

# ALTPPOINT CAPITAL PARTNERS LLC

## Form ADV Part 2A

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March 29, 2019

This brochure provides information about the qualifications and business practices of Altpoint Capital Partners LLC ("Altpoint"), an investment adviser registered with the United States Securities and Exchange Commission (the "SEC"). Registration with the SEC does not imply that Altpoint or its principals or employees possess a certain level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Please contact Altpoint if you have any questions about the contents of this brochure.

Additional information about Altpoint is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Altpoint Capital Partners LLC  
600 Steamboat Road  
Greenwich, CT 06830  
Phone: +1 (203) 769-7800  
[altpointcapital.com](http://altpointcapital.com)

Email: [compliance@altpointcapital.com](mailto:compliance@altpointcapital.com)

**Item 2: Material Changes**

Material changes since the most recently filed brochure dated March 30, 2018 include:

- In Item 4, Altpoint's regulatory AUM has been updated for its most recent fiscal year end.
- In Item 8, risk disclosure has been added relating to cybersecurity.
- In Item 11, disclosure has been revised to reflect Altpoint's current code of ethics.
- Item 15 has been revised to make clear that it is inapplicable to Altpoint.
- In Item 17, disclosure has been added regarding Altpoint's Class Action Policy.

This brochure also reflects a number of stylistic revisions which are not material in nature.

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**Item 4: Advisory Business**

Altpoint, a Delaware limited liability company, was founded in 2006 and is principally owned and controlled by Gerald T. Banks.

Altpoint provides discretionary investment advisory services to pooled investment vehicles (each a “Fund” and collectively the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “Company Act”), and the securities of which are not registered under the Securities Act of 1933, as amended (the “Securities Act”). As the investment adviser to the Funds, Altpoint identifies opportunities for acquisition and disposition of Fund investments. Altpoint’s investment advice is provided directly to the Funds, subject to the discretion and control of the general partner of the applicable Fund, and not individually to investors in the Funds.

Altpoint manages each Fund consistent with the stated investment strategy of such Fund as described in such Fund’s offering documents. The Funds’ investment strategies are described more specifically in Item 8. Services are provided by Altpoint to each Fund in accordance with the investment management agreement with the applicable Fund and/or the governing documents of the applicable Fund. Altpoint does not provide specifically tailored investment advice to Fund investors, and investors may not impose investment restrictions on the Funds. Investment restrictions for the Funds, if any, are established in the governing documents and/or offering documents of the applicable Fund.

As of December 31, 2018, Altpoint had approximately \$287.6 million of regulatory assets under management, all of which are managed on a discretionary basis. Altpoint does not manage assets on a non-discretionary basis.

**Item 5: Fees and Compensation****Compensation**

Altpoint typically charges a management fee, and an affiliate of Altpoint typically is entitled to a performance allocation, in each case as described in the governing documents and/or investment management agreement of the applicable Fund. The fees and other compensation payable to Altpoint and its affiliates by a Fund may vary among Funds and may vary among investors in the same Fund. Funds (feeder funds) that invest all of their investable assets in other Funds (master funds) bear their share of master fund management fees but are not charged stacked fees. In certain circumstances, the fees and other compensation payable to Altpoint and its affiliates may be negotiated and set forth in subscription documentation in respect of a particular Fund investor and/or waived in whole or in part. Altpoint generally intends to waive the management fee and performance allocation for investments by Altpoint, its affiliates, and its principals and employees, including estate planning vehicles of such persons and certain other persons or entities associated with such persons. Investors should review the governing documents and offering documents of the applicable Fund in conjunction with this brochure for complete information on the fees and compensation payable with respect to such Fund. All Fund investors are “qualified purchasers” as defined in section 2(a)(51) of the Company Act; accordingly, no specific fee information is disclosed in this brochure.

**Deduction of Fees; Timing of Payments; Termination**

Altpoint is authorized under the governing documents and investment management agreements of the Funds to charge and deduct management fees and performance allocations from the assets of the Funds for its services. The Funds typically pay management fees in advance. If the investment management agreement is terminated before the end of the billing period, Altpoint refunds a pro rata portion of the pre-paid management fee to the applicable Fund’s account.

**Other Expenses**

In addition to the management fees and performance allocations disclosed above, each Fund investor also bears its allocable share of such Fund’s (i) out-of-pocket fees and expenses, if any, incurred in connection with consummated portfolio investments, unconsummated investments, and indebtedness (including interest thereon), including the evaluation, acquisition, holding, and disposition thereof, each to the extent that such fees and expenses are not reimbursed by a portfolio company or other third party (including among other things, any engineering, environmental, third-party payment processing, travel (including meals, entertainment and lodging), legal and accounting expenses and other fees and out-of-pocket costs related thereto); (ii) legal, insurance, custodial, and accounting expenses, including expenses associated with the preparation of such Fund’s financial statements, tax returns and U.S. Internal Revenue Service Schedule K-1s; (iii) auditing and banking expenses; (iv) appraisal and valuation expenses; (v) costs and expenses that are classified as extraordinary expenses under generally accepted accounting principles; (vi) taxes and other governmental charges, fees and duties payable by such Fund; (vii) all litigation-related and indemnification expenses; (viii) costs of reporting to such Fund’s investors; and (ix) costs of winding up and liquidating such Fund. Travel expenses associated with the acquisition, holding, and disposition of investments may include, on occasion, the use of non-commercial planes on a time-share basis; in such cases, the allocable cost of such time-sharing arrangements will be charged to the relevant Funds. Each Fund also bears all legal, accounting, filing, and other organizational and offering fees and expenses incurred in its formation; provided that, to the extent that these fees and expenses

exceed the threshold set forth in the relevant organizational documents, such excess will be borne by Altpoint. Certain Funds may also be subject to other expenses as set forth in their applicable governing or operating documents.

Any expenses that are properly borne by a Fund but that are paid initially by Altpoint will generally be reimbursed by the applicable Fund.

Please refer to Item 12 for additional information regarding Altpoint's brokerage practices.

Altpoint and its supervised persons do not accept compensation or commissions for the sale of securities or other investment products.

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

As disclosed in Item 5, an affiliate of Altpoint typically is entitled to a performance allocation from the Funds that is based on the net performance of the Funds (for certain Funds, in excess of a stated rate of return). Funds (feeder funds) that invest all of their investable assets in other Funds (master funds) bear their share of master fund performance allocations but are not charged stacked allocations. All performance allocation arrangements are structured in accordance with Section 205(a)(1) and Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The performance allocation, which is a form of incentive fee arrangement, may create an incentive for Altpoint to make investments for the Funds that are riskier or more speculative than would be the case if the performance allocation were not in effect. Altpoint undertakes to act in a fair and equitable manner with respect to all Funds and to identify and mitigate or resolve actual and potential conflicts of interest in a timely manner. Altpoint does not currently manage Funds that are not subject to a performance allocation.

**Item 7: Types of Clients**

Altpoint currently provides investment advisory services only to the Funds. Investment advice is provided directly to the Funds, subject to the discretion and control of the general partner of the applicable Fund, and not individually to the investors in the Funds. It is possible that Altpoint will provide advisory services to other categories of clients in the future.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Company Act and the Securities Act. Investors in the Funds may include high net worth or ultra-high net worth individuals, single- or multiple-family offices, trusts, estates, corporations, limited partnerships, limited liability companies, other institutional investors, sovereign wealth funds, charitable organizations, pension plans, foundations, endowments, and other domestic and foreign entities. Altpoint also permits certain qualified principals and/or employees to invest in the Funds. The Funds typically impose a minimum initial investment requirement which may be waived at the discretion of the general partner of the applicable Fund.

This brochure is not (i) an offer or agreement to provide investment advisory services to any person; (ii) an offer to sell interests (or a solicitation of an offer to purchase interests) in any Fund; or (iii) a complete discussion of the investment strategies, risks, conflicts, or features of any Fund managed by Altpoint.

As required by the Advisers Act, Altpoint provides this brochure to each Fund and may also, in its sole discretion, provide this brochure to current or prospective investors in a Fund, together with applicable offering documentation, prior to or in connection with an investment in a Fund. The delivery of this brochure to an investor or prospective investor in a Fund is not an acknowledgement that the investor or prospective investor is a client of Altpoint or any of its affiliates under the Advisers Act.

This brochure is publicly available through the SEC's Investment Adviser Public Disclosure website. Persons who receive this brochure, whether from the Adviser or otherwise, should note that this brochure is designed solely to provide information about Altpoint as required to satisfy certain disclosure obligations under the Advisers Act. Accordingly, the information contained in this brochure differs from information provided in Fund offering documents. More complete information about the Funds is provided in such Funds' offering documents, which are provided only to current and certain eligible prospective investors in the Funds. Although unintended, should there be any conflict between the disclosures in this brochure and the information set forth in a Fund's offering documents, the offering documents will govern and control.



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

Altpoint is generally authorized to engage in any phase of investing and trading in securities and other financial instruments and in any financing activities it determines to be appropriate for the Funds pursuant to the terms of the partnership agreements or other governing documents of the Funds (collectively, the “Partnership Agreement”). Altpoint (i) identifies potential investment opportunities consistent with the investment objectives of the Funds, (ii) performs extensive due diligence with respect to such investment opportunities, and (iii) provides investment advice on the purchase and sale of the equity interests of privately held companies, the securities of publicly traded companies, and other financial instruments.

An experienced team of investment professionals utilizes an investment approach that allows the Funds to participate in a wide variety of transactions, including: (i) taking public companies private; (ii) positioning private companies to go public; (iii) providing growth capital to private companies; (iv) funding acquisitions or expansions into new markets; (v) restructuring the balance sheets of both private and public companies; and (vi) establishing a platform with an experienced operating team through which additional acquisitions may be made.

Altpoint generally endeavors to: (i) target economic sectors with attractive secular growth and return dynamics; (ii) identify and partner with highly experienced managers and structure transactions so as to properly incentivize the management team; (iii) develop an investment thesis within each sector; (iv) follow a disciplined investment process to identify investment opportunities with intrinsic un-levered return potential; (v) provide the growth or “solution” capital necessary to grow portfolio companies organically and/or through acquisition; (vi) when possible, create additional value through active participation on the boards of directors and by providing the support to implement business plans and assisting in the execution of growth plans, acquisition strategies, and capital market financings; and (vii) actively monitor its investments and constantly ascertain and evaluate potential exit strategies.

With respect to a prospective portfolio company, Altpoint’s due diligence efforts and financial analysis include: (i) an evaluation of the company in light of Altpoint’s investment thesis in the sector; (ii) an assessment of the core industry capability and relevant experience of the management team; (iii) an analysis of the company’s market presence, including its position in the market, customer loyalty, cost structure, and demand relative to its competitors and general market dynamics within its industry; (iv) an analysis of the company’s operating history and a forecast of the company’s short- and long-term prospects; and (v) an evaluation of the proposed transaction’s structure to ensure the flexibility to grow the business.

While Altpoint generally follows the analytical methodologies and investment strategies discussed above, these methodologies and strategies are not intended to represent an exclusive list but to provide examples. Not all of these methodologies or strategies may be utilized at the same time or in the same proportions, and Altpoint may modify and/or implement additional strategies as appropriate for different investments or in response to changing market conditions.

The Funds’ investment strategies involve a high degree of risk. An investment in the Funds is appropriate only for sophisticated or professional investors who can afford the risks associated with such investment strategies. Fund investors should have enough knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of such an investment. Altpoint does not make

any guarantee or representation that the Funds' investment strategies will be successful, that the Funds' investment objective will be achieved, that the targeted return and risk will be achieved or maintained, or that Fund investments will ultimately have low correlation with broader financial markets.

The risk of loss in investing in the Funds' investment strategies can be substantial, including the potential loss of the entire amount invested by an investor in a Fund. Prospective Fund investors should carefully consider whether an investment in a Fund is suitable for them in light of their financial condition and circumstances. Before investing in a Fund, prospective investors should be aware of the risks associated with an investment in the Funds, which include, but are not limited to, the risk factors discussed below.

The discussion of investment risks below is qualified in its entirety by the risk disclosures contained in the Funds' offering documents.

## **Risks**

### Nature of Investment.

An investment in the Funds requires a long-term commitment, with no certainty of return. There may be little or no near-term cash flow available to investors. Many of the Funds' investments will be highly illiquid, and there can be no assurance that the Funds will be able to realize on such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the investors. Additionally, the Funds typically will acquire securities that cannot be sold except pursuant to a registration statement filed under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or in a private placement or other transaction exempt from registration under the Securities Act. The securities in which the Funds will invest generally will be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. Certain of the Funds' investments may be in businesses with little or no operating history. Certain of the Funds' investments may be in businesses with high levels of debt or may be investments in leveraged buyouts; leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. Because the Funds may only make a limited number of investments, and because the Funds' investments generally will involve a high degree of risk, poor performance by a few of the investments could significantly and adversely affect the total returns to investors. The performance of portfolio investments of other funds sponsored by Altpoint is not necessarily indicative of the results that will be achieved by any of the Funds.

A certain percentage of the capital commitments to the Funds may be invested in businesses operating and/or organized outside of the United States. Such investments will involve risks not typically associated with investments in the securities of U.S. companies. For instance, investments in non-U.S. businesses (i) may require significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations, (ii) may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the United States, and (iii) will expose the Funds to potential losses arising from changes in foreign currency exchange rates. The foregoing factors may increase transaction costs and adversely affect the value of the Funds' investments in non-U.S. portfolio companies.

### Restrictions on Transfer and Withdrawal.

Interests in the Funds have not been registered under the Securities Act or any other applicable securities laws. There is no public market for such interests and none is expected to develop. In addition, such

interests are not transferable except with the consent of the general partner of the applicable Fund, which generally may be withheld by the general partner in its sole discretion, and are subject to the terms and conditions of the Partnership Agreement. Investors generally may not withdraw capital from the Funds. Consequently, an investor in a Fund may not be able to liquidate its investment prior to the end of the Fund's term.

#### Competitive Nature of the Altpoint Funds' Business.

The business of the Funds is highly competitive. Altpoint competes for investment against other groups, including direct investment firms, merchant banks, and industrial groups, and Altpoint may be unable to identify a sufficient number of attractive investment opportunities for the Funds to meet their respective investment objectives. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the board of directors or owners of an acquisition target, consummating the transaction is subject to myriad uncertainties, only some of which are foreseeable or within the control of Altpoint or the general partner.

#### Dependence on Key Personnel.

The success of the Funds depends in substantial part on the skill and expertise of the senior managers and other employees of Altpoint. There can be no assurance that the senior managers or other employees of Altpoint will continue to be employed by Altpoint throughout the life of the Funds. The loss of key personnel could have a material adverse effect on the Funds.

#### Risks Upon Disposition of Investments.

In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. The Funds may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate, or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by investors. The Partnership Agreement generally contains provisions to the effect that if there is any such claim in respect of a portfolio company, it will be funded by the investors to the extent that they have received distributions from the Funds, subject to certain limitations.

#### Performance Allocations.

The fact that the General Partner's compensation is based on the performance of the Funds may create an incentive for the General Partner to cause the Funds to make investments that are more speculative than would be the case in the absence of performance-based compensation.

#### General Economic Conditions.

General economic conditions may affect the Funds' activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Funds or considered for prospective investment.

#### Potential Conflicts of Interest.

In the ordinary course of its business, Altpoint or its affiliates may engage in activities in which their interests may conflict with or be adverse to the interests of the Funds.

Altpoint has long term relationships with a significant number of portfolio companies and their respective senior management. Altpoint also has long-term relationships with certain investors in the Funds. The existence and development of these relationships may influence whether Altpoint undertakes a particular investment on behalf of the Funds and, if so, the form and level of such investment. Similarly, Altpoint may take the existence and development of such relationships into consideration in its management of the Funds and their portfolio investments. Without limiting the generality of the foregoing, there may, for example, be certain strategies involving the management or realization of particular portfolio investments that Altpoint will not employ on behalf of the Funds in light of these relationships.

On any issue involving actual conflicts of interest, the general partner of the applicable Fund and Altpoint will be guided by their good faith judgment as to the Fund's best interests. In the event that any matter arises that the applicable general partner or Altpoint determines in its good faith judgment to constitute an actual conflict of interest between the Funds and the general partner or its affiliates, the general partner may take such actions as may be necessary or appropriate to mitigate the conflict.

#### Certain Regulatory Considerations.

The Funds expect to make investments in a number of different industries, some of which are or may become subject to regulation by one or more United States federal agencies and by various agencies of the states, localities, and counties in which they operate. New and existing regulations, changing regulatory schemes, and the burdens of regulatory compliance all may have a material negative affect on the performance of portfolio companies that operate in these industries.

#### Communications and Media Regulatory Considerations.

Certain communications and media companies are subject to extensive U.S. federal, state, and local regulatory requirements. Certain regulations that are intended to limit the concentration of ownership and control of communications and media companies may prevent the Funds from making certain investments that it would otherwise make. Other regulations may cause the Funds to incur substantial additional costs or lengthy delays in connection with the completion or disposition of an investment.

#### Investments in Troubled and Leveraged Companies.

The Funds may invest in securities of financially troubled companies and securities of highly leveraged companies. While these investments are likely to be particularly risky, they also may offer the potential for correspondingly high returns. Under certain circumstances, payments to the Funds and distributions by the Funds to their investors may be reclaimed if any such payment is later determined to have been a preferential payment.

#### Middle Market Companies.

Investments in middle market companies such as those in which the Funds invest may entail more significant risks than are customarily associated with investments in large companies. Medium-sized companies may have more limited product lines, markets, and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small- and medium-sized companies, could make it difficult for the Funds to react quickly to negative economic or political developments.

#### Risk Inherent in Venture Capital Investment.

Venture investments involve a high degree of risk. In general, financial and operating risks confronting portfolio companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Funds will be adequately compensated for risks taken in venture investments. A loss of an investor's entire investment is possible. In addition, the markets that such companies target are highly competitive and in many cases the competition consists of larger companies with access to greater resources. The timing of profit realization is highly uncertain. Losses are likely to occur early in the terms of Funds focusing on venture investments, while successes often require a long maturation.

Early-stage and development-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing, and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small.

Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management.

#### Minority Investments.

Venture investments will generally represent minority stakes in privately held companies. As is the case with minority holdings in general, such minority stakes will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Minority investments may provide no right to appoint a director or otherwise exert significant influence. In such cases, the Funds will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds.

#### No Assurance of Additional Capital for Investments.

After a Fund has financed a venture-stage company, continued development and marketing of products may require that additional financing be provided. The Funds expect to invest in companies that have substantial capital needs that are typically funded over several stages of investment. No assurance can be made that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained. Alternatively, the Funds, either directly or through one of their portfolio companies, may elect to sell developed or undeveloped technologies to existing companies. No assurance can be made that buyers for such technologies can be located or that the terms of any such sales will be advantageous.

#### Reliance on Development Program.

The success of incubator vehicles depends in large part on the success of their development program. There is no guarantee that such development program will generate sufficient interest from prospective companies or that any initial interest will not erode over time. Applications to the development program may decline or the quality of the applicants and companies that are accepted may decline. The loss of or decline in popularity of the development platform would likely have a significant adverse effect on the

business of the incubator vehicles. In addition, the marketplace for early stage start-up development platforms has become increasingly competitive with other platforms gaining traction and prestige. There can be no assurances that Altpoint's development program will locate an adequate number of attractive investment opportunities. To the extent that the development program encounters competition for prospective companies, returns to the applicable Funds may vary. The development program may also decline applications from companies that ultimately become successful. Finally, the startup valuations used by the development program may not accurately reflect the valuation of those companies. The ultimate success of the incubator vehicles will hinge on the ability of the development program to attract the highest quality investment candidates and invest in those companies at the right valuations.

#### Follow-On Investments.

The Funds may be called upon to provide follow-on funding for its portfolio companies or have the opportunity to increase their investment in such portfolio companies. There can be no assurance that the Funds will wish to make follow-on investments or that they will have sufficient funds to do so. Any decision by the Funds not to make follow-on investments or their inability to make them may have a substantial negative affect on a portfolio company in need of such an investment or may diminish the Funds' ability to influence the portfolio company's future development.

#### Liability of Investors.

The Funds have generally been organized as either limited partnerships or limited liability companies. Investors will not be personally liable for the debts of the Funds except as provided in the partnership agreement or relevant governing document of the Fund and except that, in the event that the Funds are otherwise unable to meet their obligations, each investor may be obligated to repay amounts previously received by such investor to the extent that such amounts are deemed to have been wrongfully distributed to such investor.

#### Phantom Income.

There can be no assurance that the Funds will have sufficient cash flow to permit it to make distributions to their investors in the amount necessary to enable them to pay all tax liabilities resulting from their ownership of Interests.

#### Reliance on Management of Portfolio Companies.

While it is the intent of the Funds to invest in companies alongside proven operating management, there can be no assurance that such management will continue to operate successfully. Although Altpoint will monitor the performance of each investment, the Funds will rely upon management to operate the portfolio companies on a day-to-day basis.

#### Distributions in Kind.

Although, under normal circumstances, the Funds intend to make distributions in cash, it is possible that under certain circumstances (including the liquidation of the Funds), 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.

#### Limited Due Diligence.

Pursuant to their investment strategies, the Funds may acquire stakes in target companies without direct discussions with the management of such companies. Therefore, the due diligence information on which the Funds rely may be difficult to obtain, limited in scope, or inaccurate.



#### Debt Investments.

The Funds intend primarily to make equity investments, but may also make debt investments. Any such debt investments may be unsecured and may be structurally or contractually subordinated to substantial amounts of indebtedness, all or a significant portion of which may be secured. Such debt investments may not be protected by financial covenants or limitations upon additional indebtedness or the provision of collateral to other indebtedness, and there may be no minimum credit rating (or any credit rating) for such debt investments. In addition, recently there have been a number of efforts by issuers to effect exchange offers for some of their unsecured or subordinated debt that have the effect of improving the position of the holders of that debt in the issuer's capital structure to the detriment of other debtholders. If an issuer of any of the Funds' debt investments were successful in pursuing such an exchange offer, it is possible that the Funds' investment may become subordinated to, or on parity with, the new debt obligations incurred in such exchange, which may adversely affect the market price of such investment. Other factors may materially and adversely affect the market price and yield of such debt investments, including, without limitation, investor demand, changes in the financial condition of portfolio companies, government fiscal policy, and domestic or worldwide economic conditions. The market for relatively illiquid debt tends to be more volatile than the market for more liquid instruments.

Adverse changes in the financial condition of an issuer or in general economic conditions may impair the ability of such issuer to make payments on its debt and result in defaults on, and declines in, the value of its subordinated debt more quickly than in the case of the senior debt obligations of such issuer. The Funds may incur expenses if they are required to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, a defaulted or non-performing debt investment may be the subject of substantial and lengthy workout or restructuring negotiations. Such negotiations may result in a reduction of principal, delay in the payment of principal, change of interest rate and/or other substantial changes in terms that may affect the value of such investment and the cash flows from such portfolio company. If an issuer were to file for protection under chapter 11 of the U.S. Bankruptcy Code (the "Bankruptcy Code"), the Bankruptcy Code authorizes the issuer to restructure the terms of repayment of a class of debt even if the class fails to accept the restructuring as long as the restructured terms are "fair and equitable" to the class and certain other conditions are met. The ability of the Funds to influence such negotiations may be limited. If the Funds do not provide a majority (or, in certain cases, a greater proportion) of such financing, they may not be able to control the restructuring of such debt or direct the exercise of remedies upon the occurrence of an event of default under such debt. The Funds' remedies with respect to the collateral securing such loan will be subject to the decisions made by other lenders to the portfolio company. Even when the Funds have effective control over the portfolio company, relevant jurisdictions may refuse to enforce certain remedies sought by the Funds. The level of risk associated with investments in loans increases to the extent such investments are loans of distressed or below-investment-grade companies.

There can be no assurance that a portfolio company will generate sufficient cash to service its debt obligations, and, in any such case, the Funds may suffer a partial or total loss of invested capital. The Funds' investments may be subject to early redemption features, refinancing options, prepayment options, or similar provisions that, in each case, could result in the issuer repaying the principal on an obligation held by the Funds earlier than expected. This may happen, for example, when there is a decline in interest rates. In addition, depending on fluctuations of the equity markets, warrants, and other equity securities held by the Funds may become worthless. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of investment transactions or payment in connection with such transactions as fraudulent conveyances or preferential payments under relevant creditors' rights laws or the subordination of claims under so-called "equitable subordination" common law principles, (ii) so-

called “lender liability” claims by the issuer of the obligations, and (iii) environmental liabilities that may arise with respect to collateral securing the obligations.

Investments in debt instruments will entail normal credit risks (*e.g.*, the risk of non-payment of interest and principal) and market risks (*e.g.*, the risk that certain market factors will cause the value of the instrument to decline). A debt obligation that is fully bearing payment-in-kind (PIK) interest will generally have a higher risk of non-payment of interest since there will be no cash payments of interest from the borrower prior to maturity or refinancing. Debt instruments may be subject to fluctuations due to changes in interest rates and issuers’ credit quality. Also, a default on debt that is held by the Funds or a sudden and extreme increase in prevailing interest rates may cause a decline in the Funds’ asset value. Certain of the Funds’ investments may be in businesses with high levels of debt or may be investments in leveraged buyouts; leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available cash flow. Investments in leveraged businesses are inherently more sensitive to declines in their revenues and to increases in their expenses.

#### Risks Associated with Non-U.S. Investments.

The Funds may make investments outside of the United States, in which case the certain additional risks may apply. Such additional risks may include, but are not limited to, the following:

*Political and Legal Risks.* Investments may be subject to changing political environments, regulatory restrictions, and changes in government institutions and policies, any of which could adversely affect private investments. The Funds do not intend to obtain political risk insurance. Political and economic instability in any of the countries in which the Funds may invest could adversely affect the Funds’ investments. Economic reforms enacted that lead to more open markets and encourage foreign investment may be curtailed or stalled by political opposition. Political opposition could lead to restrictions on foreign direct investment, including limitations on investment returns, and such restrictions would have an adverse effect on the Funds’ investments. Laws and regulations in certain jurisdictions, particularly those relating to foreign investment and taxation, may be subject to change or evolving interpretation.

*Economic Risks.* Changes in policy with regard to taxation, fiscal and monetary policies, repatriation of profits, and other economic regulations are possible, any of which could have an adverse effect on private investments. The economies of the countries in which the Funds may invest may differ unfavorably from the U.S. economy with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments.

*Foreign Currency and Exchange Risks.* If the Funds directly or indirectly hold assets in local currencies in countries outside the United States, the Funds will be exposed to a degree of currency risk that may adversely affect performance. Changes in foreign currency exchange rates may affect the value of securities in the Funds’ portfolios. In addition, the Funds will incur costs in connection with conversions between various currencies. The Funds will conduct its foreign currency exchange transactions in anticipation of funding investment commitments or receiving proceeds upon dispositions, but ordinarily will not attempt to hedge currency risks over the long term.

In order to hedge against adverse stock market shifts, the Funds may purchase put and call options on stocks, write covered call options on stocks, and enter into stock index futures contracts and related options. There can be no guarantee that instruments suitable for hedging market shifts will be available at the time when the Funds wish to use them.



Repatriation of investment income, capital, and the proceeds from sales of securities by foreign investors such as the Funds may require governmental registration and approval in some countries. The Funds could be adversely affected by delays in or a refusal to grant required governmental registration or approval for any such proposed repatriation.

*Accounting Standards.* Investments may be made in countries where generally accepted accounting standards and practices differ significantly from those practiced in the United States. The evaluation of potential investments and the ability to perform due diligence may be affected. The financial information appearing on the financial statements of a company operating in one or more countries outside the United States may not reflect its financial position or results of operations in the way that they would be reflected if the financial statements had been prepared in accordance with U.S. generally accepted accounting principles.

*Tax Risks.* The Funds and/or the investors could become subject to additional or unforeseen taxation in jurisdictions in which the Funds may operate and invest. Changes to taxation treaties (or their interpretation) between the United States and the countries in which the Funds may invest may adversely affect the Funds' ability to efficiently realize income or capital gains.

*Local Intermediary Risks.* Certain of the Funds' transactions may be undertaken through local brokers, banks, or other organizations outside the United States, and the Funds will be subject to the risk of default, insolvency or fraud of such organizations. There can be no assurance that any money advanced to such organizations will be repaid or that the Funds would have any recourse in the event of default. The collection, transfer, and deposit of bearer securities and cash expose the Funds to a variety of risks including theft, loss, and destruction. The Funds will also be dependent upon the general soundness of the banking systems of the countries in which it invests.

*Restrictions on Repatriation of Capital and Profits.* The countries in which the Funds may invest may control, in varying degrees, the repatriation of capital and profits that results from foreign investment. Capital markets, often opaque, continue to be highly regulated and will likely be subject to continuing government restrictions. There can be no assurance that the Funds will be permitted to repatriate capital or profits, if any, over the life of its activities.

*Clearance, Settlement, and Custody Risks.* From time to time, certain securities markets have experienced operational clearance, settlement, and custody problems that have resulted in failed trades. To the extent that such problems recur, the Funds could miss attractive investment opportunities if they were unable to consummate securities purchases or, in the event that a Fund was a seller in a trade situation, the market price of the security that was the subject of the failed trade could decline after the time that the trade was entered into and, if such Fund had entered into a contract with the purchaser of the security, such Fund would have the liability to that purchaser.

#### Cybersecurity.

Information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Altpoint has adopted measures to manage risks relating to such events, but if such systems are compromised, become inoperable for extended periods of time, or cease to function properly, Altpoint may have to make a significant investment to fix

or replace them, which expense may be borne in whole or in part by the Funds. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Altpoint's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to Fund investors. Such interruptions could harm Altpoint's reputation and/or the reputation of the Funds and could subject Altpoint and/or the Funds to legal claims.

Other Risks.

There can be no assurance that the risks highlighted above reflect a complete list of risks relating to the Funds' investment strategies or that there are not other risks that may exist now or may arise in the future.

**Item 9: Disciplinary Information**

There are no legal or disciplinary events related to Altpoint that are material to a client's or prospective client's evaluation of Altpoint's advisory business or the integrity of its management.

**Item 10: Other Financial Industry Activities and Affiliations**

Neither Altpoint nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker-dealer, or as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of any of the foregoing entities.

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

Altpoint has adopted a code of ethics (the “Code”) that prohibits employees and certain other persons covered by the Code (for purposes of this Item 11 only, “employees”) from engaging in any investment transaction under circumstances in which the employee would benefit from or interfere with or otherwise disadvantage the acquisition or disposition of investments for any Fund. The Code recognizes that Altpoint is a fiduciary to the Funds and therefore has a duty to place the interests of the Funds above the interests of Altpoint and its employees. This fiduciary duty generally includes an obligation to address and to mitigate or resolve actual and potential conflicts of interest. Among other things, the Code requires all employees to comply with applicable U.S. federal securities laws.

The Code contains policies regarding personal trading in brokerage or securities accounts in which an employee, or certain members of such employee’s immediate family, has any direct or indirect beneficial ownership. Generally, employees are required to seek advance clearance of any proposed purchase or sale of a covered security (which term excludes certain securities such as mutual fund shares and certain exchange-traded funds) so that such trade requests may be reviewed for conflicts. While employees may hold investments that are the same as, similar to, or in a different class or type than, investments held by a Fund, employees may not use information concerning the investments, anticipated investments, or investment strategies of Altpoint on behalf of any Fund, or their ability to influence such investments or investment strategies, in any way detrimental to the interests of a Fund. The Code also requires employees to disclose certain personal investment holdings upon employment and annually thereafter, and to report certain personal investment transactions at least quarterly.

Altpoint’s Chief Compliance Officer (the “CCO”) has principal responsibility for the day-to-day administration of the Code. Employees are required to promptly report any violation of the Code to the CCO.

The foregoing summary of the Code is qualified in its entirety by Altpoint’s Code of Ethics, which is available to any Fund investor or eligible potential Fund investor upon request.

**Conflicts of Interest**

Certain material actual and potential conflicts of interest that may be applicable to a Fund are described below, but this description is not exhaustive. Other actual and potential conflicts of interest may be described elsewhere in this brochure and/or in the offering documents of each Fund, and Fund investors and eligible potential Fund investors are encouraged to read these materials in their entirety. Altpoint has adopted policies and procedures to identify and to mitigate or resolve actual and potential conflicts of interest, including those described below.

Altpoint’s employees may engage in transactions or make investments for their own accounts which differ from or are identical to the transactions engaged in or investments made by Altpoint for a Fund. Altpoint employees also may trade in securities for their own accounts, subject to applicable restrictions and reporting requirements. The Funds’ organizational documents do not prohibit Altpoint or its employees from buying or selling securities, commodity interests, or other investments for their own account. Altpoint maintains compliance policies and procedures, including personal trading policies, which are

designed to mitigate potential conflicts of interest associated with such trading activities (for example, see “Code of Ethics” above in this Item 11).

It is possible that an Altpoint employee may engage in a principal transaction with a Fund. Any such principal transaction will be effected on an arms-length basis in accordance with Section 206(3) of the Advisers Act, any applicable SEC interpretation thereof, and any other applicable laws.

Some Funds are part of a master-feeder structure. Accordingly, Altpoint generally advises feeder funds to invest all of their investable assets in the master fund. The use of a master-feeder structure may create a conflict of interest in that different tax or other legal considerations for different feeder funds within the master-feeder structure may cause the master fund to structure or dispose of an investment in a manner that results in different tax effects across the feeder funds, and such tax effects may be more advantageous for certain feeder funds than for other feeder funds.

Altpoint is also responsible for valuing Fund investments. Such valuation may give rise to a conflict of interest because the management fees earned by Altpoint are calculated by reference to the value of such investments.

**Item 12: Brokerage Practices****Broker-Dealers**

Subject to the terms of the governing documents of the Funds, Altpoint has full discretion and authority to make all investment decisions with respect to the types or amounts of instruments to be bought or sold for accounts managed by it. The Funds invest primarily in the equity and equity-related assets of private portfolio companies. Such investments typically do not involve the services of a broker-dealer. In addition, the Funds may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns.

However, to the extent that the Funds require the services of a broker-dealer, the objective of the general partner and/or Altpoint in selecting broker-dealers to effect transactions will be to obtain “best execution.” In selecting brokers and dealers to effect portfolio transactions for the Funds, the general partner and/or Altpoint will consider such factors as the ability of the brokers or dealers to effect the transactions, their facilities, reliability and financial responsibility. The general partner and/or Altpoint need not solicit competitive bids and do not have an obligation to seek the lowest available commissions or other transaction costs.

**Soft Dollars**

Given the nature of the Funds’ activities, the Funds are not likely to generate any commissions or “soft dollars” through agency and certain riskless principal transactions. However, any use of such commissions or “soft dollars” to pay for research and research-related products or services is expected to fall within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended. Under Section 28(e), research products or services obtained with soft dollars generated by one or more Funds may be used by Altpoint to service the accounts of one or more other Funds.

**Allocations**

Though unlikely, the investment programs of the Funds may overlap from time to time. To the extent that any such overlap occurs, Altpoint and its affiliates seek to ensure the equitable allocation of scarce opportunities when Altpoint and its affiliates are unable to obtain the full amount of the instruments that they wish to purchase for their relevant client accounts. In these situations, it is the policy of Altpoint and its affiliates to first determine the amount of the instrument they wish to acquire based on availability, the size and objectives of the accounts and other relevant factors, without regard to allocations to any particular accounts. Altpoint and its affiliates then place an order for the total amount sought. If Altpoint and its affiliates are only able to obtain partial execution of the order, they allocate the purchased instruments in a manner that they believe treats each client account fairly over time. Altpoint and its affiliates consider a wide range of factors including each account’s available cash and investment capacity, investment level, diversification, limitations in the governing documents for each account, and other account guidelines and relevant factors. Altpoint and its affiliates may also give special consideration to certain accounts such as new accounts (including those in which Altpoint or its affiliates may have an interest) with a substantial amount of available cash.

## Trade Errors

Given the nature of the assets that the Funds intend to acquire, it is not likely that any trade error could occur. However, in the event that an impermissible entry or other trading error occurs with respect to a Fund, the error will be identified and corrected as expeditiously as possible. To the extent an error is caused by a third party, such as a broker, Altpoint will strive to recover any losses associated with such error from such third party. Otherwise, pursuant to the various exculpation and indemnification provisions of the Partnership Agreement, the Funds (and not Altpoint or its affiliates), will generally bear any losses resulting from a trade error. When a trade error occurs, Altpoint will determine whether the trade error has resulted from gross negligence on its part, and, unless it finds that to be the case, any losses will be borne by (and any gains will benefit) the Funds. In making such determinations, Altpoint will have a conflict of interest.



**Item 13: Review of Accounts**

Altpoint provides continuous investment advisory services for the Funds, and Altpoint's investment professionals monitor the Funds' portfolio investments generally on a daily basis. In addition to Altpoint's regular review of Fund portfolio holdings, Altpoint may conduct special reviews of accounts in response to changes in market conditions, strategic outlook, or investment objectives.

Altpoint provides written reports to Fund investors in accordance with the Funds' governing documents and offering documents, including as such documents may be amended in investor subscription documentation. Altpoint has engaged an independent public accounting firm to audit the financial statements of the Funds and to issue an audit report along with such financial statements to Fund investors generally within 120 days of the end of each fiscal year (or such shorter period as may be required by applicable law or set forth in the Funds' governing documents).

**Item 14: Client Referrals and Other Compensation**

Altpoint does not compensate any person for client referrals, nor does it receive any compensation for client referrals.

**Item 15: Custody**

Item 15 is not applicable to Altpoint because the Funds' qualified custodians are not required to send account statements to Altpoint clients pursuant to Advisers Act Rule 206(4)-2.

**Item 16: Investment Discretion**

Altpoint provides investment advice directly to the Funds pursuant to written investment management agreements, subject to the discretion and control of the general partner of the applicable Fund, and not directly to the investors in the Funds. Altpoint has full discretionary authority over Fund assets.

**Item 17: Voting Client Securities****Proxy Voting Policy**

Given the anticipated composition of the Funds' investment portfolios, Altpoint does not expect to receive proxy voting requests in respect of securities for the Funds' investment portfolios. Nevertheless, Altpoint has adopted a proxy voting policy, a copy of which is available to Fund investors upon request. The general policy is to vote proxy proposals, amendments, consents or resolutions relating to Fund securities, if any (collectively, "proxies"), in a manner that serves the best interests of the Fund, as determined by Altpoint in its discretion, taking into account the following factors: (i) the effect on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, Altpoint may refrain from voting proxies when Altpoint believes that voting would be inappropriate taking into consideration the cost of voting the proxy and the anticipated benefit to the Funds.

**Class Action Policy**

It is possible that, from time to time, class action lawsuits involving assets held or previously held by the Funds will result in notices being sent to class members for participation in the lawsuits. In such cases, Altpoint may submit certain proofs of claims for payment against settlements or awards in actions for which a Fund has received notice, unless Altpoint determines that the costs of participating in such lawsuits or settlements outweigh the benefits. Any amounts received as a result of participation in class action lawsuits will be credited to the applicable Fund at the time such amounts are received, excluding any applicable third-party fees. As a general matter, Altpoint expects to refrain from serving as the lead plaintiff in any class action matter.

**Item 18: Financial Information**

Altpoint is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Funds. Altpoint has never been the subject of a bankruptcy petition.