



Stripes Management, LLC

PART 2A OF FORM ADV: FIRM BROCHURE

This brochure provides information about the qualifications and business practices of Stripes Management, LLC. If you have any questions regarding the contents of this brochure, please contact Wayne Marino at (212)-823-0733 or via email at wayne@stripes.co. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Stripes Management, LLC is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Stripes Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 – Material Changes

This amendment to the brochure contains material changes from the Firm’s previous brochure to reflect a change in the name of the Firm, the Funds, and the General Partners (as defined herein).

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Item 4 – Advisory Business

Stripes Management, LLC (along with its affiliates and subsidiaries “Stripes” or the “Firm”), a Delaware limited liability company, is an investment adviser located in New York, New York, formed in June 2008. Stripes serves as an investment adviser to pooled investment vehicles (each a “Fund” or “Client” and collectively the “Funds” or “Clients”), which are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to Section 3(c)(1) and/or 3(c)(7) of the Investment Company Act. Mr. Kenneth A. Fox is the principal owner of the Firm.

Stripes provides discretionary investment advisory services to the Funds. The Funds primarily seek to acquire buyout and minority growth equity investments in technology-enabled and branded consumer product businesses (each a “Portfolio Company” and collectively the “Portfolio Companies”). Investors in the Funds (each, a “Partner”) invest with Stripes by purchasing interests in the Funds when a Fund is raising capital.

Stripes manages the Funds in accordance with the investment objectives and limitations set forth in each Fund’s offering memoranda, governing documents, including subscription agreements and side letters, and the investment management agreement between Stripes and each Fund (“Operating Documents”). Stripes utilizes a similar strategy for all of the Funds; however, some Funds may differ in their particular investing approach, as specified in each Fund’s Operating Documents.

Stripes is affiliated with entities that serve as the general partners to each of the Funds (each, a “General Partner” and, collectively, the “General Partners”) and each of the Funds is controlled by its respective General Partner. The following is a list of each of the General Partners, which are affiliated investment advisers of Stripes:

General Partners:

- Stripes GP I, LLC
- Stripes GP II, LLC
- Stripes GP III, LLC
- Stripes III Co-Invest I GP, LLC
- Stripes GP IV, LLC

The advisory services of Stripes Management, LLC and each of the General Partners, as affiliated investment advisers, are described in this brochure. Each General Partner is deemed registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) pursuant to Stripes Management, LLC’s registration in accordance with SEC guidance and the information set forth herein regarding the investment advisory services provided by Stripes shall also apply in respect of the General Partners.

As of December 31, 2018, Stripes manages on a discretionary basis, regulatory assets under management of \$2,066,267,838. Stripes does not manage any client assets on a non-discretionary basis.

Stripes does not participate in wrap fee programs.

Item 5 – Fees and Compensation

Management Fee

Stripes generally receives annual management fees (the “Management Fee”) in exchange for the investment management services provided to the Funds. The Management Fees for an annual period are generally payable on a semi-annual basis, on each February 1 and August 1, for the respective semi-annual period beginning January 1 and July 1 of each year (*i.e.*, partially in advance and partially in arrears). In the unlikely event the Firm ceases to be the investment manager of a Fund during a semi-annual period, the Management Fee payable by the Fund for such semi-annual period will be pro-rated based on the number of days during such semi-annual period that Stripes served as an investment manager.

The amount of Management Fees payable by a Fund during its commitment period (*i.e.*, the period of time during which the limited partners’ capital commitments may be drawn upon to make new investments) is approximately 2% per annum of the Fund’s aggregate capital commitments. After the commitment period, the Management Fee is generally equal to 2% per annum on a Fund’s invested capital. The specific Management Fees payable by a Fund are negotiated at the time of its formation and are described in the applicable Fund’s Operating Documents.

Other Fees and Expenses

To the extent not paid or reimbursed by a Portfolio Company or third party, each Fund is also typically responsible for all costs and expenses relating to its organization and operations, which may include, but are not limited to: (a) legal, auditing, consulting and accounting fees and expenses; (b) expenses incurred with the preparation and audit of a Fund’s financial statements, tax returns, K-1s and any other reports to Partners (including any software or online data portal used in connection with such reporting); (c) attorneys’ and accountants’ fees and disbursements; (d) all expenses of the members of the Fund’s advisory committee in connection with their services, including, without limitation, travel expenses in connection with attendance at advisory committee meetings; (e) all expenses of the Partners; (f) all expenses associated with the organization, evaluation, negotiation, structuring, due diligence, acquisition, holding, sale, proposed sale, valuation or disposition of its proposed or actual Portfolio Companies, including, without limitation, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, research expenses, travel expenses, legal, accounting, investment banking, consulting, professional fees and other unreimbursed expenses; (g) expenses incurred in connection with the carrying, monitoring or management of investments, including custodial, trustee, record keeping and other administration fees; (h) insurance (including directors and officers insurance, indemnification expenses (and damages) and the cost and expenses of any other extraordinary events involving the Fund and the amount of and judgments or settlements paid in connection therewith; (i) interest on and fees and expenses arising out of all permitted borrowings made by the Fund; (j) all third-party expenses relating to unconsummated transactions; (k) all expenses relating to the formation and maintenance of any alternative investment vehicle; (l) all expenses of winding up or liquidating the Fund; (m) all expenses related to a defaulting Partners; (n) any taxes, fees or other governmental charges levied against the Fund; (o) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund and related entities, including the General Partner and the Firm, to the extent necessary to implement a restructuring or amendment of the Fund documents; (p) expenses incurred in connection with distributions to Partners; (q) expenses incurred in connection with the employment of any selling agent, broker, placement agent, or finder; (r) reasonable expenses for business development, travel and entertainment directly related to the development and management of Portfolio Companies and prospective Portfolio Companies; and (s) all out-of-pocket fees, costs and expenses incurred in connection with Fund-related compliance obligations (e.g., the preparation and filing

of Form PF, compliance with the European Union’s Alternative Investment Fund Management Directive and any other forms, schedules or other filings with governmental and self-regulatory agencies directly related to the making, holding or disposing of Portfolio Companies by the Fund). Typically, each Fund is responsible for all costs and expenses in connection with its operations and investments; unless otherwise expressly agreed with Clients, Stripes is responsible for its own operations, including rent, salaries, furniture and fixtures and all other office equipment.

Please refer to the relevant Fund’s Operating Documents for a complete understanding of each Fund’s fees and expenses. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund’s Operating Documents.

Stripes may, in its sole discretion, waive all or any portion of the fixed Management Fee or performance-based fee for Partners that are affiliates or employees of Stripes or its affiliates or family members of any such persons (including trusts for the benefit of one or more such persons), or affiliates or members of the General Partner of the relevant Fund.

Funds may incur brokerage and other transaction costs to the extent a Fund may hold publicly-traded securities. See [Item 12, Brokerage Practices](#) for a detailed discussion of Stripes’ brokerage practices.

Neither Stripes nor any of its “supervised persons” accepts compensation for the sale of securities or other investment products.

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

The General Partners are generally entitled to receive a “carried interest”, which is based on realized gains from a Fund’s investments, as specified in each Fund’s Operating Documents. The carried interest typically equals 20% of distributions made to Partners in excess of Partners’ invested capital, which includes funded commitments for Fund expenses. The fact that a significant portion of Stripes’ compensation is directly computed on the basis of profits generated by the sale/disposition of a Fund’s assets may create an incentive for Stripes to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. However, the Firm is committed to acting at all times in the best interests of the Funds. To this end, the Firm has implemented internal controls to address the potential conflicts associated with performance-based fees, as more fully described in each Fund’s Operating Documents. Additionally, each General Partner is subject to a “clawback” of carried interest previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable to such General Partner by such Fund as carried interest, applied on an aggregate basis covering all transactions of the applicable Fund.

Item 7 – Types of Clients

Stripes provides investment advice to the Funds, which are private investment vehicles that are exempt from registration under the Investment Company Act. The Funds’ investors are limited to individuals and entities that meet certain suitability criteria including “accredited investors”, “qualified clients” and “qualified purchasers.” The Funds are marketed exclusively to institutional investors and high net worth individuals that meet these criteria.

The minimum investment in a Fund typically ranges between \$5,000,000 and \$20,000,000, but is subject to waiver at the discretion of Stripes.

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

Investment Strategy

Stripes' investment focus is on investments in companies in the lower-to-middle market. Stripes makes \$10 million to \$150 million buyout and minority growth equity investments in technology-enabled and branded consumer product businesses. These businesses often display financial, operational and managerial characteristics that make them attractive opportunities from a risk/reward perspective, and they typically provide Stripes with the ability to make investments with flexible structures, where the business can use the Firm's operational resources and expertise with the goal of unlocking significant upside potential. Stripes also prefers to be the first institutional investor in a company. Stripes believes that businesses that have been "boot-strapped" with founder or "friends and family" investments generally have a high degree of discipline around their expense structures and are driven to build their business intelligently, profitably and with an eye toward ultimate return on investment.

Technology is playing an increasingly important role in all types of businesses, and the effective use of technology has allowed numerous companies to develop significant and defensible competitive advantages in their respective marketplaces. Within the world of technology-enabled businesses, Stripes principally focuses on business-to-business ("B2B") internet, business-to-consumer ("B2C") internet and software-as-a-service ("SaaS") companies. These are all rapidly growing sectors, and Stripes believes there exists a significant opportunity for highly profitable investments within each one. Collectively, Stripes and its operating partners and advisors have particularly strong experience with B2B internet and B2C internet businesses as operators, investors and entrepreneurs, and the Firm believes it has a history of identifying viable investment opportunities, structuring favorable transactions, enhancing operational performance, accelerating growth and exiting profitably.

In the branded consumer sector, the Firm believes there is an opportunity to build strong equity value in businesses by taking advantage of differentiated brand positioning, marketing opportunities and distribution. Within the branded consumer market, Stripes looks for what it believes are distinctive products that have demonstrated brand equity, exceptional consumer value propositions and clearly identified growth strategies. There are opportunities to identify brands that have developed strong followings in various niche markets, but have not achieved true scale from distribution and/or have significant operational inefficiencies. Stripes believes it is well-positioned to capitalize on these areas because of what it believes are the rare combination of core operating expertise and deep experience in marketing and brand building possessed by Stripes' and its operating partners and advisors.

Within these sectors, Stripes is focused on rapidly growing companies typically characterized by sound business models, low capital expenditure requirements and twenty-four-month financial forecasts that it believes can be met without the introduction of new, unproven products or services. The Firm seeks to avoid venture risk and generally does not invest in companies that have forecasts dependent upon a successful launch of unproven products or services. Target businesses are those in which Stripes believes it can have a significant impact on operating results within twelve to twenty-four months of its investment and that typically have no prior institutional investors.

Investment Process

Stripes actively initiates contact with potential Portfolio Companies and develops and maintains a network of intermediaries as part of its efforts to identify suitable investment opportunities. Investment opportunities are identified in line with Stripes' target financial metrics and investment focus and are immediately analyzed with particular attention paid to the target's market opportunity and growth,

competitive landscape, barriers to entry, market dynamics and strength of the executive team, especially the Chief Executive Officer. Stripes deliberately chooses to lead due diligence efforts at the company-level focusing on financial results, operations, legal documents, management, and accounting policies and procedures. Stripes leverages third-party experts to drill down further only when deemed necessary. Operating partners and advisors can sometimes play a significant role in the due diligence process, helping the Stripes team develop a view on a potential investment through an on-site analysis of the business model, operations and management.

Material Risks of Investment Strategy

General

Investing in securities involves risk of loss that Partners should be prepared to bear. All investments made by Stripes risk the loss of capital and no guarantee can be made that Stripes will be able to achieve its investment objective or that Partners will receive a return of their capital. Making an investment in a Fund should be considered speculative and such an investment should not be intended as a complete investment program. An investment in a Fund is designed for sophisticated persons who are able to bear the economic risk of the loss of their investment in a Fund and who have a limited need for liquidity in their investment. Listed below are some of the risks associated with an investment in a Fund. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in the Funds' investment strategies. For a complete explanation of the Funds' relevant investment strategies and their associated risks, please see the relevant Offering Documents, which contain additional explanations of strategies, risks and other related details not discussed below.

Business Risks

Unspecified Investments and Highly Competitive Market for Investment Opportunities. At the time a Partner makes an investment in a Fund, Stripes may not have yet identified suitable investment opportunities. The activity of identifying, completing and realizing attractive investment opportunities is highly competitive and involves a high degree of uncertainty. Stripes will be competing for investment opportunities against various other industry participants and other investment firms. There can be no assurance that Stripes will be able to identify and make investments that satisfy the Fund's objective, or realize the value of such investments, or that Stripes will be able to invest fully Partner commitments even though Partners will still be required to pay Management Fees based on their aggregate commitments during the Fund's commitment period.

Investing in Growth Businesses. Stripes will invest in growth companies, which may be characterized by short operating histories, evolving markets, intense competition and management teams that have limited experience working together. A Portfolio Company may need to develop and execute various operational strategies such as sales and marketing, inventory, finance, personnel or other in order to become successful. Achieving investor return expectations is dependent upon Stripes' ability to identify and invest in companies that can successfully combine these strategies where products and markets are constantly evolving. There can be no assurance that Stripes will identify and invest in a sufficient number of these companies.

Investing in Less Established Businesses. Stripes may invest a portion of its assets in less established companies. Such investments may involve greater risks than generally are associated with investments in more established companies. To the extent there is any public market for the securities held by Stripes in any such companies, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower

capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. As such, these investments should be considered highly speculative and may result in the loss of Stripes' entire investment.

Equity Securities. The Funds generally invest in common and preferred stock and other equity securities, including both public and private equity securities. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. In some cases, the issuers of such equity securities may be highly leveraged or subject to other risks such as limited product lines, markets or financial resources. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or that are rumored to be subject to accounting irregularities. The Funds may experience a substantial or complete loss on individual equity securities.

Illiquid and Long-Term Investments. The return of Partners' capital and the realization of gains, if any, from investments generally occur upon the partial or complete disposition of a Portfolio Company. It is generally expected that the disposition of most Portfolio Companies will not occur for a number of years after the investment is made. Stripes may not be able to sell investments when it desires to do so or to realize what it perceives to be their fair value. In addition, there may be certain legal or other restrictions on sale or transfer of an investment.

Control Position. As part of its strategy, Stripes seeks investment opportunities that allow it to either acquire control or exercise influence over management and the strategic direction of the companies in which it invests. The exercise of control over a Portfolio Company imposes additional risks on a Fund of liability for environmental damage, product defects, failure to supervise management, labor disputes and other types of liability associated with a Portfolio Company's operations. The exercise of control over a Portfolio Company could expose Fund assets to claims by such Portfolio Company or by its security holders and its creditors.

A Fund may be represented on the boards of directors of certain of its Portfolio Companies. As such, a Fund may have restrictions on its ability to sell the investment. In addition, Stripes and a Fund may be subject to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director related claims.

Minority Investments. Stripes will also make minority investments in Portfolio Companies where it may have more limited influence. These minority-owned Portfolio Companies may have economic or business interests or goals that are inconsistent with those of a Fund and Stripes may not be able to limit or otherwise protect the value of a Fund's investment in such Portfolio Companies.

Possible Hedging. Stripes may, but is not required to, seek to minimize the risk of a decrease in the value of one or more investments by using certain hedging strategies. The use of hedging strategies is a highly specialized activity and there can be no assurance that their use will achieve the intended result. These hedging strategies may limit the ability of the Funds to profit from the increase in the value of an investment above a certain price. In addition, if judgments made with respect to exchange rates, interest rates, market conditions or trends are not correct, these hedging strategies could result in losses to the Funds. While such hedging transactions may reduce certain risks, such transactions themselves may entail certain other risks, including (but not limited to) counterparty credit risk and market liquidity risk. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. Thus, while the Funds and the Portfolio Companies may benefit from the use of hedging instruments, unanticipated changes in

interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Funds and the Portfolio Companies than if they had not used those hedging instruments. The Funds' hedging activities will be subject to any limitation imposed by the de minimis exemption under CFTC Rule 4.13(a)(3) or any other exemption from registration under the Commodity Exchange Act applicable to the Funds at the applicable time.

Leverage. Certain investments may include Portfolio Companies whose capital structures have significant leverage. Due to such leverage, such companies may be more sensitive to adverse business or financial developments or economic factors. In an environment of rising interest rates a leveraged company may have increased interest obligations associated with its indebtedness. As such, the company's cash flow could be severely impaired resulting in the value of the Portfolio Company being significantly reduced or eliminated.

Portfolio Company Management Risks. The management team of a Portfolio Company may have a limited number of key individuals, the loss of any one of whom could significantly adversely affect the Portfolio Company's performance.

General Economic Conditions and Recent Events. A Fund's investments can be expected to be sensitive to the performance of the overall economy. 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 Fund investments. Future terrorist attacks and certain armed hostilities similar to those of the recent past could also have a material adverse effect on general economic conditions, consumer confidence and market liquidity. A negative impact on economic fundamentals and consumer confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of a Fund's investments.

Potential Implications of Brexit. In a referendum held on June 23, 2016, the United Kingdom ("UK") resolved to leave the European Union ("EU"). The result has led to political and economic instability, volatility in the financial markets of the UK and more broadly across Europe. It may also lead to weakening in consumer, corporate and financial confidence in such markets as the UK negotiates its exit from the EU. The longer-term process to implement the political, economic and legal framework between the UK and the EU is likely to lead to continuing uncertainty and periods of exacerbated volatility in both the UK and in wider European markets. In particular, the decision made in the British referendum may lead to a call for similar referendums in other European jurisdictions which may also cause increased economic volatility in wider European and global markets.

Currency volatility resulting from this uncertainty may mean that the returns of Stripes and its investments are adversely affected by market movements, potential decline in the value of the British Pound and/or Euro, and any downgrading of UK sovereign credit rating. This may also make it more difficult, or more expensive, for Stripes to execute prudent currency hedging policies.

This mid to long term uncertainty may have an adverse effect on the economy generally, the treatment of Stripes and its Investment Manager under the AIFM Directive and other applicable law and on the ability of Stripes and its Portfolio Investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to Stripes.

Geopolitical Risks. An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of

default of Portfolio Investments, negatively impact market value, increase market volatility and cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on Stripes's returns. No assurance can be given as to the effect of these events on the value of or markets for Portfolio Investments.

Cybersecurity Risks. The Firm, the Funds and their respective service providers are susceptible to cybersecurity risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Firm, the Funds and their service providers use to service the Funds' operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Firm, the Funds and their service providers. Cyber-attacks against or security breakdowns of the Firm, the Funds or their service providers may adversely impact the Funds and their Partners, potentially resulting in, among other things, financial losses; the inability of the Firm or the Partners to transact business and the Funds to process transactions; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Firm and the Funds may incur additional costs for cybersecurity risk management and remediation purposes. In addition, cybersecurity risks may also impact issuers of securities in which the Funds invest, which may cause a Fund's investment in such issuers to lose value. There can be no assurance that the Firm, a Fund or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

Disposition of Private Investments. In connection with the disposition of privately held Portfolio Companies, a Fund may be required to make representations about the business and financial affairs of a Portfolio Company typical of those made in connection with the sale of a business. A Fund also may be required to indemnify the purchasers of such Portfolio Company to the extent that any such representations turn out to be inaccurate. These arrangements may result in the incurrence of contingent liabilities that may ultimately yield funding obligations that must be satisfied by the Partners of a Fund to the extent of distributions made to such Partners.

Guarantees of Portfolio Companies. The Funds may guarantee the obligations of Portfolio Companies. As a result, if any such Portfolio Company defaults on its obligations, the Funds will be required to satisfy such obligation. In order to do so, the Funds may call capital, recall distributions or, while unlikely, liquidate some or all of the Portfolio Companies prematurely at potentially significant discounts to fair value. However, the Funds may not have outstanding guarantees of Portfolio Company loans or other extensions of credit (at the time of issuance of any such guarantee) in excess of the aggregate unfunded commitments, which should mitigate the likelihood that portfolio investments would need to be liquidated or distributions recalled in order to satisfy any such obligations.

Bridge Financings. From time to time, the Funds may lend to Portfolio Companies on a short-term, unsecured basis or otherwise invest on an interim basis in Portfolio Companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. However, for reasons not always in the Funds' control, such long-term securities issuance or other refinancing or syndication may not occur and such bridge loans and interim investments may remain outstanding. Any such loan made by the Funds involves the risk of loss of the entire amount of such loan. In addition, by making such loans, the Funds may be subject to various laws and regulations applicable to lenders and the holding of such loans could potentially subject the Funds to various "lender liability" risks. In such event, the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the position taken by the Funds or be consistent with the targeted returns on portfolio investments generally made by the Funds.

Non-U.S. Investments. A Fund may make a limited number of investments outside of the United States. Foreign securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a Fund's foreign investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another, (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, (iii) less government supervision and regulation, (iv) certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital and the risks of political, economic or social instability, (v) obtaining foreign governmental approvals and complying with foreign laws and (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities. In certain countries, the concept of fiduciary duty on the part of the management or directors of companies to shareholders may be limited. The legal systems in these countries may offer no effective means for a Fund to seek to enforce its rights or otherwise seek legal remedies or to seek to enforce foreign legal judgments.

Investments in Partnerships, Joint Ventures and Other Entities. A Fund may acquire interests in partnerships, joint ventures or other entities that own or invest, directly or indirectly, in the underlying Portfolio Companies. Such investments, under certain circumstances, may involve risks not present in direct investments, including, for example, the possibility that one or more of a Fund's co-venturers or partners might become bankrupt, have economic or business interests or goals that are inconsistent with those of a Fund, or be in a position to take action contrary to a Fund's objectives. It may also be difficult for a Fund to liquidate its interest in any such partnership, joint venture or other entity.

A Fund may from time to time form companies to hold certain of its Portfolio Companies in an attempt to facilitate their sale, as well as invest in existing Portfolio Companies in an attempt to recognize the value of their underlying asset. There can be no assurance that either strategy will be successful.

Concentration of Investments. A Fund will hold a limited number of investments and, as a consequence, a Fund's returns may be affected by the performance of a single investment. Because generally a Fund has the ability to concentrate its investments by investing up to 20% of a Fund's aggregate commitments in a single Portfolio Company, the overall adverse impact on a Fund of adverse movements in the value of a single Portfolio Company will be considerably greater than if a Fund were not permitted to concentrate its investments to such an extent. Also, to the extent that the capital raised for a Fund is less than the targeted amount, a Fund may invest in fewer Portfolio Companies and thus be less diversified.

Litigation. A Fund may be engaged in litigation both as a plaintiff and as a defendant. This risk is greater where a Fund exercises control or significant influence over a Portfolio Company's direction, including as a result of board participation. The expense of defending against claims made against a Fund by third parties and paying any amounts pursuant to settlements or judgments would, to the extent that (a) a Fund has not been able to protect itself through indemnification or other rights against the Portfolio Companies, (b) a Fund is not entitled to such protections or (c) the Portfolio Company is not solvent, be borne by a Fund pursuant to indemnification obligations and reduce net assets.

Third-Party Advice. Stripes utilizes the services of attorneys, accountants and other consultants in their operations and relies upon such advisors for their professional judgment with respect to legal, tax, regulatory and other matters. Nevertheless, there exists a risk that such advisors may provide incorrect advice from time to time.

Follow-On Investments. Following the initial investment in a Portfolio Company, a Fund may be called upon to provide additional funds or have the opportunity to increase its investment. There is no assurance

that a Fund will make follow-on investments or that a Fund will have sufficient funds to make all such investments. Any decision to make follow-on investments or a Fund's inability to make them may have a substantial negative impact on the Portfolio Company.

Expedited Transaction. Investment analyses and decisions by Stripes may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available at the time an investment decision is made may be limited, and Stripes may not have access to detailed information regarding the investment. Therefore, no assurance can be given that Stripes will have knowledge of all circumstances that may adversely affect an investment.

Failure to Make Capital Contributions. If any Partner in a Fund is unable to satisfy its initial subscription obligation or make required capital contributions when due, a Fund's ability to complete its investment program or otherwise continue operations may be substantially impaired. A default by a substantial number of Partners in a Fund could leave the Fund with less than sufficient capital to meet its funding obligations and, as described above, would limit opportunities for investment diversification and likely reduce returns to a Fund.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the investment adviser or the integrity of its management. Stripes has no applicable disciplinary information to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Stripes, nor any of its management persons, are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

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

The following entities are the General Partners of the Funds and each is ultimately controlled by Mr. Kenneth A. Fox: Stripes GP I, LLC; Stripes GP II, LLC; Stripes GP III, LLC; Stripes III Co-Invest I GP, LLC; and Stripes GP IV, LLC.

Stripes does not recommend or select other investment advisers for the Funds.

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

Stripes has adopted a written Code of Ethics (the "Code") that is designed to promote high ethical standards and reflects Stripes' fiduciary duty to its Funds. The Code establishes standards of business conduct for all employees and is designed to prevent prohibited acts and mitigate potential conflicts of interest between Stripes, its employees and its Funds. Stripes' Code states that each Stripes employee is expected to act with integrity, competence, dignity and in an ethical manner when dealing with the public, Clients, investors, prospective investors and fellow employees. The Code further requires employees to (i) put the interest of Stripes' Clients before their own personal interests and (ii) act honestly and fairly in dealings with Clients and investors. Stripes provides training at least annually to all employees with regards to its Code.

The Code also contains policies and procedures that ensure that all personal securities trading by employees is conducted in such a manner so as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. Stripes restricts personal trading on most securities without the consent of Stripes' Chief Compliance Officer, requires pre-clearance before purchasing securities in an IPO or limited offering (*i.e.*, a private placement), and requires periodic reporting of employees' personal securities transactions and all holdings. Stripes closely monitors the personal trading of employees, prohibits excessive personal trading, and requires each employee to annually certify that he or she has read, understands and agrees to abide by Stripes' Code and insider trading policies and procedures.

The Code also establishes guidelines for employees with identifying instances when they might be exposed to material non-public information and compliance procedures when they believe they are in possession of material non-public information.

Stripes will provide a copy of the Code to any Client or prospective Client upon request.

Conflicts of Interest

Participation or Interest in Client Transactions. Generally, the General Partner of each Fund has an investment in such Fund. Therefore, Stripes may be considered to participate indirectly in transactions effected for those Clients. The foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are disclosed in the respective Fund's Operating Documents.

Stripes and its affiliates may receive certain directors' transaction (including set-up, acquisition and commitment fees), monitoring or other similar fees associated with investments or proposed investments or commitments made by the Fund. All or a portion of such fees generally offset the Management Fees otherwise payable by the Funds.

Conflicts with Portfolio Companies. Officers and employees of the Firm may serve as directors of certain Portfolio Companies and, in that capacity, will be required to make decisions that consider the best interests of such Portfolio Companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a Portfolio Company, actions that may be in the best interest of the Portfolio Company may not be in the best interests of the relevant Fund(s), and vice versa. Accordingly, in these situations, there may be conflicts of interests between such individual's duties as an officer or employee.

Valuation. Valuation of assets acquired in a Portfolio Company may be difficult, and there generally will be no established market for these assets. The General Partner's determination of the fair value of an investment may impact the calculation of the Management Fee and carried interest distributions to the extent that such valuation would result in a writedown, which could incentivize the Fund's General Partner to refrain from writing down Portfolio Companies.

Allocation of Investment Opportunities. In general, investment opportunities are not allocated among the Funds. The respective Fund's Operating Documents set forth terms with respect to the allocation of investment opportunities. Generally, from the date of the closing of a Fund until the expiration of the commitment period, Stripes will allocate investment opportunities (other than follow-on investment opportunities related to investments of a prior Fund) that are within the scope of a Fund's investment objectives and are in a specified amount solely to such Fund. In the event that a closing on behalf of a new Fund occurs prior to the expiration of such commitment period of an existing Fund, Stripes will allocate those investment opportunities that meet the investment objectives of both Funds as set forth in each Fund's Operating Documents. Stripes will maintain records of those instances where it allocates investment opportunities between or among Funds and the methodology of such allocation.

Where possible and appropriate and in accordance with the terms of the limited partnership agreements of the Funds, Stripes may offer available co-investment opportunities to certain limited partners in a Fund prior to making such opportunities available to parties who do not invest in such Fund on such terms and conditions as determined by the General Partner of such Fund. The General Partner of such Fund may receive carried interest and Stripes may receive a Management Fee in respect of any such co-investment opportunities.

Co-Investments with Third Parties. A Fund may co-invest with third parties through jointly owned acquisition vehicles, partnerships, joint ventures or other structures. In such situations, such Fund's ability to control its equity investments will depend upon the nature of the joint investment arrangements with such partners and the Fund's relative ownership stake in such investments. The Fund may be a minority investor in these circumstances. In addition, such arrangements may restrict the Fund's ability to dispose of its investments for potentially significant periods of time. Such investments may involve risks not present in investments where a third party is not involved. A co-venturer or partner of the Fund may at any time have economic or business interests or goals which are inconsistent with those of the Fund and may be in a position to take (or block) action inconsistent with the Fund's investment objectives. The Fund may be liable for certain actions of its co-venturers or partners. Co-investments may also involve higher costs than other investments. Co-venturers or partners potentially may include Partners and certain Fund investors.

Allocation to Co-Investment Vehicles. To the extent that any co-investment vehicle is offered an opportunity to invest in a Portfolio Company, because Stripes or the relevant General Partner is not necessarily required to offset fees for such co-investments, it may incentivize the Funds to allocate a greater portion of the investment to the co-investment vehicle than it would otherwise make in the absence of such an arrangement.

Portfolio Company and Other Fees. Stripes and its affiliates may receive certain consulting fees, advisory fees, directors' fees, transaction fees, break-up fees and other fees from Portfolio Companies and in connection with unconsummated transactions. Stripes' ability to receive such fees (and related expense reimbursements) from Portfolio Companies for performing consulting and other services for, or serving as directors (or similar positions) of, such Portfolio Companies represents a conflict of interest to the extent that the Funds have or will have control or significant influence over such Portfolio Companies, although this potential conflict of interest is mitigated by the fact that the amounts of such fees are typically negotiated with the applicable Portfolio Company's management team and/or any roll-over equity holders, as well as the fact that such fees offset the Management Fee, but not below zero.

Operating Partners and Operating Advisors. As part of its strategy, Stripes has entered and will enter into certain strategic relationships with operating partners, operating advisors and similar persons to provide certain services in connection with sourcing investments, due diligence and/or providing operating management to Portfolio Companies. In connection with such services, these persons may be entitled to (a) receive cash and/or non-cash (e.g., equity) consideration for their services from the applicable Portfolio Companies, (b) invest directly in one or more Portfolio Companies, and (c) participate in a portion of the carried interest received by the relevant General Partner.

Principal Transactions. Stripes does not anticipate entering into principal transactions, where Stripes or any of its affiliates purchase or sell any security for its own account from or to the account of any Fund. In the event that Stripes (or its affiliate) may engage in a principal transaction, it will obtain the approval of the applicable Fund's limited partner advisory committee.

Cross Transactions. Stripes is not affiliated with a registered broker-dealer and as such cannot engage in agency cross transactions. While unlikely, Stripes may engage in a cross transaction, where one Client

purchases or sells any security for its own account from or to the account of another Client. In the event of a cross transaction, Stripes will obtain any required Client approvals, including that of a Fund's limited partner advisory committee in accordance with the terms of such Fund's limited partnership agreement.

Stripes has adopted policies and procedures reasonably designed to identify and manage those conflicts of interest inherent to the Firm's business, including but not limited to those described above.

Item 12 – Brokerage Practices

Stripes does not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Funds because the securities that it typically purchases or sells on behalf of the Funds are acquired and/or disposed of in privately negotiated purchase and sale transactions.

From time to time, Stripes may use a broker to effect transactions in public securities resulting from, or in connection with, portfolio investments. In those instances, Stripes has full discretionary authority with respect to the selection of, and commissions paid to, brokers. If Stripes determines to engage a broker, it will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness, and the value of research provided, if any. To minimize execution costs and obtain best execution for all Funds, Stripes may aggregate orders for multiple Funds, provided that aggregating would be in the best interests of each participating Fund.

Stripes does not currently utilize any soft dollar benefits or Client referrals from broker-dealers in connection with Fund transactions.

Item 13 – Review of Accounts

Stripes' managing partners generally meet weekly to evaluate and discuss both current and prospective investments. Stripes' deal teams conduct in-depth reviews of the performance and outlook for each Portfolio Company. Stripes' internal finance department monitors all cash inflows and outflows from the Funds.

Stripes holds annual meetings at which Stripes' managing partners provide Partners in the Funds with comprehensive reviews of the performance of the Funds and Portfolio Companies. Each Fund has an Advisory Committee that meets annually to review any items required under the Funds' governing documents.

Stripes provides reports at such frequency as is required by the applicable limited partnership agreements for the Funds. In general, within 60 days following the end of each fiscal quarter, each Partner in a Fund will receive a written report that shall contain unaudited financial information with respect to such Fund's individual investments. In general, within 90 days of each fiscal year end, each Partner will receive (i) a balance sheet of the Fund as of the end of such fiscal year and statements of operations, changes in Partners' capital and cash flows of the Fund for such fiscal year, accompanied by an audited report, (ii) the required information to facilitate each Partner's federal income tax returns, and (iii) a written report that shall contain descriptive investment information with respect to each Portfolio Company in the Fund.

Item 14 – Client Referrals and Other Compensation

To the extent that a Fund’s General Partner, the Firm or any of their respective affiliates provide services to a Fund that would otherwise be provided by third parties, the General Partner, the Firm or any such affiliates, as applicable are entitled to receive fees in connection with such services, including, but not limited to: directors’, transaction (including, without limitation, set-up, acquisition and commitment fees), monitoring or other similar fees. In addition, Stripes may be reimbursed by the Funds’ Portfolio Companies for expenses it incurs in connection with the performance of the services that give rise to such fees. Finally, Stripes may receive break-up fees or other forms of compensation payable by a third party as a result of the failure to consummate a proposed investment by a Fund. In general, the aggregate management fee that a Fund pays is reduced by a portion of any such transaction fees or break-up fees received by Stripes in connection with the activities of such Fund.

Stripes sponsors the formation of each Fund and generally does not engage or compensate third party referral agents to solicit new Clients or Partners. If Stripes engages and will make a cash payment to any solicitor of Clients or Partners, it will do so in accordance with Rule 206(4)-3 under the Advisers Act, and will bear the full costs of any compensation paid to such solicitors.

Item 15 – Custody

All cash and certificated securities for the Funds are held in custody by independent qualified custodians. However, Stripes is deemed to have custody of Client accounts since it or an affiliate serves as General Partner of each Fund. Stripes arranges for the Funds’ financial statements to be prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and audited at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules. Stripes makes those audited financial statements available to all Partners in the Funds within 120 days of the end of each Fund’s fiscal year. Upon liquidation of a Fund, Stripes will distribute its audited financial statements prepared in accordance with GAAP to all Partners in the Fund promptly after the completion of a final audit.

Item 16 – Investment Discretion

Stripes has discretionary authority over the Funds’ assets pursuant to the Funds’ Operating Documents, which impose certain limitations. Such limitations include the amount of capital that may be invested in any one Portfolio Company, geographical limitations, limitations on investing in publicly traded securities and limitations on borrowing by a Fund. For a complete description of a Fund’s investment limitations, investors and qualified potential investors should refer to such Fund’s Operating Documents and limited partnership agreements.

Item 17 – Voting Client Securities

While the securities evidencing the investments made by the Funds are not typically the subject of proxies, there could be certain circumstances where Stripes, having discretionary authority over the accounts of the Funds, may be asked to vote the securities of such Funds on restructuring or other corporate matters. Stripes will ensure that a record of each securities position held by each Fund is maintained and, where any such vote is to occur, will ensure that it receives all relevant information, disclosure materials and such proxies or consents as are necessary for it to cast votes in a timely manner.

Stripes will also determine where there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interests of a Fund. If Stripes determines that

there are no material conflict of interests, then it will make the voting determination and take the required voting action. If Stripes determine that, due to a conflict of interests, it is not capable of making an independent determination as to the voting decision then the voting decision will be that recommended by the applicable limited partner advisory committee.

The Funds cannot direct Stripes' vote in a particular solicitation. Each Fund is controlled by its General Partner (a Stripes affiliate) and, as such, each Fund is aware of how it voted with respect to its securities. A copy of the proxy voting policies and procedures will be provided to any Client and prospective Client upon request.

Item 18 – Financial Information

Stripes does not require or solicit prepayment or more than \$1,200 in fees per client six months or more in advance and, thus is not required to include a balance sheet for its most recent fiscal year.

Stripes is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Funds. Stripes has not been the subject of a bankruptcy petition within the preceding ten years.

Item 19 – Requirements for State-Registered Advisers

Not applicable.