



Alternative Investment  
Management, LLC

## DISCLOSURE BROCHURE

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This brochure provides information about the qualifications and business practices of Alternative Investment Management, LLC ("AIM"). If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer at (212) 557-6191. 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.

**ITEM 2: MATERIAL CHANGES**

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There have been no material changes since AIM filed its last Disclosure Brochure dated August 1, 2018.

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#### ITEM 4: ADVISORY BUSINESS

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AIM is an investment manager formed in August 2000 that provides investment advisory services to private funds of hedge funds, and private equity funds. AIM is a limited liability company organized under the laws of Delaware and is primarily owned by the Jonathan M Harris Revocable Trust u/a 12/18/2002 (Jonathan M Harris, Trustee) along with four other equity owners. AIM is controlled by its Board of Managers, which is comprised of three Managers: Jonathan M Harris, Chief Executive Officer, Diana Cantor, Partner, and one outside Manager, David Moore, a consultant to AIM. Firm decisions are made by AIM's senior management, as appointed by AIM's Board of Managers. The Board of Managers has no right to participate in the day-to-day affairs, investment activities, or management of AIM. AIM's Investment Committee is responsible for the investment decisions of the private funds of hedge funds and private equity funds.

AIM provides investment advisory and management services to private funds on a discretionary basis according to the objectives and investment policies described in each Fund's respective Confidential Memorandum or Confidential Offering Memorandum ("Confidential Memorandum"). AIM manages fifteen Funds, consisting of eight funds of hedge funds ("FoHFs") and seven funds of private equity funds ("FoPEFs") (collectively, the "Funds").

AIM provides investment advisory and management services to two other legacy accounts (the "Other Accounts")<sup>1</sup> formed over a decade ago organized as limited partnerships or limited liability companies for certain Harris family and other family members and/or entities formed for their benefit. AIM manages the Other Accounts on a discretionary basis. The Other Accounts invest primarily in underlying hedge funds and/or private equity funds and may invest in separately managed accounts as well. The Other Accounts are no longer accepting investors or actively making investments.

The FoHFs consist of Thirteen Partners, LP ("13ON"), Rebel Industries L.L.C. ("Rebel"), Thirteen Partners Offshore, Ltd. ("13OFF"), HAR Investors, LLC ("HAR"), HAR Investors 2, LLC ("HAR2"), Thirteen Partners Concentrated, Ltd. ("TPC"), Thirteen Partners Concentrated 3, Ltd. ("TPC3 LTD"), and Thirteen Partners Concentrated 3, LLC ("TPC3 LLC"). 13ON, 13OFF, and Rebel are managed with a substantially similar investment strategy. HAR, HAR2, and TPC invest primarily in underlying hedge funds but with a more concentrated investment program than Rebel, 13OFF and 13ON. TPC3 LTD and TPC3 LLC invest substantially all of their assets with one unaffiliated manager. All of these private funds seek to protect capital while earning attractive rates of return by investing in the hedge funds of underlying managers and may invest in separately managed accounts as well. The FoHFs invest in long/short equity hedge funds, distressed hedge funds, event-driven hedge funds, and other types of hedge funds as selected by AIM in its sole discretion.

The FoPEFs consist of Thirteen Partners Private Equity, L.P. ("13PE"), Thirteen Partners Private Equity 2008, L.P. ("13PE2008"), Thirteen Partners Private Equity 3, L.P. ("13PE3"), Thirteen

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<sup>1</sup> References to the Funds shall include the Other Accounts, which shall only be referred to separately when necessary based on the context.

Partners Private Equity 4, L.P. (“13PE4”), Thirteen Partners Private Equity 5, L.P. (“13PE5”), Thirteen Partners Private Equity 6, L.P. (“13PE6”), and Thirteen Partners Private Equity A, L.L.C. (“13PEA”). 13PE, 13PE2008, 13PE3, 13PE4, 13PE5, 13PE6, and 13PEA are managed with a substantially similar investment strategy. The FoPEFs seek to protect capital and earn attractive rates of return by allocating assets primarily among a select group of private equity funds, real estate funds, and other investment funds. All AIM FoPEFs invest on an opportunistic basis with an emphasis towards low and middle market buyout funds.

AIM has full discretionary authority with respect to investment decisions, and its advice with respect to the Funds is tailored according to the investment objectives, guidelines, restrictions, and/or other requirements as set forth in each advisory agreement or the Fund’s respective Confidential Memorandum.

As of December 31, 2018, AIM managed approximately \$1,018,550,118 of regulatory assets under management on a discretionary basis on behalf of fifteen Funds, and two Other Accounts. As of December 31, 2018 AIM does not manage any assets on a non-discretionary basis.

## **ITEM 5: FEES AND COMPENSATION**

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Fees charged generally include a base percentage of assets under management, as well as an incentive fee or an incentive allocation (as applicable) structured in a manner designed to comport with Rule 205-3 of the Investment Advisers Act of 1940 (“Advisers Act”).

As a standard practice, all AIM fees relating to the Fund accounts are calculated and deducted directly from Fund accounts. Investors cannot select the method for the deduction of fees. The governing documents of the Other Accounts specify the fee terms including the calculation and payment of fees to AIM.

### **Management & Incentive Fees**

#### *FoHFs*

Asset-based management fees incurred by the FoHFs are paid quarterly in arrears in an amount equal to 0% to 1.25% annually depending upon an investor’s liquidity options with respect to Rebel, 13ON, and 13OFF, 0.75% to 1.00% depending upon an investor’s liquidity options with respect to HAR and HAR2, 0% to 0.80% depending upon an investor’s liquidity options with respect to TPC, and 0% with respect to TPC3 LLC and TPC3 LTD. With certain exceptions, the incentive fees/allocation equal 5% of net capital appreciation above a 5% hurdle rate for the FoHFs (no hurdle rate for HAR; 5% hurdle rate only for certain investors in HAR2, TPC, TPC3 LLC, and TPC3 LTD; and a 10% incentive fee/allocation (no hurdle) for certain investors in Rebel, 13ON, and 13OFF), subject to the recovery of any net capital depreciation credited to an Investor’s loss recovery account, and are paid to the general partner<sup>2</sup> (in the case of 13ON), managing

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<sup>2</sup> Each of the Funds, except for 13OFF and TPC, has a general partner or managing member (referred to herein as the “General Partner” for purposes of convenience) affiliated with AIM.

member (in the case of Rebel, HAR, HAR2, and TPC3 LLC), or the investment adviser (in the case of 13OFF, TPC, TPC3 LTD). Investors in some FoHFs have the option of choosing a fee structure that includes a hurdle rate, which requires a longer lock up period, or a fee structure that does not include a fee hurdle rate, which would result in a shorter lockup and the assessment of a redemption fee for redemptions that may occur within a certain period of time after the expiration of the lockup. Please see the Confidential Memoranda and associated supplements for additional detail regarding incentive compensation.

Incentive fees/allocations are generally assessed and payable at the end of each fiscal year and upon redemptions by Investors, after the application of management fees. The management fees are calculated quarterly before the application of any incentive fees.

As described above, AIM provides services to FoHFs that invest in other investment vehicles (“underlying funds”) and may invest in separately managed accounts whose managers (“underlying managers”) typically charge: (i) an asset-based fee (that generally ranges anywhere from 0% to 2.0% annually) and (ii) an incentive fee (that generally ranges anywhere from 0% to 30% of net capital appreciation of the Fund’s investment for the year, in some cases above a specified benchmark). The fee rates vary for each such underlying fund and separately managed account and in some cases higher rates apply. Thus, two layers of fees exist as is the case for other funds of funds.

#### *FoPEFs*

Commencing on the date of the initial closing and through the end of the investment period, 13PE and 13PE2008 paid an asset-based management fee to AIM quarterly in arrears in an amount equal to 1% annually based on the aggregate capital commitments of the Investors (after the investment period, the management fee is reduced). 13PE3, 13PE4, 13PE5, and 13PE6 apply a tiered management fee schedule whereby the fee percentage decreases as an Investor’s total assets under management and capital commitments (as applicable) across all Funds increases. The asset-based management fee percentage ranges from 0.40% to 1% for 13PE3, 13PE4, 13PE5, and 13PE6 Investors. For 13PEA, the management fee equals 0.50%. For each twelve-month period after the termination of the investment period, the asset-based fee shall equal 90% of the applicable percentage in effect for the previous twelve-month period. However, the asset-based fee payable with respect to any twelve-month period has a floor of 0.40% annually, provided however the applicable general partner or investment manager of the fund may waive or reduce such fee.

The FoPEFs pay carried interest distributions to the applicable General Partner or Carried Interest Partner out of current income, disposition and financing proceeds relating to investments, net of applicable expenses. Such distributions will occur after a specified annual rate of return on capital contributions has been achieved. The precise terms of distributions to Investors and carried interest distributions to the applicable General Partner or Carried Interest Partner, including any applicable clawback terms, are described in the applicable Confidential Memorandum.

AIM provides services to FoPEFs that invest in underlying funds whose underlying managers typically charge: (i) an asset-based management fee (which generally ranges anywhere from 0% to 2.5% annually, but which may vary from underlying fund to underlying fund) and (ii) carried interest distributions or incentive fees (the terms and structures of which may vary from underlying

fund to underlying fund (“performance-based fees”). These underlying fund management fees and performance-based fees, as well as direct management fees, performance-based fees, and other direct expenses incurred by the Funds, are deducted before distributions are made to Investors. Thus, two layers of fees exist as is the case for other funds of funds.

### **Other Fees and Expenses**

AIM pays all of its own standard operating expenses including, but not limited to, employee salaries and rent.

As described in greater detail in the applicable Confidential Memorandum, the FoHFs and FoPEFs generally bear all of their operating expenses (i.e., expenses related to the investment of the fund’s assets, legal expenses, audit and tax preparation expenses, organizational expenses, fees of the administrator, and expenses relating to the offer and sale of interests in the fund and extraordinary expenses related to the fund). For the FoPEFs, organizational costs in excess of a specified cap will be paid by the FoPEFs but borne by AIM and the General Partner through a 100% offset against the applicable entity’s management fee.

The Funds indirectly incur certain brokerage and other transaction costs incurred by underlying funds and directly incur such costs relating to temporary cash and cash equivalent investments (including money market funds and certificates of deposit or other similar instruments) as well as the liquidation of any securities received in-kind from underlying funds.<sup>3</sup>

AIM sometimes invests Fund cash balances in third-party money market or related type funds until investment opportunities in underlying funds have been identified. Mutual funds, such as money market funds, incur their own management fees and other fees as described in the applicable prospectus. When the Funds invest in money market funds, the Funds generally incur two layers of fees: (1) management fees charged by AIM and other fees directly incurred by the Funds, and (2) management fees and other fees assessed by the money market funds recommended by AIM.

### **The Other Accounts**

The Other Accounts may incur other fees and expenses as described in their respective Limited Liability Company Agreement or Agreement of Limited Partnership.

### **Waivers and Modifications to Fees and Other Terms**

AIM may waive or modify the management fee and/or performance-based fee terms for certain Investors in the various Funds without notice to or consent by any other Investor. Further, AIM may, without prior notice to or consent from existing Investors, issue additional Fund classes or interests with different offering terms and rights. The Other Accounts do not pay any management fees or performance-based compensation. AIM, its partners, family members of its partners, and entities that are related, affiliated, or controlled by partners or their family members that place assets under the management of any underlying manager may do so on terms (including terms

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<sup>3</sup> Please see the “Brokerage Practices” section below for further information. In addition, please see the Confidential Memoranda for additional detail regarding other fees and expenses incurred by the Funds.

relating to fees, liquidity and transparency) that are the same as those applicable to the investments that may be made by AIM's Funds or Other Accounts with such underlying manager.

## **ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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As stated in the Fees and Compensation section above, AIM or an affiliate, may receive performance-based fees from the Funds. The fact that AIM or an affiliate receives performance-based compensation may create an incentive for AIM 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. In addition, the performance-based fee received by AIM in the case of the FoHFs is based primarily on realized and unrealized gains and losses (except in the case of any side pocket investments of the Funds, which would incur performance-based fees only on realized gains and losses). As a result, the performance-based fee earned could be based on unrealized gains that Investors in such Funds may never realize.

Currently, all of the Funds managed by AIM other than 13PEA are charged performance-based fees. However, the Other Accounts are not charged performance-based fees. In addition, the performance-based fee terms that do apply are not identical. Therefore, AIM may have an incentive to favor the Funds, over the Other Accounts in order to maximize its revenues based on the current fee structures in place. AIM may also have an incentive to favor the parties with performance-based fee terms that generate the highest amount or revenue for AIM.

## **ITEM 7: TYPES OF CLIENTS**

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The Funds and Other Accounts for which AIM provides services are funds that invest in underlying funds and/or separately managed accounts of underlying managers

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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AIM tailors the investment strategies used on behalf of a client to meet a specific client's investment objectives. Each account is managed with the goal of achieving the investment objective of the client, as agreed upon by AIM and the client in the relevant Fund's offering documents.

### *Investment Objectives/Strategies and Types of Investments*

#### *FoHFs*

The primary investment objective of the FoHFs is to protect capital while seeking to earn attractive rates of return. Through this strategy, the FoHFs might not participate fully during rapidly rising equity environments but strive to outperform equity averages during declining markets and generate consistently positive returns over time.



The FoHFs seek to accomplish the objective by allocating assets among a variety of portfolio managers AIM believes to be highly talented and motivated and that combine robust securities analysis and portfolio management expertise. HAR, HAR2 and TPC invest primarily in underlying hedge funds but with a more concentrated investment program than Rebel, 13OFF and 13ON. TPC3 LTD and TPC3 LLC invest substantially all of their assets with one underlying manager. An underlying manager's portfolio will generally emphasize fundamentals rather than quantitative strategies and may include both long positions in securities it considers undervalued and short positions in securities it considers overvalued. Securities include primarily U.S. and non-U.S. equity and debt, and areas of investment include fundamental value and growth investing (long and short), distressed debt, and other strategies.

The FoHFs invest primarily through limited partnerships and limited liability companies, although they may also invest through separately managed accounts pursuant to investment advisory agreements granting underlying managers discretionary investment authority.

Further, from time to time, the FoHFs may participate indirectly in investments by underlying funds or separately managed accounts in “new issues” the allocation of which is restricted by FINRA Rules 5130 and 5131. Any profits and losses arising from an underlying fund’s or separately managed account’s investment in equity securities offered in an initial public offering will be allocated pursuant to FINRA Rules 5130 and 5131.

In addition, it should be noted that the FoHFs invest from time to time in underlying funds that allocate a portion of their assets to illiquid investments. Such investments may be “side pocketed” by the underlying fund whereby redemptions are indefinitely suspended until the occurrence of a realization event or until the portfolio manager determines that such investments are sufficiently liquid.

#### *FoPEFs*

The FoPEFs’ primary investment objective is to deliver superior long term, risk-adjusted returns. The FoPEFs seek to create a diversified portfolio of investments in underlying portfolio funds and to generate superior returns for Investors, while mitigating risk through diversification across investment stage, strategy, vintage, geography, and industry. The FoPEFs will attempt to reduce risk through diversification in various types of underlying funds including, but not limited to, leveraged buyout funds, turnaround funds, mezzanine funds, venture capital funds, real estate funds, and “other” strategy funds. An underlying portfolio fund’s portfolio will generally consist of a number of privately negotiated investments, and the underlying managers may or may not employ leverage. AIM believes that an appropriate combination of disparate strategies can serve to lower correlation to public markets and better diversify the FoPEFs, and thus maximize returns.

In addition, the FoPEFs may invest their assets on an opportunistic basis; such investments may include, among other investments, (i) co-investments with underlying funds, underlying managers, or other third-parties, (ii) secondary market purchases of interests in private equity, real estate, special situations, and other investment funds, and (iii) direct investments.

Finally, the Funds may engage in borrowings from time to time (i) to finance investments pending receipt of subscription monies from Investors; or (ii) to pay redemptions pending redemptions

from underlying funds. The Funds have entered into various committed lines of credit to enable such borrowings on a periodic basis, although there can be no assurance that any such line of credit will be continued or that amounts available thereunder will be sufficient to satisfy its intended uses. The Funds bear fees relating to these lines of credit; such fees include an interest rate fee on the amount borrowed as well as a fixed fee based on the unused portion of the lines of credit.

### *The Other Accounts*

As mentioned previously, the Other Accounts invest in underlying hedge funds and/or private equity funds and may invest in separately managed accounts as well.

### *Sources of Information*

AIM uses a wide range of resources to identify attractive underlying managers and promising investment strategies and individual investments for possible investment by its advisory clients. These resources consist primarily of proprietary sources, such as professional and personal relationships between AIM's principals and strategic investors, hedge fund managers, consulting firms, and family office groups. In addition, AIM may utilize a variety of public resources including third-party databases, publicly available filings, conferences, seminars and other events to source investment ideas.

### *Investment Due Diligence Process*

AIM initially reviews underlying managers and investment strategies to identify suitable prospects for inclusion in the Funds. Review criteria may include quantitative metrics such as past performance and risk exposures, qualitative factors such as the reputation, experience and integrity of the underlying manager, prior deal experience (in private equity), and operational factors, such as the infrastructure and risk controls of the organization. Following this review, AIM conducts initial operational and investment due diligence on any underlying fund or separately managed account that it considers likely to generate attractive returns consistent with AIM's goal to protect capital and AIM's views at that time as to both the most attractive strategies and the requirements of the applicable Fund's existing portfolio. The due diligence process typically involves multiple phone calls and onsite and offsite meetings with the underlying manager to understand the manager's investment philosophy, investment strategy, risk exposures and operational infrastructure.

AIM also conducts ongoing monitoring of underlying fund and underlying separately managed account investments made by the Funds. Ongoing reviews include both investment and operational due diligence and may incorporate, among other things, periodic calls and meetings; review of reported performance, investor newsletters, interim and year-end audited financial statements, and other information made available by the underlying manager or otherwise available in the public domain; periodic analysis of the underlying hedge fund/private equity fund manager's investment strategy relative to market conditions; periodic reviews of the manager's compliance policies and procedures as prompted by changes or issues that come to AIM's attention; audit and asset verification, when possible, AIM will attempt to monitor and confirm the completion of audits directly with the auditors; reviews of marketing materials and other materials provided by underlying managers to investors; reviews of regulatory filings, including Parts 1 and 2 of Form

ADV; requests for any new SEC correspondence including deficiency letters sent to the adviser as well as the adviser's response; and background checks, AIM will periodically re-run background checks on decision-makers (e.g., key portfolio managers and CFO's).

### *Potential Risks and Conflicts*

The investment program of each Fund managed by AIM involves significant risk factors and is suitable only for experienced and sophisticated Investors who can bear the economic risk of the loss of their entire investment and who have limited need for liquidity in their investment. There can be no assurances that the Funds will achieve their investment objectives. Further, due to the illiquid nature of the assets of the underlying funds in which the Funds invest, the possibility exists that Investors may redeem their investment at a price that does not accurately reflect the value of their investment.

Although AIM will seek to select only underlying managers who will invest the Funds' assets with the highest level of integrity, AIM's investment selection process cannot ensure that selected underlying managers will perform as desired and AIM will have no control over the day-to-day operations of the selected underlying managers or funds. AIM would not necessarily be aware of certain activities at the underlying manager level, including without limitation an underlying manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud. As a result, there can be no assurance that underlying managers or funds selected by AIM will conform their conduct to the desired standards. There is a risk that underlying managers or funds may fail to meet their stated objectives or fail to continue as going concerns as a result of poor performance, failure to raise assets, regulatory violations and enforcement actions, fraud or other factors, which in any case could result in a complete loss of a Fund's investment with such underlying fund or manager. Investments with underlying managers or funds carry additional risks including, but not limited to, lack of liquidity, lack of diversification, lack of transparency, reliance on underlying managers for performance and valuation information, and dependence on key personnel risk.

The FoPEFs have certain unique risks including the fact that they generally have a long life with the possibility of extensions. It will typically be many years before the Investor receives any return of capital or distribution of gains, if any. The FoPEFs are commitment-based Funds and as a result, a default by a substantial number of Investors or by one or more Investors who have made substantial capital commitments could limit opportunities for investment diversification and reduce returns to the Fund.

The FoPEFs may make commitments to underlying funds in excess of the aggregate capital commitments by the Investors of the Funds. The Investors therefore may be required to make aggregate capital contributions to the FoPEFs over their terms in excess of the Investors' capital commitments, by way of the Funds recalling amounts that have been distributed, or recycling amounts that are distributable, to the Investor (i) to the extent that one or more underlying funds require the Funds to make aggregate contributions to such underlying funds in excess of the commitments to such underlying funds (e.g., to fund management fees, indemnification obligations or other underlying fund expenses that are calculated in addition to the nominal commitment), (ii) as a result of depreciation of the U.S. dollar relative to currency of denomination

of any underlying funds not denominated in U.S. dollars, and (iii) in order to fund Fund expenses, including the management fee.

To the extent that one or more underlying funds require the FoPEFs to return proceeds previously distributed to the Funds (e.g., in connection with the ability of an underlying fund to recall and recycle previously distributed proceeds or in order to fund underlying fund-level indemnification obligations, management fees or other underlying fund expenses to the extent unpaid commitments to an underlying fund are insufficient), the Fund may require each Investor to return its *pro rata* share of any such proceeds distributed by the Fund to the Investors. If one or more Investors fail to return such amounts when due, the non-defaulting Investors may be required to return their *pro rata* share of the defaulted amount in order to prevent the Fund from being declared in default under the relevant underlying fund agreement. In addition, the Investors may be required to repay to the Fund any amounts distributed which are required to be withheld by the Fund for tax purposes.

An underlying fund of the FoPEFs (alone, or together with other investors) may be deemed to have a control position with respect to some portfolio companies in which it invests which could expose it to liabilities not normally associated with minority equity investments, such as additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. In addition, an underlying fund may obtain rights to participate substantially in and to influence substantially the conduct of the management of its portfolio companies which could expose such underlying fund to claims by a portfolio company, its security holders and its creditors. Finally, in connection with the disposition of an investment in a portfolio company, an underlying fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. An underlying fund may also be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate. These arrangements may result in contingent liabilities, which may ultimately have to be funded by the investors (including the Fund) in such underlying fund.

Investments in Funds managed by AIM expose Investors to the inherent risks associated with investments in securities as well as additional risks including, but not limited to, the use of short sales, use of leverage, custodian and prime broker insolvency, lack of diversification, counterparty credit risk, and settlement default risk. Funds managed by AIM are also subject to significant conflicts of interest. ***Each prospective Investor should carefully review the applicable Confidential Memorandum (or equivalent legal document) (“Risk Factors” or “Certain Risk Factors” or equivalent subsection) for a more complete description of potential risks and conflicts of interest before deciding to make an investment in a Fund.***

### *Cybersecurity*

AIM and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage or interruption from computer viruses, network failures, computer and

telecommunications failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. A cybersecurity breach could expose both AIM and the Funds to substantial costs (including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage), civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial withdrawals from a Fund. While AIM has established a business continuity plan in the event of, and risk management strategies, systems, policies and procedures to seek to prevent, cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified. Furthermore, AIM, and the Funds cannot control the cybersecurity plans, strategies, systems, policies and procedures put in place by other service providers to the Funds and/or the issuers in which the Funds invests.

#### **ITEM 9: DISCIPLINARY INFORMATION**

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AIM and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an Investor's evaluation of AIM or its personnel.

#### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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AIM has entered into a Consulting Agreement with J. I. Harris & Associates, L.L.C ("JIHA"), which is controlled by a trust controlled by Mr. J. Ira Harris, the father of Mr. Jonathan M Harris. Pursuant to the Consulting Agreement, JIHA provides consulting on macro-economic issues and sector and industry analyses related to AIM's investment strategies. JIHA does not make any specific investment or allocation recommendations. As compensation for the consulting services, AIM pays JIHA a fixed fee. JIHA is also partially owned by a trust in which Mr. Jonathan M Harris is the beneficiary.

Thirteen Capital Associates, LLC, a Delaware limited liability company, is the General Partner of 13ON and receives performance-based fees from 13ON. Mr. Jonathan M Harris is the Chairman and a trust controlled by Mr. Jonathan M Harris is the managing member of Thirteen Capital Associates, LLC. Thirteen Capital Associates, LLC also serves as the managing member of Rebel and receives performance-based fees from Rebel, HAR, HAR2, and TPC3 LLC.

Thirteen Capital Private Equity Associates, LLC is the General Partner of 13PE. Thirteen Private Equity Associates, LLC (the "13PE Carried Interest Partner") is the carried interest partner of 13PE and receives carried interest distributions from 13PE. A trust controlled by Mr. Jonathan M Harris is the sole member of both the General Partner and the 13PE Carried Interest Partner. A trust controlled by Mr. J. Ira Harris holds a special limited partnership interest in 13PE and may receive a portion of the carried interest distributions paid by 13PE.

Thirteen Capital Private Equity Associates 2008, LLC is the General Partner of 13PE2008. Thirteen Private Equity Associates 2008, LLC (the "13PE2008 Carried Interest Partner") is the carried interest partner of 13PE2008 and receives carried interest distributions from 13PE2008. A trust controlled by Mr. Jonathan M Harris is the sole member of both the General Partner and the 13PE2008 Carried Interest Partner.

Thirteen Partners Private Equity 3 GP, LLC is the General Partner of 13PE3, Thirteen Partners Private Equity 4 GP, LLC is the General Partner of 13PE4, Thirteen Partners Private Equity 5 GP, LLC is the General Partner of 13PE5, and Thirteen Partners Private Equity 6 GP, LLC is the General Partner of 13PE6. A trust controlled by Mr. Jonathan M Harris and certain other employees of AIM are members of these General Partners.

AIM is the manager of 13PEA.

One or more managers of underlying funds in which the FoPEFs invests are currently or may in the future be investors in the FoHFs and/or the FoPEFs. Likewise, one or more managers of underlying funds in which the FoHFs invests are currently or may in the future be investors in the FoHFs and/or the FoPEFs. As a result of these relationships, certain conflicts of interest may arise related to any decision of AIM to invest or increase (or decrease) allocations of capital to such portfolio funds or any future funds formed by such managers.

AIM provides back-office and other services to other entities which have been formed for the benefit of the Harris family.

The general partners to the Funds are not registered as investment advisers with the SEC. All of the general partners' investment advisory activities are subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of the general partners are subject to the supervision and control of AIM.

#### *Outside Business Activities*

Certain of AIM's employees serve on the boards of directors or investment committees of, or otherwise serve as advisors to, public companies, financial services firms, universities, and/or other entities.

Certain employees may devote a material percentage of their time, receive remuneration, and encounter potential conflicts of interest that could theoretically impact AIM, its Funds, and/or their underlying Investors. AIM assesses the outside business activities of its employees and takes steps such as, among other things, asking employees to cease such activities or including disclosures in this Form ADV, Part 2A if potential conflicts of interest appear to exist.

### **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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AIM has instituted a Code of Ethics, predicated on the principle that AIM and its employees owe a fiduciary duty to its Clients. Accordingly, AIM's employees must avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of its Clients and for the Funds their underlying Investors. At all times, AIM's employees will (i) place AIM's Funds'



and their underlying Investors' interests ahead of AIM's and their own interests, (ii) pre-clear certain personal securities transactions (i.e., investments in IPOs and private placements), (iii) report personal securities transactions at least quarterly, (iv) provide AIM with a detailed summary of certain investment holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest, (v) abide by AIM's Insider Trading Policy that forbids employees from trading, either personally or on behalf of others, on the basis of material nonpublic information in violation of the law, (vi) avoid taking advantage of their position of employment (i.e., employees will not accept investment opportunities, gifts, or other gratuities from individuals seeking to conduct business with AIM, other than in accordance with AIM's Gifts and Entertainment Policy), and (vii) maintain full compliance with the Federal Securities Laws, including, but not limited to, Section 204A and Rule 204A-1 of the Advisers Act. The compliance department will review reports made to them and upon determining that a violation of the Code of Ethics has occurred may, at their discretion, impose such sanctions or remedial action as they deem appropriate or as required by law. Finally, AIM provides each employee with a copy of the Code of Ethics and any amendments thereto. Each employee must acknowledge, in writing, his/her receipt and understanding of the Code of Ethics and is required to re-certify annually or upon any amendments to the Code of Ethics.

Upon request, AIM shall furnish Clients, Investors and prospective Investors with a copy of its Code of Ethics. Clients and Investors may contact the Chief Compliance Officer at (212) 557-6191 to make such a request.

AIM (and/or its related persons) may conduct investment activities for their own accounts. AIM (and/or its related persons, such as employees) own varying degrees of ownership interests in the Funds. For the Funds, AIM will attempt to allocate investments in the best interests of all Funds involved, and will make such allocations in its good faith discretion taking into account such factors as each Fund's investment objectives, existing portfolio, risk profile, tax status, cash positions and other information or criteria determined relevant by AIM.

AIM (and/or its related persons) may have investments in certain of the Funds as well as in the underlying funds or separately managed accounts recommended and invested in by the Funds. AIM may determine to purchase or sell interests in underlying funds or separately managed accounts for one Fund, but not another, or purchase interests in underlying funds or separately managed accounts in different amounts for different Funds. In some instances, AIM (and/or its related persons) may recommend investments in underlying funds or separately managed accounts to the Funds at or about the same time that AIM or a related person (e.g., an AIM employee) buys or sells interest in the same underlying funds or separately managed accounts for its own account.

In some other instances, AIM (and/or its related persons) may already have an ownership interest in underlying funds or separately managed accounts in which the Funds later invest.

Despite the potential benefits (e.g., access to the underlying funds or separately managed accounts and/or the ability to negotiate lower fees or other preferential investment terms), several conflicts of interest exist when employees recommend an underlying fund or separately managed account in which they already have a personal ownership interest. For example, members of AIM's Investment Committee may have an incentive to recommend such investments if they feel that additional inflows of capital will benefit the underlying hedge fund, private equity fund, or the

investment manager of the separately managed account and thus their own personal investment (e.g., additional assets under management may ensure that a smaller hedge fund, private equity fund, or the investment manager of the separately managed accounts continues to operate). As another example, if the employee has a personal or familial connection to the underlying manager, the employee may have an incentive to recommend the investment to AIM's Funds.

AIM's compliance department monitors AIM's investment allocation procedures in a manner designed to prevent any Client from being systematically disadvantaged. Additionally, AIM's compliance department reviews investments by AIM (and/or its related persons, such as employees) for their own accounts in underlying investments that may represent suitable investment opportunities for the Clients. It should also be noted that members of AIM's Investment Committee are required to report their personal trading activities and communicate any potential conflicts of interest associated with any investment discussed during Investment Committee meetings.

Absent pre-clearance from the CCO, employees may not provide non-discretionary or discretionary (as defined in the instructions to Form ADV) investment advice to, or otherwise influence/direct or control the investment activity within, third-party investment accounts ("Outside Business Activity Accounts"). Employees must provide the account statements of any Outside Business Activity Accounts to AIM's CCO. Employees must pre-clear any investments in underlying funds and any applicable side letters negotiated with underlying funds that relate to their provision of investment advice to Outside Business Activity Accounts. Any Outside Business Activity Accounts are restricted from trading in securities that AIM's Clients are invested in. Overall, absent any exceptions granted by AIM's CCO based on the specific facts and circumstances, the same pre-clearance, restricted list, and personal trading reporting requirements specified in AIM's Code apply to the activities of Outside Business Activity Accounts.

In all instances regarding investment recommendations, side letters, or other related matters that overlap with AIM's operations, AIM and its Clients shall receive priority or preferential treatment to employees' Outside Business Activity Accounts. In any event, at a minimum, AIM and its Clients will receive equal treatment and shall not be disadvantaged by employees' outside business activities.

## **ITEM 12: BROKERAGE PRACTICES**

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AIM generally has authority to determine the broker or dealer that would be used to purchase securities. AIM currently conducts securities trading with respect to cash and cash equivalents (including money market funds and certificates of deposit). Such investments are held until the opportunity arises to invest in an underlying fund or separately managed account that meets AIM's standards. From time-to-time, AIM's Clients may receive securities in-kind. As a matter of policy, AIM intends to sell securities received in-kind immediately pursuant to a standing order from the Investment Committee or Portfolio Manager. AIM generally sells securities received in-kind promptly in an attempt to obtain an optimal execution price and minimize the market impact of sales by other investors that receive the same in-kind distributions of securities. As a result of the



foregoing policy, the Clients may receive different execution prices due to the exact timing of in-kind securities distributions into their accounts and other factors beyond AIM's control.

AIM has adopted policies designed to ensure that AIM's use of brokers or dealers complies with the requirement to seek to achieve best execution on behalf of Client Accounts. In selecting broker-dealers, AIM considers the following factors: financial condition and stability, regulatory status, responsiveness and overall customer service, and reasonableness of transaction-based fees and commission rates (as applicable).

The term "soft dollars" refers to a means of paying brokerage firms for products and services through commission revenue, based on the volume of brokerage commission revenues generated from securities transactions executed through brokers by an investment manager on behalf of clients. AIM does not participate in any formal soft dollar arrangements. However, AIM might execute securities transactions on behalf of Clients with broker-dealers that provide it with access to proprietary research reports (such as standard investment research and credit reports). To the best of AIM's knowledge, these services are generally made available to all similar institutional investors doing business with such broker-dealers. To the extent AIM enters into any soft dollar arrangements, AIM will limit the use of "soft dollars" to obtain services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934. In addition, AIM does not consider Client or Investor referrals in selecting brokers or dealers.

AIM may choose to aggregate Client trades when such aggregation is expected to be in the best interest of all participating Clients. All accounts participating in an aggregated trade shall receive the average effective execution price and pay their proportional share of any commission expenses, subject to minimum ticket charges. If securities are received in-kind, AIM reserves the right to aggregate trades if, in AIM's reasonable judgment, trade aggregation is reasonably likely to result in an overall economic benefit (e.g., relatively better purchase or sale prices, lower commission expenses, beneficial timing of transactions, or a combination of these and other factors).

As mentioned previously, employees must pre-clear any investments in private funds. In all instances regarding investment recommendations, side letters, or other related matters that overlap with AIM's operations, AIM and its Clients shall receive priority or preferential treatment to employees' personal securities trading or outside business activities that involve the provision of investment advice. In any event, at a minimum, AIM and its Clients will receive equal treatment and shall not be disadvantaged by employees' personal securities trading or outside business activities.

Certain Fund governing documents provide that the General Partner and its affiliates may cause the applicable Fund to purchase certain warehoused investments at cost (contributions less distributions), plus interest from the original date of acquisition to the time of purchase by the Fund. This is subject to the conditions and disclosures in the governing documents, which are designed to solicit Investor consent in accordance with Section 206(3) of the Advisers Act.

## **ITEM 13: REVIEW OF ACCOUNTS**

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## *Reviews*

Client accounts are continuously reviewed on an ad hoc basis, and are more formally reviewed at least monthly. AIM has formed an Investment Committee, which discusses investment recommendations and retains final investment decision-making authority with respect to the Funds. The investment team holds ultimate responsibility for developing, maintaining and overseeing four key elements of AIM's investment process: (1) sourcing and selection of underlying funds and underlying separately managed accounts, (2) due diligence of underlying funds and underlying separately managed accounts, (3) construction of Fund investment portfolios, and (4) monitoring and risk management of underlying funds, underlying separately managed accounts and Fund portfolios. For the Funds, the Investment Committee endeavors to reach consensus on decisions and the committee members responsible for overseeing operational due diligence have veto power on investment selection.

AIM's investment personnel hold ad hoc meetings as necessary, and typically meet on a more formal basis weekly to discuss any applicable topics, such as investment ideas, economic developments, current events, investment strategies, and Client holdings. In addition, AIM has developed risk management reports that allow investment personnel to monitor investment manager concentration, underlying security concentration, geographic exposure, sector exposure, liquidity risk, correlation risk, performance attribution, etc. Investment personnel review such reports on an ongoing basis and the risk reports are updated as information is made available through public sources and for the Funds, directly from underlying hedge fund, underlying separately managed account and underlying private equity fund managers. Investment personnel consult such reports in making contribution and redemption recommendations on behalf of Client accounts.

The Investment Committee reviews AIM's Client Accounts to ensure compliance with investment objectives and any investment restrictions, as stated in the Funds' Confidential Memoranda or the Other Accounts' governing documents. This review will encompass current holdings as well as investment transactions occurring over a period of time to ensure full compliance with disclosures made to Clients and Investors and AIM's compliance policies and procedures.

## *Reports*

Investors in the FoHFs receive unaudited statements and performance estimates generally monthly or at least quarterly, as well as annual audited financial reports and, for the onshore funds, tax-related information. FoHFs investors also receive monthly performance estimates and estimated statements and may receive other ad hoc reports from AIM. Details regarding the reporting received by FoHF investors can be found in the applicable Confidential Memorandum.

Investors in the FoPEFs receive: (i) periodic reports briefly summarizing the business activities and financial status of the Fund; (ii) investor letters and quarterly estimated statements, (iii) annual audited financial statements; and (iv) information necessary for the preparation of income tax returns. Details regarding the reporting received by FoPEF investors can be found in the applicable Confidential Memorandum.

Investors should expect to file for extensions for the completion of their income tax returns. The Other Accounts receive reporting as described in their respective governing documents

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

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AIM may compensate persons who introduce Investors to AIM, and currently AIM has one such agreement in place to compensate a person for referrals. There has not been any instance where someone other than a client provides an economic benefit to AIM for providing investment advice or other advisory services to its clients.

#### **ITEM 15: CUSTODY**

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Fund assets are held in custody by unaffiliated broker-dealers or banks; however, AIM has full access to Fund accounts since an affiliate serves as the general partner or managing member (or in a similar capacity) to the Funds. Investors do not receive statements from the custodian. Instead the Funds are subject to an annual audit and the audited financial statements are distributed to each Investor. The audited financial statements are prepared in accordance with generally accepted accounting principles and AIM distributes them generally within 180 days of the Funds' fiscal year ends.

AIM shall not have the authority, directly or indirectly, to obtain possession of, or otherwise have custody (as defined in Rule 206(4)-2 under the Advisers Act) of the Other Account assets.

#### **ITEM 16: INVESTMENT DISCRETION**

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AIM has discretionary authority pursuant to an investment management agreement (or equivalent governing documents) to determine the investments and the amounts to be bought or sold on behalf of the Clients, and to perform the day-to-day investment operations of the Clients. Any limitations on this authority are included in the Funds' Confidential Memoranda or the Other Accounts' governing documents, investor side letters, and/or AIM's internal compliance policies and procedures. Investors cannot place limitations on the discretionary authority assumed by AIM and its affiliates with respect to the Funds, but may have the authority to do so with respect to the Other Accounts to the extent provided for in their governing documents.

#### **ITEM 17: VOTING CLIENT SECURITIES**

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AIM accepts proxy voting authority and has adopted Proxy Voting and Class Action Lawsuits Policies and Procedures (the "Procedures") that are designed to ensure that AIM votes proxies in the best interests of its Clients. The Procedures require that AIM identify and address conflicts of interest between AIM and its Clients and the underlying Investors of the Funds. If a material conflict of interest exists, AIM would determine whether voting in accordance with the guidelines

set forth in the Procedures serves the best interests of its Clients or whether AIM should take some other appropriate action.

It should be noted that AIM is an investment adviser to FoHFs and FoPEFs as well as Other Accounts that invest in underlying hedge funds and/or private equity funds and may invest in separately managed accounts as well, and as such the portfolios over which it has investment discretion generally do not hold publicly-traded securities that regularly solicit votes, consents or proxies. In the case that AIM is required to cast a vote or grant an approval, AIM would generally vote in favor of routine corporate housekeeping proposals where no corporate governance issues are implicated. Generally, for other proposals, AIM will vote in accordance with the recommendation of management unless such vote would appear to subject Clients or Investors to worse investment terms, in which case AIM would evaluate whether to oppose management's recommendation and remain in the investment, underlying fund or cash equivalent investment or to redeem from the investment, underlying fund or cash equivalent investment.

Fund Investors can direct AIM's vote in a particular solicitation.

#### *Class Action Litigation*

If AIM receives class-action documents on behalf of a Client, AIM will determine whether it believes that it is in the best interest of the Client to participate in, actively to opt out of, or to take no action with respect to the litigation. The Portfolio Manager will determine the action to be taken.

Clients and Investors may obtain a copy of AIM's Procedures and information about how AIM voted proxies (as applicable) by contacting the Chief Compliance Officer at (212) 557-6191.

## **ITEM 18: FINANCIAL INFORMATION**

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AIM has never filed for bankruptcy and is not aware of any financial condition that would affect its ability to manage Client accounts.