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This brochure provides information about the qualifications and business practices of Arbor Investments Management, LLC (hereinafter “Arbor”, the “Firm” or “We”). If you have any questions about the contents of this brochure, please contact us at (312)-981-3770 or at info@arborpic.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Arbor is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Arbor is 157442.

Item 2. Material Changes

This Firm Brochure, dated March 21, 2019, is our disclosure document prepared according to the Securities and Exchange Commission's ("**SEC**") requirements and rules applicable to registered investment advisers. As you will see, this document is a narrative providing detailed information regarding our firm, its practices, fees, actual and potential conflicts of interest and key mitigating circumstances, policies and controls.

Consistent with SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

There have been no material changes to this Brochure since we last filed the Firm Brochure in March 2018.

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Item 4. Advisory Business

OUR BUSINESS

Arbor Investments Management, LLC (hereinafter “**Arbor**”, the “**Firm**” or “**We**”) is an SEC-registered investment adviser with its principal place of business in Chicago, Illinois. Arbor also maintains an office in New York, New York. Although Arbor is a registered investment adviser, registration itself does not require and should not be interpreted to imply any particular level of skill or training. Arbor was organized in 2006 and is owned by its principals, Gregory J. Purcell, CEO and Joseph P. Campolo, President.

Arbor provides investment management services solely to private equity and private debt funds and their respective co-investment vehicles, parallel funds and alternative investment vehicles. These funds include (a) Arbor Investments II, L.P., which includes its parallel fund, Arbor Investments II QP, L.P., and its alternative investment vehicles, Arbor Investments II AIV Fund, L.P. and Arbor Investments II AIV Fund QP, L.P. (collectively, “**Arbor II**”), (b) Arbor Investments III, L.P., which includes its parallel fund, Arbor Affiliates Fund III, L.P. (collectively, “**Arbor III**”), (c) Arbor Investments IV, L.P., which includes its parallel fund, Arbor Affiliates Fund IV, L.P. (collectively, “**Arbor IV**”) and (e) Arbor Debt Opportunities Fund I, L.P. (“**Arbor DOF I**” or the “**Debt Fund**”). Arbor II, Arbor III and Arbor IV are referred to in this Brochure as the “**Equity Funds**”. The Debt Fund and the Equity Funds are collectively referred to herein as the “**Arbor Funds**” or the “**Funds**”).

Arbor specializes in managing private fund investments primarily in the food and beverage industries. Several of the senior investment professionals of Arbor have served as senior executives, entrepreneurs, investors and advisors to many of the world’s leading food and beverage companies. Our specialization enables us to play a decisive role in portfolio company management and operations while maintaining perspective on valuations, financing parameters and exit/liquidation potential. For each Arbor Fund, Arbor performs in-depth due diligence regarding proposed investments, structures and evaluates platform acquisitions and add-on acquisitions to portfolio companies, works closely with portfolio company management to provide strategic operating and financial advice, examines and implements succession planning, and identifies multiple exit options prior to an initial investment.

The general partner of each Fund (as applicable, the “**General Partner**”) is affiliated with Arbor through common ownership and control as well as shared executive officers. Each General Partner and the principals and certain investment professionals of Arbor generally participate in the Fund’s investments by investing assets directly in the Fund (through limited partner interests) or indirectly through investments in the General Partner, which in turn, invests in the Fund.

ASSETS

As at December 31, 2018, Arbor has \$1,227,532,036 in discretionary assets under management. Arbor does not manage any assets on a non-discretionary basis.

POTENTIAL CONFLICTS OF INTEREST

There will be occasions when Arbor, the General Partner of a Fund and its affiliates may encounter potential conflicts of interest in connection with Arbor's investment management services to the Funds and their investment activities. In connection with any actual or potential conflict of interest, the General Partner of a Fund may take such actions as may be necessary or appropriate to ameliorate such conflict. These actions may include, by way of example: (i) disposing of the security giving rise to the conflict of interest; (ii) appointing an independent fiduciary to act with respect to the matter giving rise to the conflict of interest; or (iii) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the Advisory Board (as defined below) of the applicable Fund regarding the conflict of interest and either obtaining a waiver from such Advisory Board of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the Advisory Board with respect to such conflict of interest.

In addition, the limited partnership agreements of each Fund contain provisions that, subject to applicable law, (i) reduce, modify or eliminate the duties, including fiduciary duties, that the General Partner owes to a Fund and its investors; (ii) waive duties or consent to the conduct of the General Partner and its affiliates that might not otherwise be permitted pursuant to such duties; and (iii) limit the remedies of an investor in a Fund against the General Partner or its affiliates with respect to breaches of such duties. Additionally, the limited partnership agreements of each Fund contain exculpation and indemnification provisions that, subject to the specific exceptions identified therein, provide that the General Partner, Arbor and their respective employees and affiliates will be held harmless and indemnified, respectively, for matters relating to the operation of the Fund, including matters that may involve one or more potential or actual conflicts of interest.

Allocation of Investment Opportunities:

Certain conflicts of interest among investors in a Fund, on one hand, and Arbor, the General Partner of such Fund and their respective affiliates or principals, on the other hand, may arise with respect to the allocation of prospective investment opportunities. Generally speaking, during each Fund's commitment period, the General Partner of the Fund is obligated to present all investment opportunities that it believes in good faith are suitable for and in the best interests of the respective Fund to such Fund. The determination of whether or not an investment is suitable or in the best interest of the Fund will be made by the General Partner in good faith, however, in the exercise of this discretion the General Partner may cause such Fund to forego certain investment opportunities or limit the amount of the investment opportunity a Fund may undertake. In such instances, the investment opportunity may be allocated, in whole or in part, to other Funds or may be foregone entirely. For example, certain investment opportunities, such as follow-on investments, may be allocated to one Fund versus another Fund in the discretion of the General Partner based on a number of investment considerations, including the respective Funds' available

capital, investment criteria, including size of investment and anticipated duration/hold period.

Furthermore, under the limited partnership agreement of each Fund, except for investment opportunities that are suitable or appropriate follow-on investments of existing Fund portfolio companies, the General Partner and its affiliates are not obligated to present to a Fund an investment opportunity that does not require a minimum amount of equity to consummate as specified in each limited partnership agreement, even it is otherwise suitable for investment by the Fund. In such instances, affiliates of the General Partner, including the principals and employees of Arbor, may pursue the investment opportunity directly.

Conflicts between Equity Fund and Debt Fund:

Investments by Arbor DOF I are limited to investing in subordinated debt securities issued by one or more companies in which Arbor IV has made an equity investment. Because Arbor DOF I and Arbor IV will invest in different classes or types of securities of the same portfolio company, Arbor DOF I and Arbor IV will potentially have conflicting interests. For example, Arbor DOF I and Arbor IV may have conflicting investment objectives, including with respect to the operation of the relevant portfolio company, the targeted returns from the investment and the timeframe for, and method of exiting, the investment, particularly where Arbor IV has a controlling interest in the portfolio company. The respective limited partnership agreements of Arbor IV and Arbor DOF I each provide that (a) the General Partner of Arbor DOF I, Arbor and any of its respective officers, directors or employees (each a “**Conflict Person**”) have the absolute right to exercise or refrain from exercising any right that Arbor DOF I may have by reason of its investments in Arbor IV portfolio company debt securities and (b) none of the General Partner of Arbor DOF I or any Conflict Person will incur any liability to Arbor IV or its respective investors with respect to exercising or refraining from exercising any such right or rights and, in connection therewith, each of Arbor DOF I, its respective General Partner and each Conflict Person is permitted to take any actions or omit to take any actions solely in its own interest without taking into account or consideration the interests of Fund IV or any investor in Fund IV.

Furthermore, if a portfolio company in which Arbor DOF I and Arbor IV have invested encounters financial problems, decisions over the terms of any workout will raise conflicts of interest (including conflicts over proposed waivers and amendments to debt covenants). As a result of the foregoing, actions taken by Arbor DOF I to enforce the terms of its debt securities, including actions taken in response to any default of such securities by an Arbor IV portfolio company could adversely impact the value of Arbor IV’s equity investment in such portfolio company. To address this potential conflict of interest, the limited partnership agreement of Arbor DOF I provides that the General Partner of Arbor DOF I is required to consult with Arbor DOF I Advisory Board concerning the appropriate course of action to be taken by Arbor DOF I if (i) an event of default exists under the terms of any debt instrument of any Arbor IV portfolio company held by Arbor DOF I, or (ii) a restructuring or amendment of the terms of any debt instrument of any Arbor IV portfolio company held by Arbor DOF I is proposed to be effected (each of clauses (i) and (ii), a “**Debt Conflict**”). If the Advisory Board of Arbor DOF I and the General Partner of Arbor

DOF I are unable to agree on a course of action for Arbor DOF I in a reasonable period of time to resolve the Debt Conflict, the Advisory Board of Arbor DOF I shall select and appoint an independent third party reasonably acceptable to the Arbor DOF I General Partner to administer the debt securities on behalf of Arbor DOF I, and Arbor DOF I shall take all actions with respect to the administration of such debt securities as determined by such third party administrator.

The General Partner of the Equity Funds, which is under common control with the General Partner of the Debt Fund, has sole discretion regarding financing alternatives and investment structures that will be pursued in connection with equity investments of the Equity Fund, including whether and to what extent to utilize subordinated debt financing and the source of such subordinated debt financing. In this regard, the General Partner may elect to utilize or not utilize subordinated debt financing in connection with an Equity Fund portfolio company in its sole discretion. Even if subordinated debt financing is utilized, the General Partner of the Equity Fund is not obligated to utilize Arbor DOF I to provide all or any portion of such subordinated debt financing. In situations where Arbor DOF I is selected to provide subordinated debt financing to an Arbor IV portfolio company there is no obligation or requirement for Arbor IV to obtain a competitive financing proposal from a third party.

Affiliate Transactions:

To the extent that a member of the Operating Partner Team (as defined below) is actively involved in the management of a portfolio company, the compensation and expenses of such Operating Partner will be paid by such portfolio company at market rates for the services provided. Furthermore, each portfolio company of an Equity Fund will engage an affiliate of the General Counsel of Arbor to provide certain legal services to each Equity Fund portfolio company pursuant to a fixed-fee, monthly retainer arrangement at market rates for the services provided. Finally, from time to time, affiliates of the General Partner of a Fund, including employees of Arbor, will provide services to portfolio companies of a Fund in substitution for or replacement of services typically provided by a full-time employee of the portfolio company. In such event, the portfolio company will reimburse Arbor for the cost of such services, provided that such services will be provided by Arbor at no greater cost than would be the case if independent third party were to provide such services. However, normally such services will not be put out for competitive bidding, and in each of the above circumstances the determination of the market cost or rates for such services will be made by the General Partner of the Fund in its sole discretion. The Management Fee payable to Arbor by each Fund is not reduced by any of the compensation, costs or expenses paid by portfolio companies with respect to services described above.

Time Commitment:

The General Partner of a Fund and its affiliates, including the principals and senior employees of Arbor, may become involved in the operation and management of other businesses and, while it is expected that they will devote an adequate amount of time to the management of each Fund, conflicts of interest may arise with respect to allocating their professional time between the management of the Funds and their various other business pursuits.

Effect of Carried Interest:

The existence of a General Partner's carried interest described below may create an incentive for Arbor to make riskier or more speculative investments on behalf of a Fund or to hold an investment longer than it would otherwise make or hold in the absence of such performance-based arrangement. In addition, if a Fund distributes property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the respective limited partnership agreement of such Fund. An independent appraisal generally will not be required and is not expected to be obtained.

Co-Investments:

Arbor may make co-investment opportunities of any Fund available to the limited partners of such Fund as appropriate and in the best interest of such Fund. Allocation of such opportunities creates a conflict of interest as they are, by nature, limited and participation is not possible for all or even most investors in the Funds. As such, Arbor must determine which investors will be given the opportunity to co-invest and which will not. To address this conflict, our practice is to provide investors with appropriate disclosures regarding the conflicts of interest inherent in co-investing and to treat all investors fairly with respect to co-investment opportunities by not favoring certain investors over others. Investors should note, however, that Arbor's allocation of co-investment opportunities is primarily driven by prior arrangements or other strategic considerations. For example, Arbor will generally give priority to limited partners that had negotiated, at the time of their original capital commitment to the corresponding Fund, side letters requiring that Arbor provide them any co-investment opportunities that become available. In addition, co-investment opportunities may be allocated to third party investors that are part of a consortium for the particular deal as a way for Arbor to complete a deal. Finally, although limited partners are not typically a source of investment opportunities, when applicable, Arbor will generally give priority with respect to co-investment opportunities to any limited partner that brought an opportunity to Arbor's attention.

In addition to the foregoing, Arbor, in its sole discretion, may make co-investment opportunities available to unaffiliated third parties, including individuals whom Arbor has deemed to be strategic advisors. For example, individuals who have made co-investments with the Fund in portfolio companies have included employees of law firms that may provide legal services to Arbor, the Funds, or portfolio companies of the Funds, employees of the placement agent that assists in fundraising activities for the Funds, employees of unaffiliated investment advisers who have recommended the Funds to their clients and former managers of Fund portfolio companies. To the extent these co-investment opportunities appear to benefit Arbor and its principals at the expense of the Fund or its limited partners, allocation of co-investment opportunities to unaffiliated third parties may create a potential or apparent conflict of interest between Arbor, the General Partner, principals and employees of Arbor on one hand and limited partners of a particular Fund on the other hand. To minimize this potential conflict of interest, third party unaffiliated co-investment opportunities are typically limited in amount and Arbor discloses all co-investments by investor type to Fund limited partners on a quarterly basis.

Employees of Arbor, the General Partner and members of the Operating Partner Team (as defined below) may also be offered additional opportunities to co-invest in portfolio companies with the Equity Funds. Co-investments by employees of Arbor and the General Partner are limited under the terms of the respective Equity Fund's limited partnership agreement. For example, co-investments by employees of Arbor in investments of Arbor III may be made on a case-by-case basis in each portfolio company. Conversely, with respect co-investments with Arbor IV, Arbor employees are required to make an annual election to invest additional amounts that will be co-invested in all Arbor IV investments that are made during the following twelve month period. With respect to co-investments by an Arbor employee in any Equity Fund the aggregate amount of co-investments by all Arbor-related persons may not exceed 1% of the aggregate investment made by respective Equity Fund and other co-investors. Co-investments by members of the Operating Partner Team are not limited by the terms of the respective Equity Fund's limited partnership agreement.

Write-Offs:

The calculation of Management Fees (following the investment period) and allocations of distributions between limited partners and the General Partner of a Fund (carried interest) are based off of unrealized investments (invested capital less realized investments). Realized investments are securities or portion thereof of each portfolio company which have been disposed of, written-off or written-down by the General Partner. As a result, writing down or writing off of any portfolio company investments creates a conflict of interest whereby Arbor may have an incentive to not reduce (i.e., not make write-offs to) valuations of portfolio companies as may otherwise be dictated by available market data and prudent fair valuation techniques.

To address this conflict, we have adopted detailed Valuation Policies and Procedures which are reviewed on a periodic basis by Arbor's Chief Financial Officer. Investments are valued quarterly by Arbor's investment professionals and the valuation results are communicated to the respective Fund's investors on a quarterly basis. Also, the respective advisory committee of each Fund, comprised of representatives of certain limited partners of such Fund, receives the General Partner's valuations of investments of such Fund and on an annual basis may object to any valuation and cause an independent valuation expert to determine such valuation. In addition, our portfolio company valuations are reviewed in connection with the annual audit of each Fund by an independent certified public accountant that is both registered with and subject to regular inspection by the Public Companies Accounting Oversight Board (PCAOB), and a copy of the audited financials are sent to each of the Funds' investors within 90 days of such Fund's fiscal year end.

Allocation of Expenses:

In accordance with the terms of each Fund's offering documents, each Fund is responsible for paying its own organizational expenses up to a cap (which may vary) from the aggregate capital contributions of the Fund. Investors in any new Fund launched by Arbor should refer to the corresponding offering document for such Fund which contains information regarding the amount of organizational expenses that can be incurred by the Fund.

Additionally, each of the Funds is responsible for payment of certain expenses incurred in conducting the operating, investment and financial reporting activities of such Fund, including: fees and expenses associated with investment activities, including so-called “blown-transaction fees”, financial statement preparation expenses, legal expenses, tax preparation fees, and insurance premiums. To the extent such fees, costs and expenses are incurred for the account or for the benefit of more than one Fund, each such Fund will bear an allocable portion of any such fees, costs, and expenses in proportion to the size of the investment made or proposed to be made by each such Fund or in such other manner as Arbor or the General Partner considers fair and equitable. No Fund is responsible for or will otherwise incur any percentage of the organizational or operating, investment or financial reporting expenses of any other of the Funds. Notwithstanding the foregoing, similar to a third-party debt financing arrangement, the fees and expenses associated with the investment activities of Arbor DOF I, including due diligence, legal, structuring, documentation expenses incurred by Arbor DOF I, will be paid for directly, or otherwise reimbursed, by Arbor IV.

From time to time, each General Partner may incur certain out-of-pocket expenses on behalf of, or for the benefit of, portfolio companies of its respective Fund. These expenses may include sales support, manufacturing consulting, add-on acquisition consulting, human resource consulting, certain trade group expenses, and other services in instances where Arbor is able to obtain better pricing or access, or where it is otherwise agreed with the portfolio company that Arbor will obtain such services on its behalf. The portfolio companies reimburse Arbor for these expenses. When applicable, these costs are split among the parties receiving such services in a manner as Arbor deems fair and equitable.

Side Letters:

Arbor or the applicable General Partner, as appropriate, has and may in the future, waive or modify certain terms of investment for certain large or strategic investors in side letters or otherwise, in its sole discretion, including but not limited to, co-investment opportunities, increased Fund and portfolio company transparency and more frequent or varied formats or modes of portfolio reporting. We have never entered into side letters in which we or any General Partner has waived or lowered the Management Fees or carried interest payable by an investor to the General Partner.

Conflicting Interests among Limited Partners:

The limited partners in each Fund may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring and timing of investment acquisitions and dispositions. As a result, conflicts may arise in connection with decisions made by the General Partner of a Fund regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, each General Partner generally will consider the investment, tax and other relevant objectives of the Fund and its investors as a whole, not the investment, tax, or other objectives of any limited partner individually.

Advisory Board:

Each Fund has an advisory board comprised of representatives appointed by certain limited partners in each Fund (each an “**Advisory Board**”). Each Advisory Board has the ability to review and waive compliance with certain provisions of the relevant Fund’s limited partnership agreement, including resolving potential conflicts of interest situations, and whose approval is required or may be requested in certain circumstances under the relevant Fund’s limited partnership agreement, including certain approvals or consents required by the Investment Advisers Act. Pursuant to the terms of each Fund’s limited partnership agreement, the limited partners of each such Fund are bound by the determinations of the Fund’s respective Advisory Board. To the fullest extent permitted by applicable law, none of the Advisory Board members shall owe any fiduciary duties to the relevant Fund or any investor of such Fund. Members of an Advisory Board may have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the Advisory Board for consideration or review. Members of an Advisory Board may have various business and other relationships with Arbor and its members, partners, managers, directors, officers, employees and affiliates. These relationships may influence their decisions as members of an Advisory Board. To the extent that a limited partner is not represented by a member of an Advisory Board, such limited partner will have no influence over matters submitted to the Advisory Board for review or approval.

IMPORTANT ADDITIONAL CONSIDERATIONS

The information provided herein merely summarizes the detailed information provided in each Fund’s offering and organizational documents. Each of the existing Funds is closed and does not admit new investors. Existing investors in the Funds and prospective investors in any new Fund launched by Arbor should be aware of the substantial risks associated with investment as well as the terms applicable to such investment. These risk factors and other detailed information is provided in the respective Fund offering documents and limited partnership agreements.

Arbor Funds are not required to register under the Securities Act of 1933 or the Investment Company Act of 1940 in reliance upon certain exemptions available to issuers whose securities are not publicly offered. We manage each Fund on a discretionary basis in accordance with the terms and conditions of such Fund’s offering documents and limited partnership agreements.

Item 5. Management Fees, Expenses and Compensation

MANAGEMENT FEE

For our services to the Funds, we charge the investors in each Fund an asset management fee (the “**Management Fee**”). In addition, the respective General Partner of each Fund, an affiliate of Arbor through common ownership and control, is entitled to receive carried interest distributions from each Fund, a form of performance-based compensation, as described in Item 6 below.

Subject to the respective limited partnership agreement of each Equity Fund, during the applicable investment period, the Management Fee that such Equity Fund pays to Arbor commences as of the effective date of each such Equity Fund and is equal to a percentage (typically 2.0%) of the aggregate capital commitments of the limited partners of the Equity

Fund (other than affiliates of the General Partner). Effective upon the termination or expiration of the Equity Fund's investment period or certain other circumstances specified in the respective Equity Fund's limited partnership agreement, the Management Fee payable by such Equity Fund is reduced to an annual amount equal to a percentage (typically 2.0%) of the unrealized investments (e.g., invested capital less realized investments) of the Equity Fund (excluding unrealized investments attributable to the General Partner and its affiliates).

The Management Fee payable to Arbor in respect of the Debt Fund commences as of the date of the Debt Fund's first investment and is equal to a percentage (1.5%) of the aggregate unrealized investments (e.g., invested capital less realized investments) of the Debt Fund (excluding unrealized investments attributable to the General Partner and its affiliates).

The Management Fee payable in respect of each Fund is paid in advance on a quarterly basis. 100% of the Management Fee is allocated to the partners of each Fund (other than the General Partner of such Fund and its affiliates) ratably in accordance with their respective capital commitments to such Fund. Installments of the Management Fee payable for any period other than a full twelve-month period is adjusted on a pro rata basis according to the actual number of days in such period.

The Management Fee payable by a Fund is reduced by any Excess Organizational Expenses (as defined below) or placement fees paid or reimbursed by the Fund. In addition, to the extent that Arbor or its affiliates or employees receive any directors' fees, consulting or advisory fees, monitoring fees, transaction fees or break-up fees from portfolio companies of a Fund, a percentage of all such fees are applied to reduce the Management Fee payable by such Fund. Generally, Arbor applies (i) 100% of any breakup fees and directors' fees and (ii) a percentage (that varies among the Funds between 65% and 100%) of any transaction fees and monitoring fees to reduce the Management Fee payable by a Fund to Arbor. In the event that the amount of such fees and expenses applied against the Management Fee exceeds the Management Fee due to Arbor for any applicable period, such excess is carried forward to reduce the Management Fee payable to Arbor in following periods. If any Fund and an existing or subsequent investment fund (including any parallel fund) formed by the applicable General Partner have co-invested in a portfolio company, the amount of any such fees and expenses that are applied to offset the Management Fee will be allocated between that Fund and such other funds in proportion to the cost of securities in such portfolio company held by each.

With respect to the services that Arbor provides to any co-investment vehicle that may be formed in connection with a Fund, Arbor may also charge an asset management fee calculated as a percentage (that varies among co-investment vehicles between 1% and 3%) of the aggregate capital contributions of the co-investors to such investment. Payment of the asset management fee may vary between an annual fee payable over the term of such investment or a one-time fee payable in a lump sum at the closing of such investment.

PARTNERSHIP EXPENSES

Each Fund is responsible for payment of certain expenses incurred in conducting the operating, investment and financial reporting activities of such Fund, including: fees and

expenses associated with investment activities, including so-called “blown-transaction fees”, financial statement preparation expenses, legal expenses, tax preparation fees, and insurance premiums. To the extent such fees, costs and expenses are incurred for the account or for the benefit of more than one Fund, each such Fund will bear an allocable portion of any such fees, costs, and expenses in proportion to the size of the investment made or proposed to be made by each such Fund or in such other manner as Arbor or the General Partner considers fair and equitable. No Fund is responsible for or will otherwise incur any percentage of the organizational or operating, investment or financial reporting expenses of any other of the Funds. Notwithstanding the foregoing, similar to a third-party debt financing arrangement, it is expected that the fees and expenses associated with the investment activities of Arbor DOF I, including due diligence, legal, structuring, documentation expenses incurred by Arbor DOF I, will be paid for directly, or otherwise reimbursed, by Arbor IV.

ORGANIZATIONAL EXPENSES

Each Fund pays or reimburses the applicable General Partner for all organizational expenses of such Fund, subject to a maximum amount specified in such Fund’s limited partnership agreement. Organizational expenses in excess of such maximum amount (“***Excess Organizational Expenses***”) are applied to reduce the Management Fee payable by the applicable Fund.

PORTFOLIO COMPANY MONITORING AND TRANSACTION FEES

Arbor enters into management services contracts with portfolio companies of the Equity Funds pursuant to which Arbor investment professionals agree to monitor the business activities of the portfolio company and provide portfolio company management with strategic advice and access to industry resources. As compensation for this service, Arbor charges each portfolio company an annual monitoring fee (the “***Monitoring Fee***”) and is entitled to reimbursement from the applicable portfolio company for out-of-pocket expenses incurred by Arbor in providing such monitoring services. The Monitoring Fee each portfolio company pays to Arbor is equal to a percentage (typically 5.0%) of the EBITDA of the portfolio companies. In accordance with the terms of each Equity Fund’s offering documents, the Management Fee payable to Arbor from an Equity Fund is offset by a percentage (65% to 100% depending on the Fund) of Monitoring Fees earned by us or our affiliates as specified in the respective Equity Fund’s limited partnership agreement. Monitoring Fees do not include, and therefore the Management Fee payable to Arbor from an Equity Fund is not offset by, compensation and expenses paid to an Operating Partner Team member, the affiliate of the General Counsel of Arbor in connection with his provision of certain legal services to portfolio companies or any amounts paid to affiliates of the General Partner of a Fund in replacement of a full-time employee of the portfolio company as described above in Item 4 under “Affiliate Transactions”.

In addition to Monitoring Fees paid to our Firm, a portfolio company in which an Equity Fund invests may also be responsible to pay Arbor fees for structuring and negotiating transactions (a “***Transaction Fee***”), and expense reimbursement to Arbor for the out-of-pocket expenses incurred by Arbor in connection with such transaction. Transaction Fees are incurred in the acquisition and disposition of a portfolio company, as well as upon consummation of follow-on and other investments and financings made by the portfolio

company. In accordance with the terms of each Equity Fund's offering documents, the Management Fee payable to Arbor from an Equity Fund is offset by a percentage (65% to 100% depending on the Equity Fund) of Transaction Fees earned by us or our affiliates as specified in the respective Equity Fund's limited partnership agreement above.

Additional information about each Fund as well as the fees and expenses charged to investors by such Fund is provided in each Fund's respective offering materials and limited partnership agreements.

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

As disclosed in Item 5 of this Brochure, the respective General Partner of each Fund, an affiliate of Arbor through common ownership and control, is entitled to receive carried interest distributions, which is a form of performance-based compensation structured as a profits interest. Such a performance-based profits interest is calculated based on a share of aggregate realized profits on assets of the Fund (subject to achieving a preferred return on invested capital as set forth in the applicable Fund's offering documents). The carried interest share is generally 20% of the profits, if any earned from each investment made by the Fund; provided that investors in certain Funds may bear a higher carried interest percentage if certain performance thresholds are achieved, as described in such Fund's offering documents. Carried interest distributions are calculated and made to the general partner of each Fund out of the proceeds of the relevant investment at the time of realization.

Investors in the Funds, and prospective investors in any new Fund launched by Arbor, should note that a performance-based profits interest, in some contexts, may create an incentive for an adviser such as Arbor to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. However, the long-term nature of private equity fund investing mitigates such risk because the carried interest is calculated on the basis of realized, but not unrealized, gains, leading Arbor to focus on fundamentals when making platform investments and add-on acquisitions for the Funds. In addition, the General Partner of each Fund, through its own investment in the Fund, also puts its own capital at risk.

At this time, we do not offer advisory services to clients who do not pay performance-based compensation in the form of a profits interest to the General Partner, and therefore, we do not have an incentive to favor performance-based fee accounts over non-performance-based fee accounts. However, within this compensation arrangement, we could have a theoretical incentive to favor a Fund paying higher aggregate performance-based compensation than another Fund paying less or another Fund in which officers and employees of Arbor and General Partner may have more of their personal assets invested. Since we endeavor at all times to put the interests of the Funds and our Fund investors first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. We disclose to investors and prospective investors the existence of material conflicts of interest, including the potential for Arbor and its employees to earn more compensation from some Funds than others.
2. Pursuant to the terms of each Fund's partnership agreement and/or private offering memorandum, we will have substantially (though not necessarily entirely) completed the investment phase of one Fund before the launch of a new subsequent Fund with similar investment goals and objectives.
3. With respect to Funds managed in parallel and those other limited situations where an "add-on" or other investment may be appropriate for more than one of the Funds, we have implemented policies and procedures for fair and equitable allocation of investment opportunities among the Funds, subject to the Funds' respective maturity or stage of investment, availability of remaining capital commitments, availability of interests in the underlying portfolio companies and other appropriate considerations.
4. With respect to cross-fund investments, where guidelines are not provided in the respective Fund's limited partnership agreement, the General Partner may seek the consent of the applicable Funds' limited partner advisory committees to the transaction.

In addition, because of the structure of our business model, we typically only have the capital of one Fund to invest at any given time, which minimizes this potential conflict. Performance-based compensation will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

Item 7. Types of Clients

We provide investment management services to several private funds as disclosed at Item 4 of this Brochure.

Except as permitted by us or the applicable General Partner, and in accordance with the respective Fund's offering documents, the minimum stated capital commitment to the Funds from our investors ranges from \$1 million to \$10 million, depending on the Fund.

Prospective investors in any new Fund launched by Arbor should refer to the appropriate Fund offering documents for information regarding that Fund's minimum required capital commitment and any additional qualifications required for investment.

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

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Arbor senior professionals' frequent interaction with owners and senior executives of various companies help us to identify investment opportunities for the Funds. In addition, Arbor has gathered seasoned executives and others to act as advisors and consultants to the Funds (hereinafter, the "*Operating Partner Team*"). These individuals typically have had long and established careers and background in the food and beverage industries. From time to time, Arbor may also engage traditional investment banks or brokers to generate investment opportunities and/or sales of portfolio companies. Finally, due to our reputation

as one of the largest food and beverage-focused investment firms and a value-added partner to our portfolio companies, food and beverage entrepreneurs often proactively approach Arbor as a resource for financing.

As an adviser to the Funds, Arbor primarily, though not exclusively, invests in securities issued by private companies. As such, traditional securities analysis is not possible when formulating investment recommendations. Instead, we rely on a robust due diligence process of prospective portfolio companies in determining which to invest in on behalf of the Funds.

Arbor employs a disciplined investment process in evaluating potential investments and performs rigorous analysis of the historical and prospective performance of potential portfolio companies. Our due diligence investigation is comprehensive and includes: (a) detailed financial and operational analyses; (b) extensive face-to-face management meetings; (c) primary industry, served market, technology and competitive research; (d) customer calls and reference checks; and (e) additional company and sector specific analyses. The due diligence process is designed to verify our investment thesis by thoroughly understanding the company's strategy, market position, operations and management expertise. In addition, the due diligence process includes the identification of both acquisition candidates and potential strategic buyers. Prior to any investment, we will identify multiple exit options.

Our due diligence process ensures that each deal team benefits from the experience of our senior management and from additional Arbor colleagues who have devoted substantial portions of their careers to the particular business activity in which the prospective portfolio company is engaged. In addition, Arbor has built a network of lawyers, accountants, information technology and due diligence professionals and consultants with expertise in the food and beverage industry who work in tandem with Arbor to advise on certain Fund investments from time to time.

In connection with investments in portfolio companies, the Funds secure board representation and appointment rights. Through this board participation right and management services provided to the portfolio companies, Arbor professionals also provide guidance to portfolio companies based upon the collective experience of our team of investment professionals. Arbor believes its depth of industry expertise makes us a preferred partner for a middle-market food and beverage company. Through their prior experiences as owners, operators and advisors, Arbor professionals are able to add insight and value through strategic, operating and financial recommendations to maximize growth and profit potential. Arbor often introduces add-on acquisition candidates, provides advice on the timing of asset/subsidiary divestitures and exit strategies, consults on financial structuring issues and generally provides a knowledgeable, yet objective, perspective to operating decisions. This wealth of knowledge and experience can be leveraged to assist a portfolio company in defining strategic direction, refining product line expansion, identifying add-on acquisitions, evaluating competitors and facilitating strategic introductions and alliances.

RISK OF LOSS

Securities investments are not guaranteed and you may lose money on your investments. Investors or prospective investors should carefully review the detailed explanation of the many risks associated with investment as provided in the private offering memorandum and organizational documents of each Fund.

Item 9. Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Neither our Firm nor any of our management personnel have reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Our Firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

Each of the Funds has a separate General Partner, each of which is related to Arbor through common ownership and control. Each General Partner typically shares many of the same executive officers with each other and with Arbor.

As described in Item 6 above, each General Partner will be entitled to receive carried interest distributions pursuant to the terms and conditions set forth in the applicable Fund's limited partnership agreement. Any such distributions will ultimately inure to the benefit of the owners and executive officers of Arbor.

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

Our Firm has adopted a Code of Ethics, which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of personal securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our code provides for oversight, enforcement and recordkeeping. A copy of our Code of Ethics is available to our advisory clients and prospective clients, including investors and prospective investors in one or more of the Funds, upon request to the Chief Compliance Officer, at the Firm's principal office address.

As disclosed at Item 5 of this Brochure, certain executive officers and/or other employees of Arbor have invested and may invest a portion of their personal net worth in one or more of the Funds. Employees of Arbor and its Operating Partner Team may also be offered the opportunity to co-invest in portfolio companies with the Funds.

It is the expressed policy of our Firm that no person employed by us may usurp an investment opportunity which may be appropriate for one or more of the Funds without first presenting the opportunity to our deal team (as defined below), particularly when there is limited availability for participation in the opportunity.

As these situations represent a conflict of interest, we have established the following restrictions in order to ensure its fiduciary responsibilities:

1. No officer or employee of our Firm may prefer his or her own interest to that of an advisory client. Co-investments by such individuals or their affiliates are limited to and may not exceed the maximum aggregate percentage of the total investment made by the Fund as defined in the respective Fund's limited partnership agreement.
2. We maintain a list of all securities holdings for our Firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by the Chief Compliance Officer.
3. All of our principals and employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to disciplinary action up to and including termination.

The Investment Advisers Act of 1940 makes it unlawful for any investment adviser, directly or indirectly, acting as principal for its own account, to knowingly sell any security to, or purchase any security from, a client without disclosing to the client in writing the capacity in which the adviser is acting and obtaining the client's consent to the transaction. This rule may apply to certain transactions involving accounts in which investment advisers have interests, such as private fund investments by the firm's owners, principals, or employees. The SEC has indicated that when an investment adviser and/or its controlling persons own more than 25% of a fund's outstanding securities, it would be effectively treated as a principal transaction if such an account were to engage in a trade with another client account or fund. Such levels of participation in any one of the Funds by our owners, principals or employees is limited by the terms of each Fund's partnership agreements and/or offering documents though side-by-side investments are typically allowed.

Without obtaining the consent of the investment management team established for each Fund, neither Arbor nor any General Partner or other affiliated person shall engage in a principal trade with any of the Funds or purchase from or sell of securities to a Fund from a proprietary or person account, other than through side-by-side investments as provided for in the respective Fund's limited partnership agreement.

Item 12. Brokerage Practices

Arbor, directly or in conjunction with each General Partner or other affiliates, is responsible for all parts of the investment cycle, including deal sourcing and origination, investment decision-making, deal negotiation and transaction structuring, portfolio management (the act of overseeing the investments that we have made) and exit strategies. Arbor will typically make direct investments on behalf of the Funds in privately-held companies.

Rarely will any Fund acquire securities of publicly traded companies, except, perhaps, in connection with a merger of a privately held portfolio company with a company that is publicly traded.

Each direct investment is carefully structured through negotiations by members of the applicable General Partner and Arbor's investment professionals and Analysts (the "**deal team**"), as well as various professionals engaged by the Firm to facilitate a particular deal, as appropriate. These professionals may include attorneys, accountants, consultants, information technology and due diligence professionals, among others. Arbor will utilize the expertise of these professionals in evaluating each deal, including negotiating the most favorable pricing and other terms for the transaction under the circumstances. Transactions in securities that are made by Arbor for the Funds, therefore, are generally discreetly negotiated deals which may or may not involve the participation of an investment bank or broker dealer (hereinafter, collectively, "**Brokers**").

The initial factor considered by Arbor in determining whether or not to enter into a transaction on behalf of a Fund through a Broker will depend, in part, on whether we are seeking to acquire securities or exit a position. If a Broker is involved in a Fund transaction involving an acquisition or other new investment, it is typically because the selling company has engaged such firm to assist it in negotiating and structuring the terms of a particular deal on its behalf including organization of an auction(s) or otherwise. In this way, the selling company hopes to obtain the best possible terms for its sale. Acquisitions and investments are generally funded with capital raised from the Funds' limited partners, but may also be partially or substantially financed by debt obtained for the Fund by Arbor. Under these circumstances, the cash flow from the portfolio company generally will provide the source for the repayment of such debt. In connection with identifying investment opportunities and deal sourcing activities, from time to time, Arbor has entered retained broker arrangements. Under these arrangements, Arbor agrees to pay an agreed-upon retainer and expense reimbursement to the broker and in exchange the broker agrees to undertake efforts to identify suitable investment opportunities for the Fund and its portfolio companies. In connection with any such opportunity that is consummated by the Fund or a portfolio company, the portfolio company pays a finder fee to the broker in an amount equal to an agreed upon percentage of the transaction value. Finder fees paid to any retained broker is not an offset to the Management Fee otherwise paid to Arbor.

Of course each Equity Fund's ultimate goal when investing is to sell or "exit" its investments in portfolio companies for a return in excess of the price paid. When selling a portfolio company, in order to obtain the best possible selling price, and depending on the particular circumstances of the proposed deal, Arbor may engage a Broker to assist in the sale if Arbor determines that such third party has a broader reach than our Firm alone and that engaging the Broker will be in the best interests of the applicable Equity Fund.

If, consistent with our goal of seeking best execution, Arbor determines that it will engage a Broker to assist with the structuring of a particular transaction, such Broker will be selected on the basis of the following, as applicable:

- expertise in the particular market;

- market reach and liquidity;
- history of similar transactions;
- the fees and other cost associated with its services;
- its reputation;
- our past experience with the firm, including any past deal flow or ideas provided by the firm, if any;
- our anticipation of future deal flow, if any;
- willingness and ability to commit capital to complete the deal, if necessary; and
- responsiveness of staff.

Due to the nature of private fund investing, Arbor does not typically aggregate investments or trades for more than one Fund. However, if Arbor has determined that an underlying investment is to be made on behalf of two or more of the Funds, Arbor will typically enter into a single transaction, aggregating the investments for each Fund, as well as any co-investor that was allocated a percentage of the trade. Each participant will participate in the applicable investment or trade at the same price. Transaction costs will typically be borne by the portfolio company whose securities are being acquired.

Because Arbor, on behalf of the Funds, primarily makes direct investments in privately held companies, the use of brokers to execute trades of public securities occurs very infrequently. However, for any security that is a publicly traded security, Arbor will seek to conduct the trade in a manner in which the least amount of commission will be payable and the sole focus when selecting an executing broker for this purpose is best execution. Arbor does not have any formal or informal soft-dollar arrangements nor do we receive any soft-dollar benefits from any broker, dealer or other counterparty. The receipt of research services or other soft dollar benefits is not a factor when selecting an executing broker in the instances where such a broker is required for a public trade. Additionally, Arbor's policy is not to permit clients to direct brokerage to any particular executing broker.

Item 13. Review of Accounts

Arbor monitors the portfolio companies of each Fund on an ongoing basis. As part of the terms of investment, Arbor also arranges, if possible or applicable, for the Funds to have one or more representatives serving on the board of directors of many portfolio companies.

The respective deal team for each Fund will approve all portfolio investments and dispositions and will be actively involved in analyzing each investment and reviewing those investments on an on-going basis.

This team meets regularly to review ongoing monitoring activities and to evaluate potential new platform investments and add-on acquisitions. The deal team also meets once per quarter to review and approve quarterly carrying values of each Fund's respective investments. Other investment professionals may be included in meetings of the investment management team who review investment materials, due diligence materials and provide valuable industry insight.

Arbor regularly reviews the Funds' accounts and various financial and operating statements. In addition, the Funds are audited annually by an independent, certified public accountant and a copy of the audited financials are sent to each investor on a timely basis.

In addition to annual audited financials, investors in each Fund receive, at least quarterly, operations summary reports, capital account statements and unaudited consolidated financial statements containing valuation and performance information for the applicable Fund.

Item 14. Client Referrals and Other Compensation

Arbor may engage other individuals or entities as placement agent in the offer and sales of limited partnership interests in the Funds.

Arbor reserves the right to enter into arrangements with placement agents. Although common, such referral arrangements do create a potential conflict of interest because, in theory, the referrer may be motivated, at least partially, by financial gain and not because the Arbor Funds are the most suitable to the prospective investor's needs. To address this potential conflict of interest, all referred investors are carefully screened to ensure that the particular Fund is suitable to the prospective investor's investment needs, objectives and risk tolerance before any subscription is accepted.

Arbor provides certain administrative and related services to Frontage Search Partners ("*Frontage Search*"), including the provision of office space, IT equipment and support and accounting/bookkeeping services. Frontage Search is an executive search and recruiting firm. Gregory J. Purcell and Joseph P. Campolo, the CEO and President, respectively, of Arbor own a minority equity interest in Frontage Search. From time to time in the ordinary course of its business, Frontage Search may provide employment search and placement services to portfolio companies of Arbor Funds in exchange for fee payment from the applicable portfolio company. The determination whether or not to engage Frontage Search resides with the individual portfolio company executive management team.

Item 15. Custody

Because we act as investment adviser to the Funds and are affiliated with each Fund's General Partner through common ownership and control and have access to client funds or securities, we are deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, we seek to have each of the Funds audited on an annual basis by an independent public accountant. We seek to send, directly, the audited financials to each Fund investor within 90 days of the applicable Fund's fiscal year end. All certificates evidencing securities of portfolio companies of the Arbor Funds will be held by a third party qualified custodian.

Item 16. Investment Discretion

As investment adviser to the Funds, Arbor is granted the discretionary authority in the relevant organizational documents and/or advisory agreements to determine which securities and the amounts of securities that are to be bought or sold on behalf of the Funds.

Item 17. Voting Client Securities

Because the Funds transact primarily in privately issued securities, Arbor rarely is required to vote proxies with respect to the Funds' investments and securities. Under certain limited circumstances, however, we may be required to vote proxies solicited by portfolio companies. Under these circumstances, we will vote proxies in the best interest of the Funds, typically with the goal of maximizing value for the Funds and the investors in the Funds. To that end, Arbor endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause the Funds' investments to increase the most or decline the least in value. Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. Arbor's complete proxy voting policy and procedures has been memorialized and is available for investors to review.

It is important to note that Arbor or the General Partner will typically name one or more affiliated persons to serve on the board of directors of portfolio companies. As such, a conflict of interest could arise when voting certain common proxies, including board composition, tenure or compensation. Under these circumstances, Arbor will either abstain or engage an unaffiliated third party to vote the proxy on behalf of the affected Fund.

Item 18. Financial Information

Arbor does not require prepayment of client fees more than three (3) months in advance of services rendered, therefore, we are not required to include a financial statement with this Brochure.

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