

Form ADV Part 2A: Firm Brochure

Item 1. Cover Page

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This brochure (“Brochure”) provides information about the qualifications and business practices of Alliance Consumer Growth, LLC. (“ACG”, the “Adviser”, or the “Firm”). If you have any questions about the contents of this Brochure, please contact ACG at 212-940-9630. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about the Adviser is also available on the SEC’s web site at <https://adviserinfo.sec.gov/>.

Please note that registration as an investment adviser with the SEC does not imply any level of skill, training or ability with respect to the provision of investment advisory services. The oral and written communications of an investment adviser provide you with information through which you determine to hire or retain an investment adviser.

Item 2. Material Changes

Since the Adviser's previous filing on March 27, 2019, Trevor Nelson left the Firm. Joshua Goldin and Julian Steinberg both assumed equal ownership of the Adviser, both owning fifty-percent.

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Item 4. Advisory Business

- A. ACG, a Delaware limited liability company formed in April 2011, is an investment advisor located in New York, NY. The Firm's founders and partners are Josh Goldin and Julian Steinberg (the "Partners").
- B. ACG serves as an investment advisor to pooled investment vehicles, including parallel investment partnerships, and pooled investment vehicles that are designed for the purpose of making co-investments (each a "Fund" and collectively the "Funds"). The Funds rely on an exemption from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"), pursuant to Section 3(c)(1) of the Investment Company Act. The Funds are considered the clients of the Firm.

Currently, ACG has nine employees, all of whom perform investment advisory functions. ACG's General Partners are ACG GP Partners, LLC, and ACG GP Partners II, LLC, ACG GP Partners III, LLC and ACG GP Partners IV, LLC.

ACG provides discretionary investment management services to the Funds pursuant to each Fund's investment advisory agreement with ACG; and ACG manages the assets of the Funds in accordance with the applicable limited partnership agreements and other such agreements ("Offering Documents"). ACG's investment objective is to generate long-term capital appreciation through consumer growth investing in consumer retail companies, (each a "Portfolio Company" and collectively the "Portfolio Companies"). Specifically, ACG aims to target Portfolio Companies with top line revenue between \$5 million and \$100 million that have capacity for growth. ACG intends to contribute value-added growth capital to each of its Portfolio Companies as is further described in the Offering Documents.

ACG is affiliated with other entities that are or may become general partners (each a "General Partner" and collectively the "General Partners" to each of the Funds). Each of ACG's current Funds are controlled by those General Partners that ACG is affiliated with as of the date of this Brochure.

- C. ACG does not expect to tailor advisory services to the individual or particular needs of the investors in the Funds. Such investors accept the terms of advisory services as set forth in each Offering Document. The Firm expects to have broad investment authority with respect to the Funds and, as such, investors should consider whether the investment objectives of the Funds are in line with their individual objectives and risk tolerance prior to investment.
- D. ACG does not participate in wrap fee programs.
- E. As of December 31, 2018, ACG managed \$816,696,647 million in regulatory assets under management on a discretionary basis.

Item 5. Fees and Compensation

- A. ACG's fees and compensation arrangement may vary among the Funds. The specific terms of such arrangements are established by ACG, and as set forth in each Fund's investment

advisory agreement and governing documentation. ACG, as outlined in the Offering Documents, generally charges a management fee of 2.0% per year based on the aggregate commitments during the investment period, and 1.6% per year based on the invested and reserved capital thereafter. The Firm may, at its discretion, waive or reduce such fees for certain investors. The Firm may receive compensation with respect to certain of its underlying portfolio investments, and such compensation will reduce the management fee owed by the Funds to the Firm as described below. In addition, generally the management fee payable by a Fund is reduced by certain administrative and deal fees, a complete description of which is provided in the Offering Documents as described below. Those pooled investment vehicles that operate as co-investment vehicles and are advised by the Firm, as outlined in Item 4 above, may or may not be subject to a management fee, as fully disclosed in each vehicle's co-investment documentation.

In connection with Alliance Consumer Growth Fund, L.P., all deal fees received by the Firm and its affiliates in any calendar year, in excess of \$200,000 shall reduce the installment of the management fee. The management fee shall be further reduced by the amount of any capital contributions used to pay organizational expenses in excess of the lesser of \$500,000 or 1% of the aggregate capital commitments. Pursuant to the governing documents, investors in Alliance Consumer Growth Fund, L.P. are no longer subject to a management fee since the commitment period has lapsed.

In connection with Alliance Consumer Growth Fund II, L.P. and Alliance Consumer Growth Fund III, L.P., all deal fees received by the Firm and its affiliates in any calendar year, in excess of 1% of invested capital, shall reduce the installment of the management fee. For those investors in Alliance Consumer Growth Fund II, L.P., the management fee shall be further reduced by the amount of any capital contributions used to pay organizational expenses in excess of the lesser of \$750,000 or 1% of the aggregate capital commitments. Investors in Alliance Consumer Growth Fund II is no longer subject to a management fee.

In connection with Alliance Consumer Growth Fund IV, L.P., all deal fees received by the Firm and its affiliates in any calendar year, in excess of 1% of invested capital, shall reduce the installment of the management fee.

Funds that ACG may advise in the future may be subject to different fee arrangements as will be provided for in each future Fund's respective Offering Documents.

- B. ACG generally issues a capital call quarterly in advance for the purpose of collecting management fees. ACG may reduce or waive the management fee with respect to any Fund or investor.
- C. In addition to the management fees described above, each Fund is responsible for certain of its operating expenses as disclosed in the Offering Documents. These expenses include but are not limited to: (i) organizational expenses of the Fund (including the out-of-pocket expenses of the Firm and the Fund's General Partner incurred in connection with the formation of the Fund, up to certain amounts as detailed in the Offering Documents); (ii)

all ongoing accounting, auditing, legal, custodial, administrative, reporting and tax return preparation fees and expenses; (iii) costs of insurance and other expenses associated with the evaluation, making, holding and disposition of actual or prospective portfolio investments (including broken deal costs and certain travel costs); (iv) all extraordinary expenses of the Fund (such as any indemnity or litigation expense); (v) expenses of the “Advisory Council” (as defined in the Offering Documents) and meetings of investors in the Funds; and (vi) interest expenses for a line of credit. At the Firm’s discretion, certain fees, including those listed above, may be absorbed in part or in total by the Adviser.

The Funds incur brokerage costs if applicable; however, due to the nature of the Firm’s business, broker-dealers are not generally used. See Item 12 – Brokerage Practices.

- D. The Firm will generally send a capital call for management fees quarterly in advance. In the unlikely event that ACG does not provide services for a full period, or if accounts are terminated according to the terms set out in each Fund’s Offering Documents before the end of the relevant quarter, a pro-rated fee will be returned to the Funds.
- E. Neither ACG nor any of ACG’s supervised persons will accept compensation for the sale of securities or other investment products.

Item 6. Performance-Based Fees

Typically, the General Partners are entitled to receive a “carried interest” distribution as specified in each Fund’s Offering Documents or investment management agreement above a performance benchmark of 8% (compounded annually), however, they maintain discretion in determining carried interest terms. Carried interest is calculated based on a percentage of profits generated from the Fund over a given period of time.

Additionally, each General Partner is subject to a “clawback” of carried interest previously received to the extent that the General Partner has received cumulative distributions in excess of amounts otherwise distributable to such General Partner by such Fund as carried interest. Such “clawback” provisions are applied on an aggregate basis covering all transactions of the applicable Fund. Pursuant to Fund governing documents, the General Partner may also waive future distributions to reimburse investors of carried interest previously received to the extent that the General Partner has received cumulative distributions in excess of amounts otherwise distributable to such General Partner by such Fund.

The co-investment vehicles are generally charged 20% carried interest, but certain co-investment vehicles may be subject to different fee arrangements, as negotiated on a case-by-case basis, as outlined in the respective Fund Offering Documents or specific co-investment documentation.

The fact that a significant portion of ACG’s or its affiliates compensation is directly computed on the basis of profits generated by the sale/disposition of Fund assets may create an incentive for the Firm 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.

Item 7. Types of Clients

As further described in Item 4 of this Brochure, ACG provides investment advisory services to pooled investment vehicles which generally operate as exempt investment companies under the Investment Company Act of 1940, as amended. These Funds are typically limited to individuals and entities that meet the criteria of "accredited investors". The Funds are marketed exclusively to institutional investors, family offices, and high net worth individuals.

Prospective investors should refer to the Offering Documents of each respective Fund for information on minimum investment requirements. ACG maintains discretion to individually waive, increase or reduce the minimum investment required in any Fund vehicle.

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

- A. ACG's investment objective is to generate long-term capital appreciation. ACG pursues investments in promising, emerging consumer-retail-restaurant brands. The Firm targets investments in consumer retail businesses across a range of sectors, but focuses on capital intensive businesses in developed markets where there is an opportunity to deploy leadership, improve performance and maximize returns.

These businesses often display financial, operational and managerial characteristics that make them attractive opportunities from a risk/reward perspective, and typically provide ACG 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.

The Firm pursues opportunities in the branded consumer sector to build strong equity value in businesses by taking advantage of differentiated brand positioning, marketing opportunities and distribution. Within the branded consumer market, ACG looks for 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.

An investment in a Fund involves significant risk and potential conflicts of interest. There can be no assurance that ACG's investment objectives will be achieved, and actual investment results may vary substantially from the investment objective. Investors should be prepared to bear these risks.

- B. *Listed below are some of the risks associated with a Fund investment. 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, investors should*

review the relevant Offering Documents or investment management agreement, which may contain additional explanations of strategies, risks and other related details not discussed below.

Limited Operating History: Portfolio companies with which the Funds may invest may, in some cases, be newly organized with limited operating histories upon which to evaluate their performance.

Additional risks associated with investments in the Funds include (among others):

- General economic and market conditions
- Concentration of Fund investments and lack of diversification
- Dependence on ACG and its decision-making authority
- Increased regulatory oversight
- Other activities of ACG

No Right to Control the Funds' Operations: Limited partners have no opportunity to control the day-to-day operations of the Funds, including investment and disposition decisions. In order to safeguard their limited liability from the liabilities and obligations of the Funds, limited partners must rely entirely on the General Partner and the Adviser to conduct and manage the affairs of the Funds.

Unspecified investments: The Funds may begin investing after the initial closing, and an investor acquiring interests must rely upon the ability of the General Partners and the Adviser to identify, structure, and implement investments consistent with the Funds' investment objectives and policies. The Funds, however, may be unable to find a sufficient number of attractive opportunities to meet their investment objectives. The success of the Funds will depend on the ability of the General Partners and the Adviser to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of such investments. Furthermore, the Funds may not be able to invest a significant portion of their capital commitments during the commitment period.

Failure to Fund Capital Commitments; Consequences of Default: If limited partners fail to fund their capital commitment obligations when due, the Funds' ability to complete their investment programs or otherwise to continue operations may be substantially impaired. A default by a substantial number of limited partners or by one or more limited partners who have made substantial capital commitments would limit opportunities for investment diversification and likely would reduce returns to the Funds. In the event that a limited partner fails to fund any of its capital commitment when required, such limited partner's interest in the Funds and its investments may be diminished and/or forfeited.

Illiquidity of Investments: Most Fund investments are highly illiquid, and there can be no assurance that a Fund will be able to realize these investments in a timely manner. The realizable value of a highly illiquid investment at any given time may be less than its intrinsic value. Although certain of these investments may generate current income, the return of capital, and the realization of gains, if any, with respect to most of these

investments will occur only upon the partial or complete disposition of the investment. While an investment may be sold at any time, typically this will occur a number of years after the investment is made and there can be no assurance that a Fund will be able to dispose of an investment at the price and time it wishes to do so. Certain private equity investments may be in securities that are or become publicly traded. These investments may involve economic, political, interest rate, and other risks, any of which could result in an adverse change in their market price.

Uncertainty of Financial Projections: The Adviser will generally establish the capital structure of Portfolio Companies on the basis of financial projections for such Portfolio Companies. Projected operating results will normally be based primarily on management judgments and those of the Adviser. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. Projections are subject to a wide range of risks and uncertainties, however, there can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a Portfolio Company to realize projected values. General economic conditions, which are not predictable, can also have a material adverse impact on the reliability of such projections.

Investment Risk: All investments made by the Funds risk the loss of capital (i.e., invested amount). No guarantee or representation is made that ACG's investment program will be successful, and investment results may vary substantially over time. Funds and investors are subject to the risk of substantial losses. ACG may have limited or no responsibility for, or limited or no involvement with or control over, actions or activities of portfolio companies.

Business and Market Risk: The investments made by the Funds may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of a Portfolio Company of the Funds, changes in competitive environment, changes in national or international economic and market conditions, and changes in laws, regulations, trade barriers, commodity prices and controls, fiscal policies, or political conditions of countries in which a Portfolio Company operates, including the risks of war and the effects of terrorist attacks and security operations. Difficult market conditions may adversely affect each of the Funds by reducing the value or performance of its or their investments or by reducing its ability to deploy capital, each of which could negatively impact their returns to the investors of such Funds. A Portfolio Company of the Funds may operate at a loss or have significant variations in operating results, may require substantial additional capital to support its operations or to maintain its competitive positions, or may otherwise have a weak financial condition or experience financial distress.

Investing in Growth Businesses: ACG invests 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 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 ACG's 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 ACG will identify and invest in a sufficient number of these companies.

Future Operating Results are Unpredictable: It is difficult to accurately forecast a Portfolio Company's future revenues and results of operations. A variety of factors may cause the Portfolio Company's operating results to fluctuate significantly. Many of these factors are outside of the Portfolio Company's control. They include: the effectiveness of the Portfolio Company's sales and marketing campaign; continued market acceptance of the Portfolio Company's products; the Portfolio Company's ability to open new stores; the amount and timing of the Portfolio Company's operating costs and capital expenditures; introduction by the Portfolio Company's competitors of new locations or enhanced products; price competition; and fluctuations in general economic conditions and economic conditions specific to the Portfolio Company's industry. One or more of these factors could materially and adversely affect the Portfolio Company's operating results in future periods. These factors could have a material adverse impact on the Portfolio Company's ability to implement its business plan or achieve and sustain profitability.

Competition: The market for a Portfolio Company's products is highly competitive, subject to rapid change and significantly affected by new product introductions and other market activities of industry participants. Many of the attractive features of a Portfolio Company's products are dependent on relationships with a variety of third parties. If a Portfolio Company is unable to develop and retain effective, long-term relationships with these third parties, the Portfolio Company's competitive position could be materially and adversely affected. Further, there can be no assurance that any of these third parties, many of which have significantly greater resources than a Portfolio Company, will not market products in competition with a Portfolio Company in the future or will not otherwise reduce or discontinue their relationships with or support of a Portfolio Company and its products. Increased competition may result in price reductions, reduced gross margins, and loss of sales or market share, any of which could materially adversely affect a Portfolio Company's business, operating results, and financial condition. There can be no assurance that any Portfolio Company will be able to compete successfully against current and future competitors or that competitive pressures faced by a Portfolio Company will not materially and adversely affect its business, operating results, and financial condition.

Influence Company Management: As part of its strategy, ACG seeks investment opportunities that allow it to 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.

The Fund's interests 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, ACG 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: ACG 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 ACG may not be able to limit or otherwise protect the value of a Fund's investment in such Portfolio Companies.

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.

Follow-On Investments: The Funds may be called upon to provide follow-on funding for their Portfolio Companies or have the opportunity to increase its investment in Portfolio Companies. There can be no assurance that the Funds will wish to make such follow-on Investments or that the Funds will have sufficient funds to do so. Any decision not to make follow-on investments or the inability to make them may have a substantial negative impact on a Portfolio Company in need of such an investment or may diminish the Funds' ability to influence the Portfolio Company's future development.

Contingent Liabilities on Disposition of Investments: In connection with the disposition of an investment, 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, or be responsible for the contents of disclosure documents. A Fund disposing of such investment may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate or with respect to certain potential liabilities or other obligations. These arrangements may result in the incurrence of accrued expenses, liabilities or contingencies for which reserves or escrow accounts may be established.

Financial Fraud: Instances of fraud and other deceptive practices or devices employed by management or prior owners of a Portfolio Company may undermine ACG's due diligence efforts with respect to such Portfolio Company and, if such fraud is discovered, negatively affect the valuation of a Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility that could negatively impact a Fund's investments. In the event of fraud by a Portfolio Company, the Fund invested in such Portfolio Company may suffer a partial or total loss of its capital investment in such

Portfolio Company.

Reliance on Corporate Management and Financial Reporting: The strategy to be implemented by a Fund will rely on the financial information made available by each Portfolio Company. ACG may be limited in its ability to independently verify the financial information disseminated by any such Portfolio Company and is, therefore, dependent upon the integrity of both the management of such Portfolio Company and its financial reporting process in general.

Suitability of Investments: Investors in the Funds are sophisticated investors and have the financial ability to understand and willingness to accept the extent of its exposure to the risks and lack of liquidity inherent in an investment in the Funds. Investments in the Funds are long-term commitments and there are no assurances that the Funds' investment objectives will be achieved or that there will be any return of capital.

Valuation: ACG and/or the General Partners are generally responsible for valuation of Fund assets. Given the nature of the portfolio investments, valuation may be difficult. There may be a relative scarcity of market comparables on which to base the value of a Fund's assets. Accordingly, the fair value of an investment of the Fund may not reflect the price at which such investment could be sold in the market, and the difference between fair value and the ultimate sales price could be material. In most cases, the investors will have no ability to assess the accuracy of the valuations received from ACG about a Fund. The valuation information received by the investors from ACG about the Funds will typically be estimates only.

Transactions by ACG: ACG may pursue investment in assets of businesses and identify investment opportunities in connection with its existing businesses or a new line of business without first offering such opportunity to any Fund(s) open for investment. Such an opportunity could include a business that competes with the portfolio companies in which the Funds have invested or proposes to invest.

Cyber security risks. ACG, the Funds and their service providers are susceptible to cyber security 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 ACG, 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 ACG, the Funds and their service providers. Cyber-attacks against or security breakdowns of ACG, the Funds or their service providers may adversely impact the Funds and their investors, potentially resulting in, among other things, financial losses; the inability of ACG or Fund investors 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. ACG and the Funds may incur additional costs for cyber security risk management and remediation purposes. In addition, cyber security 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 ACG, a Fund or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

Limits of Risk Disclosures: The above discussions of the various risks associated with the Funds are not, and are not intended to be, a complete enumeration or explanation of the risks involved in an investment in a Fund. While this document is not an offer for investment, prospective investors should read this entire document and the Offering Documents and consult with their own advisors before deciding whether to invest in a Fund. In addition, as a Fund's investment program changes or develops over time, an investment in a Fund may be subject to risk factors not described in this document or the Offering Documents.

Item 9. Disciplinary Information

There have been no legal or disciplinary events involving either ACG or any of its management persons that are material to ACG's advisory business.

Item 10. Other Financial Industry Activities and Affiliations

- A. Neither ACG nor any management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither ACG nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Neither ACG nor any of its management persons have affiliations with broker-dealers, municipal securities dealers, government securities dealers, investment companies or other pooled investment vehicles, other investment advisers or financial planners, futures commission merchants, registered commodity pool operators, registered commodity trading advisors, banking or thrift institutions, accountants or accounting firms, lawyers, law firms, insurance agencies or companies, pension consultants, real estate brokers or dealers or other sponsors or syndicators of limited partnerships.
- D. ACG does not recommend or select other investment advisers for its Funds.

Item 11. Code of Ethics, Participation or Interests in Fund Transactions and Personal Trading

- A. Through ACG's service as an investment adviser, there may arise many potential conflicts of interest, including, but not limited to, those identified below. ACG adopts and continues to adopt, policies and procedures to address such potential conflicts of interest. ACG has adopted a Code of Ethics (the "Code"), which describes the Firm's fiduciary duties and responsibilities to its Funds, requires that ACG's employees act in the best interests of the Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Funds to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. ACG's employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party of any actual or suspected violations

of such laws by ACG or its employees. Initially, upon hire, and on an annual basis thereafter ACG requires that all employees certify to their receipt, review, understanding and compliance with the provisions of the Firm's Code of Ethics.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of ACG's employees. The Code prohibits personal securities transactions of issuers who have been placed on the Firm's restricted list, including any securities of consumer product, retail or restaurant sector companies. Pre-approval from the CCO is required for all initial-public offerings, private placements, and transactions in "Reportable Securities". The Code requires employees to report all securities transactions and provide a summary of securities holdings initially upon hire and on an annual basis thereafter. The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. ACG will provide a complete copy of the Code to any investor or prospective investor upon request sent to the CCO, Alyssa Ferenz at AFerenz@acgpartners.com.

- B. Neither ACG nor any of ACG's related persons recommends to its Funds, or buys or sells for Fund accounts, securities in which ACG or ACG's related person has a material financial interest.
- C. Neither ACG nor any of ACG's related persons invest in the same securities that ACG or ACG's related persons recommends to its Funds.
- D. ACG or ACG's related persons may recommend securities to the Funds, or buy or sell securities for Fund accounts, at or about the same time that ACG or ACG's related persons buys or sells the same securities for ACG's own, or ACG's related person's own account. The Firm's Managing Partners maintain the right to participate in co-investment opportunities. The Firm offers co-investment opportunities pro-rata to certain Funds as outlined in each Fund's Offering Documents. However, if a co-investment opportunity is not fully taken on by the Funds, the Managing Partners may participate.

Other Potential Conflicts of Interest

ACG, certain of its General Partners, and employees have made and will continue to make commitments to the Funds. As such, ACG and certain of its affiliated parties and employees have a direct financial interest in the transactions of the Funds. Investments by such related parties are intended to align the interests of ACG and the related parties with those of the Funds; however, such investments may create conflicts of interest. To address such conflicts, the investment arrangements are described and agreed upon in the Fund's Offering Documents.

Allocation of Expenses: The General Partners, ACG, the Managing Partners may from time to time incur expenses on behalf of the Funds. ACG will analyze the source of expenses and make a best effort to allocate such expenses on an equitable basis. The Fund's

administrator also reviews expense allocation in addition to the Fund auditors as part of the annual Fund audit.

Performance-based fees: The existence of differing performance-based fees for Funds investing side-by-side may create a conflict of interest on the part of ACG or the General Partners with respect to allocation of investment opportunities and co-investment opportunities. ACG maintains an investment allocation policy, in addition to a co-investment policy, that is designed to address these potential conflicts of interest. Such policy helps ensure the investment allocations made are in the best interest of ACG's Funds.

Valuation: ACG is responsible for valuing the assets of its Funds and does so internally. In addition, the Funds' Administrator reviews the Fund's asset valuation calculations and assumptions no less than annually. The Firm is solely responsible for determining final valuations of the Funds' assets. Many of the Fund assets will be priced in the absence of a readily available market and may be priced on determinations of fair value, which may prove to be inaccurate. The valuation of Fund investments in Portfolio Companies is ordinarily determined internally by ACG and/or the General Partner based on, to the extent possible, the most currently available data. As appropriate, ACG will obtain updates on each Portfolio Company's financial performance on a monthly basis, including information such as economic and industry trends, new product development, and other operational issues. Additionally, ACG considers the following factors, as appropriate, when preparing valuations for each Portfolio Company:

- financial condition of the company;
- comparison of the business and financial plan of the company with actual results;
- the size of the security held as it relates to the liquidity of the market for such an interest;
- pending public offering of common stock by the company of the security;
- pending reorganization activity affecting the company, such as merger or debt restructuring;
- financial statements and reports from Portfolio Company senior management and ownership;
- the current and forecasted earnings of the company;
- the type of security, the security's cost at the date of purchase and any contractual restrictions on the disposition of the security;
- any discount from market value of unrestricted securities of the same class at the time of purchase;
- the level of control pertaining to the interest in the company;
- information on any transactions or offers with respect to the security and/or sales to third parties of similar securities;
- credit risk of the company as it relates to any debt securities; and
- any other additional specific factors unique to the security.

Conflicts of interest may arise with the presentation or reporting of valuations to investors or otherwise.

Material Non-Public Information; Information Barriers: In the event that employees of ACG obtain material non-public information, ACG may be restricted in acquiring or disposing of investments on behalf of the Funds, which could impact the returns generated for the Funds.

Management Team: Conflicts of interest may arise because ACG employees will serve as directors of certain of the portfolio companies. In those instances where a Fund is not the sole shareholder of the applicable Portfolio Company, in addition to any fiduciary duties the ACG employees owe to the Fund, as directors of Portfolio Companies, such employees owe fiduciary duties to the shareholders of the portfolio companies.

Fee / Carried Interest Related Conflicts: The existence of the performance-based carried interest with respect to the Funds may create an incentive for ACG to make riskier or more speculative investments on behalf of the Funds than it might otherwise make in the absence of such performance-based compensation. In addition, the terms of the carried interest distribution in favor of the General Partners could incentivize ACG, as an affiliate of the General Partners, to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors.

Allocation of Investment Opportunities. ACG may encounter situations in which it must determine how to allocate investment opportunities among the Funds and other persons, including but not limited to those investors ACG deems eligible to participate in co-investment opportunities.

ACG has discretion to offer co-investment opportunities (“co-investments”) to certain of its Funds. Those Funds which participate in co-investments are subject to the investment allocation requirements disclosed in the Fund’s Offering Documents.

The allocation of co-investments may involve a benefit to ACG including, among other things, fees or carried interest from the co-investments, and capital commitments to Funds from those investors who are deemed eligible to participate in such co-investments. ACG is generally permitted to charge management fees, one-time funding fees and/or carried interest in respect of co-investments. Any such fees are generally calculated only with respect to the co-investment.

The allocation among the Funds and co-investors of fees and expenses incurred in the course of evaluating investments which are not effected (“broken deal expenses”), such as out-of-pocket fees associated with due diligence, and legal fees will be determined by ACG in-line with the relevant Fund Offering Documents. Broken deal expenses will generally not be allocated to co-investment vehicles.

In exercising its discretion to allocate investment opportunities and fees and expenses, ACG may encounter potential conflicts of interest. For example, in allocating an

investment opportunity among Funds with differing fee structures, ACG may have an incentive to allocate investment opportunities to the Funds from which ACG may be eligible for a higher fee, or other benefit.

Co-Investments: Generally, the terms of each Fund (other than certain co-investment vehicles) include provisions setting out the rights of, among other things (i) the Fund to receive allocations of suitable investment opportunities and (ii) ACG to permit third parties to co-invest in such opportunities. These provisions, if applicable, are set out in the Offering Documents or other disclosure or governing documents.

Funds that facilitate co-investments alongside other Funds may co-invest in the same securities of a Portfolio Company alongside such other Funds to the extent ACG has determined such co-investment opportunities are available. ACG has adopted policies and procedures that seek to allocate such investment opportunities among relevant Funds in a fair and equitable manner or otherwise in accordance with related disclosure provided to the relevant Funds and their underlying investors, or as may otherwise have been agreed in limited partnership agreements or other documents governing such Funds. ACG may offer co-investment opportunities to investors in Funds, the Managing Partners of ACG, ACG employees, strategic investors who ACG believe may add value, and to other third parties, including third parties who ACG believe will be of strategic benefit to the Funds or who may provide broader capital raising opportunities to ACG.

Legal Counsel: The Funds, certain co-investment vehicles, and ACG will generally engage common legal counsel and other advisors to represent the parties in various matters, including particular transactions (including a transaction in which such Funds or parties may have conflicting interests because of, e.g., investments in a single Portfolio Company. In the event of a significant dispute or divergence of interest between one or more Funds, certain co-invest vehicles and/or ACG, separate representation may become desirable, in which case ACG may hire separate counsel in its sole discretion, and in litigation or other circumstances, separate representation may be required. Partners of the law firms and other advisor and service providers engaged to represent the Funds, certain co-invest vehicles and/or ACG may be, directly or indirectly, investors in such Funds and may also represent one or more portfolio companies or limited partners of such funds.

Compensation: ACG may seek to perform financial or administrative services for, and will receive compensation from, companies in which Funds invest, or other parties in connection with transactions related to those investments or otherwise. This compensation could include financial advisory or administrative fees, as well as commitment or other deal related fees. While such compensation will reduce the management fee to the extent described in Item 5 of this Brochure for the Funds or investors in the Funds, such compensation may be received before the Funds realize a return on their investment. ACG may have an incentive to (i) cause investments to be made, managed or realized in seeking to advance the interests of a client other than the Funds or investors in the Funds or (ii) earning compensation.

Time management: Personnel of ACG, General Partner or their affiliates will devote such time as ACG, the General Partner and their affiliates, in their discretion, deem necessary to carry out the operations of the Funds effectively. Officers, principals and employees of ACG and its affiliates will also work on other projects and conflicts of interest may arise in allocating management time, services or functions among affiliates and projects.

Conflicts of interest not described herein may also exist. ACG can give no assurance that any conflicts of interest will be resolved in favor of a particular Fund or investors in such Fund.

Item 12. Brokerage Practices

- A. ACG does not make regular use of brokers for the purposes of purchasing or selling securities on behalf of ACG's Funds because the securities that it typically purchases or sells on behalf of ACG's Funds are acquired and/or disposed of in privately negotiated purchase and sale transactions. In the event ACG ever participates in such activity, the Firm will ensure best execution is obtained for the Funds.

From time to time, ACG's Funds may use a broker to effect transactions in public securities resulting from, or in connection with, portfolio investments wherein such brokers are generally not selected by the Firm.

- 1. ACG will not engage in soft dollar arrangements by which it receives research or services other than execution in exchange for commissions.
- 2. ACG will not consider Fund referrals when selecting or recommending a broker-dealer.
- 3. ACG does not engage in directed brokerage at this time.

Item 13. Review of Accounts

- A. The Funds' Portfolio Companies are continuously monitored and reviewed by the Managing Partners. ACG's Managing Partners are primarily responsible for portfolio and risk management. Portfolio Companies are reviewed in the context of each Fund's stated investment objectives and guidelines.

A review may be triggered by material changes in key variables that may affect the performance of the Portfolio Companies, including, without limitation, changes in the financial markets, activity and trends in the political or economic environment, as well as the specific circumstances affecting each Fund.

- B. Audited financial statements are provided to investors in each Fund, generally within 120 days of the end of the Fund's fiscal year as required by Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). In addition, the Firm provides capital account statements report to investors in each Fund on an annual basis.

Item 14. Client Referrals and Other Compensation

- A. The Firm does not receive an economic benefit from anyone, other than its Funds, for providing investment advice or other advisory services to the Funds.
- B. Neither ACG nor any related person directly or indirectly compensate any person who is not a supervised person for Fund referrals.

Item 15. Custody

ACG is deemed to have custody of the assets of each Fund because it or an affiliate serves as the Fund's General Partner. ACG and/or such General Partner can withdraw a Fund's cash and/or securities held with a custodian upon ACG and/or such General Partner's instruction to the custodian. Therefore, ACG is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule").

In accordance with the Custody Rule, the Firm adheres to the applicable requirements of the Custody Rule with respect to the Funds' public assets. The CCO ensures that all privately offered securities, not held at a qualified custodian, do not violate the Private Security Exemption provided in the Custody Rule; so long as such securities are (i) acquired from the issuer in a transaction not involving any public offering, (ii) uncertificated (with ownership recorded only on the books of the issuer or its transfer agent in the name of the Fund), and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer. The Firm is responsible for arranging for annual independent audits of the Funds by an accounting firm, registered with and subject to inspection by the Public Company Accounting Oversight Board within 120 days of the Funds' fiscal year end, and for obtaining audited financial statements prepared in accordance with Generally Accepted Accounting Principles. ACG arranges for the delivery of such audited financial statements to investors of the Funds within 120 days of the Funds' fiscal year end.

Item 16. Investment Discretion

ACG generally accepts discretionary authority to manage assets and securities on behalf of its Funds. In such instances, ACG accepts discretion through the investment management agreements with such Funds.

Item 17. Voting Fund Securities

- A. While the securities evidencing the investments made by the Funds are not typically the subject of proxies, there could be certain circumstances where ACG, 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. ACG has adopted a proxy voting policy as required by the Advisers Act. ACG's investment strategy may involve the investment in publicly traded securities with voting authority, and as such, the Funds may be placed in a position of proxy voting authority. If Funds do come into possession of securities with proxy voting rights, ACG may have the authority to vote proxies and will do so in the best interest of its Funds. To the extent ACG receives proxy voting authority, ACG believes that company management is generally best suited to make the decisions that are essential to the ongoing operation of the company. Therefore, ACG will generally vote proxies in line with company management. However, under circumstances where the ACG believes

that company management's proposal will not maximize value for ACG's Funds, ACG will vote against company management. ACG'S proxy voting policy includes guidelines for voting against company proposals as well as guidance for situations where a proxy vote may present a conflict of interest to ensure that such conflict is resolved in the best interest of the Funds. Funds may obtain information about how proxies were voted or a copy of the Firm's proxy voting policies by contacting Alyssa Ferenz at AFerenz@acgpartners.com.

B. Not Applicable.

Item 18. Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet our contractual and fiduciary commitments to clients and have not been the subject of a bankruptcy proceeding.
