of sensitive information or capabilities essential to Achieve Partners', the Fund's, and/or one or more portfolio company's operations; (ii) have a material adverse effect on their reputations, financial positions, results of operations, or cash flows; (iii) could lead to financial losses from remedial actions, loss of business, or potential liability; or (iv) lead to the disclosure of investors' personal information.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to AP's investment advisory business or the integrity of AP's management.

Item 10. Other Financial Industry Activities and Affiliations

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

- University Ventures Fund I, L.P.
- University Ventures Fund II, L.P.
- University Ventures Fund I BECO-INVESTMENT, L.P.
- University Ventures Fund I PB & AFFILIATES, L.P.
- University Ventures Fund I UTIMCO-INVESTMENT, L.P.
- AP CO-INVESTMENT, L.P.

- USA Funds-UV Co-Investment Fund, L.P.
- Eden-USA Funds eIntern Parallel Fund, L.P.
- ECMC-UV Co-Investment Fund, L.P.
- University Ventures Income Share Agreement Fund I, L.P.
- Zoma-UV Fund, L.P.

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

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

- American Pathway Fund, L.P.

The general partner for the above listed private fund is American Pathway Capital, LLC. American Pathway Capital Fund Management, LLC is a relying adviser of University Ventures Funds Management, LLC.

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

- Such related persons will pose competition for the time and attention of the Principals. There can be no assurance, for example, that the Principals will devote any minimum number of hours each week to the affairs of the AP Fund.
- Such related persons may be in competition for the best ideas of the Principals and related investment opportunities. In connection with its advisory activities on behalf of such related persons, the Principals may receive compensation which exceeds that which is received from the AP Fund. In such event, the Principals may have an incentive to favor such related persons. AP believes such conflicts related to the allocation of investment opportunities and the Principals' best ideas are alleviated (but not necessarily eliminated) by the fact that (1) the private funds advised by University Ventures Funds Management, LLC are outside of their investment period; and (2) while American Pathway Fund, L.P. can still make follow-on investments, such investments are currently expected to be smaller than targeted investments of the AP Fund. AP (i.e., the Principals) will act in a manner which it considers fair and reasonable in allocating investment opportunities among the AP Fund and such related persons; notwithstanding the foregoing.
- Because AP and the related persons are commonly controlled and currently share office space, there are litigation risks of such other firms or companies impacting the AP Fund and/or AP. To seek to help alleviate such risks, AP has separately registered under the Advisers Act and has taken certain measures to legally separate AP investment activities from such related persons, including, but not limited to, seeking to quarantine assets and liabilities of AP from such related persons (through legally separate management entities and bank accounts), not having AP owned by such related persons, and having the AP Fund managed only by entities utilizing the AP brand.

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

Code of Ethics

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

Participation or Interests in Client Transactions

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

Conflicts of Interest

In the ordinary course of conducting its activities, the interests of the AP Fund or its investors may conflict with AP or its affiliates. The potential conflicts of interest encountered by the AP Fund include those discussed below, although the discussion below does not describe all of the potential conflicts that will be faced by the AP Fund. Other conflicts are disclosed throughout this document, and the document should be read in its entirety for other conflicts.

Conflicts Relating to AP and the General Partner of the AP Fund

AP generally exercises its discretion to recommend to the AP Fund or to a portfolio company thereof that it contract for services with (i) AP or a related person of AP (which may include a portfolio company of such AP Fund), (ii) an entity with which AP or its affiliates or current or former members of their personnel has a relationship, or (iii) an entity from which AP or its affiliates or their personnel otherwise derives financial or other benefit. This subjects AP to conflicts of interest, because although AP selects service providers based on the best interest of the Fund that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant AP Fund, AP may have an incentive to recommend the related or other person because of its financial, familiarity, performance, or other business interest. AP may have incentives to engage affiliates to perform certain consulting services rather than engage independent service providers. AP attempts to address this conflict by seeking to agree upon fees that AP believes are appropriate. Further, as stated above, AP selects service providers based on the best interest of the Fund.

Allocation of Investment Opportunities

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

Any excess amount over that allocated to the Fund generally will be allocated to certain clients and other parties that may have a relationship with AP, such as limited partners, other private fund sponsors, corporates, and certain strategic advisors and single investor vehicles. Participation in co-investments is limited to persons with such knowledge and experience in financial and business matters necessary to make them capable of evaluating the merits and risks of the prospective investment. The AP Fund's General Partner will determine, in its sole discretion, whether a limited partner and/or other person is eligible to participate in any co-investment opportunity and may consider some or all of a wide range of factors, which may include: whether a potential co-investor has the financial resources to provide the requisite capital in a timely fashion; the sophistication and experience of the potential co-investor and its ability to promptly respond to and complete a co-invest opportunity; the ability of the potential co-investor to make meaningful contributions to the transaction; the overall strategic benefit to the portfolio company of offering a co-investment opportunity to the potential co-investor; the expertise of the potential co-investor with respect to the geographic location or business activities or industry of the prospective target company; the investment objectives of the potential co-investor; the legal or regulatory constraints (including tax constraints) that the proposed investment is expected to raise; and the reporting, public relations, competitive, confidentiality or other issues that also arise as a result of the co-investment. These co-investment or syndication activities may present conflicts of interest in determining how much of certain investment opportunities will be offered to the AP Fund.

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

acknowledgements if there is a co-investment opportunity.

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

Conflicts Relating to Purchases and Sales of Investments

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

Fund Level Borrowing

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

Although borrowing by the Fund has the potential to enhance overall returns that exceed the Fund's cost of funds, any such borrowings will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund's cost of borrowings. In addition, borrowings by the Fund are secured by capital commitments made by Fund investors to the Fund as well as by the

Fund's assets and the documentation relating to such borrowings provides that during the continuance of a default under such borrowings, the interests of the investors may be subordinated to such Fund-level borrowing.

Business with Portfolio Companies and Investors

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

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

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

Positions with Portfolio Companies

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

Other Conflicts of Interest

From time to time, AP will consult with or co-invest with other parties in the private equity investment industry. While AP believes that such relationships will result in enhanced investment opportunities for the AP Fund, it is possible that certain opportunities will not be available to the

AP Fund as a result of such relationships or, if available, such parties' interests or its obligations to their clients may diverge from the AP Fund's interests. In addition, such parties may possess inside information concerning specific companies that could limit the AP Fund's ability to buy or sell securities issued by such companies.

The AP Fund may have tax-exempt, taxable, foreign and other investors, whereas members of the General Partner of the AP Fund are taxable at individual U.S. rates. Conflicts may exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations. AP will address all such conflicts using its best judgment in accordance with the Fund Agreement.

AP and the Fund will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Fund may also represent one or more portfolio companies. In the event of a significant dispute or divergence of interest between the Fund, AP and/or its affiliates, the parties may engage separate counsel in the sole discretion of AP and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, AP and the Fund and the portfolio companies of the Fund will, from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to AP, the Fund, and/or the portfolio companies.

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

Item 12. Brokerage Practices

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

For each review, the employee who retained the vendor and at least one other investment

professional certify that:

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

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

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

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

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

Item 13. Review of Accounts

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

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

Item 14. Client Referrals and Other Compensation

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

Achieve Partners and its affiliates may receive transaction fees, financial advisory fees, monitoring fees, break-up fees, and other fees with the Fund and its portfolio companies. Any such fees offset

the Company's management fees, as described in the Fund Agreement.

Item 15. Custody

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

Item 16. Investment Discretion

Achieve Partners serves as the investment adviser with discretionary authority to implement investment decisions for the AP Fund. Achieve Partners' investment decisions and advice with respect to the Fund are subject to investment advisory agreements between Achieve Partners and the Fund, the Fund Agreement, and any side letters that it executes with investors.

Item 17. Voting Client Securities

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

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

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

Item 18. Financial Information

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about the Adviser's financial condition. The Adviser has no financial commitments that impair its ability to meet its contractual or fiduciary commitments to the Fund. The Adviser has not been the subject of a bankruptcy proceeding.