

**INVESTMENT ADVISER BROCHURE
PART 2A OF FORM ADV**



**Indigo Partners LLC
2525 East Camelback Road
Suite 900
Phoenix, AZ 85016**

March 29, 2019

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Indigo Partners LLC. If you have any questions about the contents of this Brochure, please contact us at (602) 224-1500 or sasta@indigopartners.net. 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.

Indigo Partners LLC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Indigo Partners LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 **MATERIAL CHANGES**

This Brochure amends Indigo Partners LLC's annual update to its Brochure, filed on March 28, 2018, to include routine annual updates, including updates to our assets under management.

We recommend that all recipients read this Brochure carefully and in its entirety.

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ITEM 4 ADVISORY BUSINESS

Indigo Partners LLC (“**Indigo Partners**”) is a Nevada limited liability company and a registered investment adviser that began operations in December 2010, continuing a business that began in 2002.

Indigo Partners and its affiliated investment advisers that serve as general partners, Indigo Denver Management Company, LLC, Indigo Hungary Management LLC, Indigo LatAm Management LLC, Indigo Management LLC, Indigo Pacific Management LP, Indigo Pacific Management II LLC, Indigo Partners Management III LLC and Indigo Partners III LLC (each a “**Fund Manager**”, together with Indigo Partners, the “**Advisers**” and, collectively, with any other investment advisers that may be formed in the future, “**Indigo**”) provide investment advisory services to private fund clients and/or separately managed accounts with a focus on investments in the aviation industry and related sectors. Each Fund Manager is registered as an investment adviser in accordance with SEC guidance under the Advisers Act.

Each Adviser’s client or clients may consist of, or include, one or more private funds, including co-mingled funds, parallel funds, alternative investment vehicles, single investor vehicles and co-investment funds (each a “**Fund**” and, collectively, the “**Funds**” and together with any future private funds managed by one or more Advisers or investment advisers that may be formed in the future, the “**Indigo Advised Funds**”) and separately managed accounts (collectively with the Indigo Advised Funds, the “**Clients**”). An investor in any of the Indigo Advised Funds is referred to as a “**Fund Investor**” for purposes of this Brochure. William A. Franke directly or indirectly is the sole owner of each Adviser, including Indigo Partners.

Each Adviser’s investment advisory services to any Client served by such Adviser are tailored in accordance with such Client’s investment strategy as set forth in the applicable private placement memorandum (or other applicable disclosure documents), partnership agreement (or similar governing document) and investment management agreement (the “**Governing Documents**”). These services generally may include sourcing, evaluating, negotiating and overseeing investments in the aviation industry, including monitoring the performance of portfolio companies and advising as to disposition opportunities. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of an Adviser or its affiliates may serve on such portfolio companies’ respective boards of directors, or otherwise act to influence management of portfolio companies held.

Further specific details of the advisory services provided by any Adviser to a particular Client are set forth in such Indigo Advised Fund’s Governing Documents. Typical services are further described below in Item 8, “*Methods of Analysis, Investment Strategies and Risk of Loss.*”

Additionally, to the extent permitted by an applicable Governing Document, from time to time, the Advisers may provide (or agree to provide) certain Fund Investors or other persons the opportunity to co-invest in certain portfolio companies alongside an Indigo Advised Fund. Certain co-investment opportunities may arise when an Adviser believes it necessary to have a particular co-investor participate (e.g., transaction size or U.S. and international restrictions on foreign ownership) in order for Indigo to be able to consummate the transaction. Such co-investments are typically made through a vehicle controlled by an Adviser and generally invest and dispose of their investments in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-invest vehicle may purchase a portion of an investment from an Indigo Advised Fund. Any such purchase from an Indigo Advised Fund by a co-investment vehicle generally would occur shortly after the Fund’s completion of the investment (also known as a post-closing sell down or transfer) to avoid any changes in the valuation of the investment. The participants in the co-investment vehicle may be charged interest on the purchase to compensate the applicable Indigo Advised Funds for the applicable holding period. See Item 11 below “*Participation or Interest in Client Transactions*” for

additional information regarding co-investment arrangements. Additionally, potential co-investors may choose not to participate or participate only for a portion of the co-investment opportunity made available to them.

Investors in any Indigo Advised Fund participate in the overall investment program for the applicable Indigo Advised Fund, but may be excused or excluded from a particular investment due to legal, regulatory or other applicable constraints. Any Adviser may enter into other written agreements (“**Side Letters**”) with, subject to any applicable requirements or limitations in the respective Governing Documents, with certain Fund Investors that have the effect of establishing, supplementing or altering rights under the applicable Governing Documents or a Fund Investor’s subscription agreement (see “*Side Letters*” risk factor under “*Risks Related to Indigo Advised Funds*” under Item 8 for additional detail). With respect to single-investor Indigo Advised Funds, the Fund Investor may have limited veto or other approval rights with respect to such Indigo Advised Fund’s investments.

Terms of any investment advisory services provided to separately managed accounts are negotiated on a case-by-case basis.

As of December 31, 2018, the Advisers managed approximately \$5,879,293,415 in Client assets on a discretionary basis.

ITEM 5 FEES AND COMPENSATION

The following provides a general description of fees, compensation and expenses of the Indigo Advised Funds. With respect to separately managed accounts, while the description below may be generally applicable, fees and expenses may vary as they are individually negotiated with each Client.

As detailed below, an Adviser may receive advisory fees and carried interest in connection with providing investment advisory services to an Indigo Advised Fund or separately managed account. If an Adviser or its affiliate receives additional compensation in connection with management and other services performed for portfolio companies of an Indigo Advised Fund, in some cases, a portion of such additional compensation may offset in whole or in part the advisory fees otherwise payable to such Adviser. Generally, Fund Investors pay advisory fees quarterly in advance during the time period following the initial closing and for a period of several years from the final closing (the “**Commitment Period**”) and following the termination of the Commitment Period until the completion of the liquidation and termination of such Indigo Advised Fund (the “**Post-Commitment Period**”). The advisory fees paid during the Commitment Period and the Post-Commitment Period may vary. Fund Investors also bear certain fund expenses as further described below. Except as otherwise described in the applicable Governing Documents, expenses and other fees are expected to be paid over the term of the applicable Indigo Advised Fund and Fund Investors generally are not permitted to withdraw or redeem interests in any Indigo Advised Fund. Installments of the advisory fee payable for any period other than a full quarterly period generally are adjusted on a *pro rata* basis according to the actual number of days in such period. Upon the termination of the Indigo Advised Fund, the Fund Manager will be required to return to the Indigo Advised Fund (for distribution to the Fund Investors) any after-tax amounts the Fund Manager has received in respect of its carried interest in excess of amounts otherwise distributable to the Fund Manager pursuant to the distribution formula set forth in the applicable Governing Document, calculated on a cumulative basis.

With respect to Indigo Advised Funds that are co-invest vehicles, to the extent any fees are charged or received by an Adviser, such fees are generally negotiated on a vehicle-by-vehicle basis and are set forth in the applicable Governing Documents, but may include commitment-based fees, performance-based fees or allocations, expense reimbursements or other administrative fees similar to those described below relating to the Indigo Advised Funds. Any such management or administrative fees received by an Adviser

relating to a co-invest vehicle do not offset the management fees paid to the Advisers by the Indigo Advised Funds (and co-invest vehicles often do not pay a management fee so they do not participate in management fee offsets).

Indigo may be compensated to source and facilitate investment opportunities for certain separate accounts pursuant to the Client's Governing Documents and also may receive compensation on a deal-by-deal basis, based on the capital commitments made to an investment or acquisition by such Client. The Governing Documents and any offering documents of each Client would describe the fees, compensation and expenses of such Client in greater detail.

Any Indigo Advised Fund's Fund Manager may exempt any Adviser's owner, principals, officers, other employees and senior advisors from, and reduce any large Fund Investor's obligations with respect to, the payment of all or a portion of such Indigo Advised Fund's advisory fees and/or carried interest. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by the Adviser, or through any other Indigo Advised Fund which co-invests with such Fund. The Advisers may form co-invest vehicles that are not subject to advisory fees or carried interest, subject to any applicable requirements or limitations in the respective Indigo Advised Fund's Governing Documents

The owner, the principals or certain other employees of Indigo Partners receive residual portions of the advisory fee, carried interest or other compensation received by Indigo Partners or the other Advisers after payment by Indigo Partners or the other Advisers of all overhead and expenses.

Further specific details with respect to each Client as to advisory fees, performance-based fees or allocations, fund expenses and advisory fee payment waivers are set forth in the Governing Documents of such Indigo Advised Fund.

Advisory Fees

During the Commitment Period, an Indigo Advised Fund pays an annual advisory fee, funded by each Fund Investor quarterly in advance, of up to 2% on an annual basis of aggregate investor capital commitments ("**Commitments**"). Following the termination of the Commitment Period and through the Post-Commitment Period, a Fund's advisory fee typically will be 2% per year (or lower depending upon the Fund) of the aggregate amount of capital contributions of all Fund Investors (other than affiliated Fund Investors, if so determined by the Fund Manager) used to fund the cost basis of such Fund portfolio investments held by the Fund as of the end of the immediately preceding fiscal year (and, in each case, a *pro rata* portion thereof for any partial fiscal year during the Post-Commitment Period).

Certain Indigo Advised Funds require the Adviser to re-evaluate the annual advisory fee after a given period of time has elapsed and more specific details on any such adjustment can be found in the applicable Indigo Advised Fund's Governing Documents.

In certain limited circumstances, monitoring fee arrangements with an Indigo Advised Fund's portfolio company may include provisions that permit the acceleration of monitoring fees upon certain events, such as the initial public offering or strategic sale of a portfolio company. These acceleration provisions typically require a termination payment by the portfolio company, which often reflects the net present value at the time of the termination of the fees that would have been payable for the remaining term of the agreement. Because the monitoring agreements with portfolio companies often have prolonged terms, the effects of such acceleration may be substantial.

Performance-Based Fees

Distributions to Fund Investors may be subject to carried interest or other profit-based allocations for the benefit of an Adviser. Generally, this carried interest represents a share of distributions made in excess of the amounts contributed to the Fund. As more fully described in the applicable Indigo Advised Fund's Governing Documents, an Adviser may receive a carried interest with respect to an Indigo Advised Fund of up to 20% of all realized profits, subject to an annually compounded investor preferred return and, in certain cases, a related Adviser catch-up and/or an Adviser clawback obligation (if the Adviser has received excess cumulative distributions).

Expenses

Each Indigo Advised Fund generally bears and pays either in full or *pro rata*, as applicable, the out-of-pocket third party expenses incurred in connection with the organizational expenses (subject to certain offsets against the advisory fee) and other costs of the formation, organization and offering of interests in, as well as the out-of-pocket third party expenses incurred in connection with operating and maintaining the organizational existence of, the Indigo Advised Fund and related entities, including the Fund Manager, the Indigo Advised Fund and any other related investment vehicles. In addition, while most Indigo Advised Funds do not use placement agents, where placement agents are used, either the Advisers pay such fees directly or the applicable Indigo Advised Fund pays the fee, but the advisory fee will be reduced dollar-for-dollar by the amount of placement agent fees paid by such Indigo Advised Fund such that the Fund Investors will not ultimately bear the economic burden of any placement agent fees.

Expense provisions vary among Clients so Fund Investors and Clients should refer to the applicable Governing Documents. Generally, however, each Indigo Advised Fund bears and pays either in full or *pro rata*, as applicable, the out-of-pocket third party expenses incurred in connection with (a) the fees and expenses of custodians, outside counsel, consultants, accountants, administrators and other outside advisors, including the investment bankers or other appraisers contemplated by the applicable Governing Document, (b) the out-of-pocket third party costs, fees and expenses incurred in sourcing, finding, investigating, analyzing, pursuing, negotiating, acquiring, originating, structuring, hedging, financing and consummating prospective and actual investments (including, as applicable, prospective investments that are not ultimately made, including underwriting commissions and discounts, fees and expenses related to market data, investment banking, finders, originators, consulting fees, research fees, financing fees, communications and travel fees, costs and expenses (including first class for international travel and reimbursement at first class travel rates for private air travel when in the Fund Manager's opinion it is appropriate to the circumstances)), (c) the out-of-pocket third party costs, fees and expenses of managing, monitoring, holding, selling, exchanging or otherwise disposing of investments or otherwise in furtherance of the Indigo Advised Fund's business or the protection of Indigo Advised Fund assets, including record-keeping expenses, (d) out-of-pocket third party costs of reporting to the Fund Investors, including costs associated with the Indigo Advised Fund's financial statements, reports, notices, tax returns, Schedule K-1's (or similar schedules), and other costs of reporting to or otherwise communicating with the Fund Manager and/or Fund Investors, including expenses incurred in connection with providing the Fund Manager and/or Fund Investors access to a database or other forum hosted on a website designated by the Fund Manager, (e) the third party out-of-pocket costs of the Indigo Advised Fund's information services and other third party or out-of-pocket costs associated with the operations of the Indigo Advised Fund, (f) printing and delivery expenses, (g) out-of-pocket third party costs of any meetings of the Fund Manager and Fund Investors, (h) any taxes, fees or other governmental charges levied against the Indigo Advised Fund or on its income or assets or in connection with its business or operations, (i) with respect to investors in Indigo Partners III, LP, its pro rata share of the Fund Manager's registration as an investment adviser under the Advisers Act, all regulatory and legal fees and expenses (and damages) of the Fund Manager, Indigo and their respective affiliates in connection with any ongoing compliance, filings and reporting

obligations under the Advisers Act, the U.S. Dodd-Frank Wall Street Reform Act, “blue sky,” the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers or any other applicable laws, including filing fees and expenses and expenses related to the preparation and filing of Form ADV, Form PF, filings in connection with the U.S. Foreign Account Tax Compliance Act and any comparable legislation or regulations published by any other relevant jurisdiction (including, in each case, compliance with enabling legislation published in the Cayman Islands in contemplation thereof) and other similar regulatory filings, or incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the Indigo Advised Fund, the Fund Manager, Indigo or their respective affiliates, (j) costs and expenses with respect to the tax matters partner’s representation of the Indigo Advised Fund and the Fund Manager and/or Fund Investors, (k) all placement fees paid to any third party in connection with an investor’s investment in the Fund (subject to offset against the Advisory Fee if applicable), (l) bank and custodial accounts and services, (m) Indigo Advised Fund borrowings or other Indigo Advised Fund indebtedness, including fees, costs and expenses incurred in obtaining credit facilities, lines of credit, loan commitments and letters of credit for the account of the Indigo Advised Fund and in guaranteeing the obligations of any portfolio companies or their affiliates, (n) the Indigo Advised Fund’s indemnification obligations and related liabilities, including the amount of any judgments, settlements or fines paid in connection with any litigation, governmental inquiry, investigation or proceeding involving the Indigo Advised Fund, the Fund Manager, Indigo or their respective affiliates, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the applicable Governing Document, (o) all other out-of-pocket third party costs and expenses of the Indigo Advised Fund, the Fund Manager or Indigo in connection with the Indigo Advised Fund’s Governing Document (such as costs of insurance for the benefit of the Indigo Advised Fund, costs of litigation or other proceedings, or other matters that are the subject of indemnification or contribution pursuant to the Indigo Advised Fund’s Governing Document, costs of winding up and liquidating the Indigo Advised Fund and amounts necessary for the establishment of adequate reserves), (p) defaults by Fund Investors in the payment of any capital contributions, (q) any restructuring, modifications, revisions or amendments to the constituent documents of the Indigo Advised Fund and related entities, including the Fund Manager, Indigo, the Indigo Advised Fund and any related investment vehicles, (r) hedging transactions for the Indigo Advised Fund, (s) expenses incurred in connection with compliance with side letters and most favored nations processes, (t) other extraordinary, nonrecurring matters and (u) any other costs and expenses jointly incurred by or on behalf of the Indigo Advised Fund and any parallel fund(s) and not otherwise separately allocable among them.

Each Indigo Advised Fund’s Adviser is responsible for its own overhead expenses related to personnel salaries, bonuses, other employee and officer compensation and benefits, rent, office furniture, fixtures and computer equipment.

Brokerage fees may be incurred in accordance with the practices set forth below in Item 12, “*Brokerage Practices*.”

Additionally, co-invest vehicles generally bear their share of any expenses relating to the applicable investment, but do not bear broken-deal expenses, which are generally allocated entirely to the primary Indigo Advised Fund that has an active commitment period.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described above in Item 5, “*Fees and Compensation*,” certain Advisers may receive a carried interest allocation on realized profits in an Indigo Advised Fund. One or more Advisers currently advise Indigo Advised Funds that are not subject to a carried interest, and any Adviser may waive carried interest with respect to certain persons as described above. In allocating investments, the Advisers may have incentives to favor Funds with higher potential for carried interest over Funds with lower potential for

carried interest. As described below in Item 11, “*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*,” the Advisers have adopted allocation policies designed to treat all Funds fairly and equitably in accordance with the applicable Governing Documents.

ITEM 7 TYPES OF CLIENTS

The Advisers’ Clients currently are the Indigo Advised Funds but may, from time to time, include separate account clients. The Indigo Advised Funds may include investment partnerships or other pooled investment vehicles formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**1940 Act**”). The Fund Investors may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates, charitable organizations or other corporations or business entities and also may include, directly or indirectly, the owner and principals or other employees of the Advisers.

The Indigo Advised Funds and Indigo separately managed accounts may require minimum investment amounts, however, such amounts may vary depending on the client, the requirements in the applicable Governing Documents and may also be reduced with the prior agreement of an Adviser. The most recent Fund has a minimum investment amount of \$25 million (subject to the applicable Adviser’s discretion to accept a lower amount). Prior Funds may not have required any minimum investment amount.

Fund interests are offered and sold generally to investors that are (i) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended and (ii) “qualified clients” as defined under the Advisers Act.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

Indigo Partners focuses on providing Fund Investors access to a globally diversified set of investment opportunities in air transportation, aviation finance, aerospace, air cargo and logistics, and related sectors (“**Aviation**”). Indigo Partners typically looks to invest in new or existing Aviation companies that require capital and additional management expertise in order to be successful (e.g., start-up, venture capital or distressed venture type investments). Indigo Partners has industry expertise, operating experience, and an active investment management style. Indigo Partners considers investing in all geographies and takes a global approach to allocating resources. As a result, Clients of Indigo Partners have access to a robust pipeline of Aviation deals.

When Indigo Partners identifies a potentially viable investment opportunity, Indigo Partners conducts due diligence to understand core matters including (i) existing or planned products and services, business plans, equipment, facilities, key personnel and other resources already involved in or committed to the business, (ii) the balance sheet of any existing business, (iii) material agreements already in place, including any debt, collective bargaining agreements, equipment leases and/or purchase agreements, and other known obligations and liabilities, (iv) recent performance and competitive standing of any existing business, (v) projections for future performance and competitive positioning, (vi) the regulatory framework governing ownership and operation of the business, (vii) the existing ownership structure, (viii) how any existing or proposed business plan might be modified to produce better results, (ix) the extent of the capital and other resources likely to be needed to make, manage and liquidate an investment in the business and the associated timing, (x) potential exit strategies from any investment, and (xi) the nature and terms of the investment and related contributions which Indigo Partners is being asked to consider or might wish to propose. Indigo Partners also creates its own financial model for any business in which it considers investing in order to gauge the impact of potential changes in the venture’s business plan or in the

environment in which the business operates or is expected to operate. In the case of airlines, the model will typically be constructed to assess overall investment performance, based on the assumption that an exit by trade sale or in conjunction with and following an IPO should be anticipated, at an appropriate time or times during the multi-year business plan as modeled. In undertaking such due diligence, Indigo Partners retains legal, financial and other advisors as appropriate.

Indigo Partners strongly prefers to pursue private transactions and generally avoids auctions. Indigo Partners pays careful attention to securing control or at least a meaningful role in portfolio company management. Indigo Partners may employ several investment formats in future transactions, including common equity, preferred stock, and convertible debt.

Having made an investment, Indigo Partners takes an active role in shaping portfolio company strategy and operations through direct interaction with management, recruiting key portfolio company personnel as needed, and intense board oversight of business plan development and execution, subject to any limitations on such participation imposed by law. With significant breadth and depth of experience to apply to portfolio companies, experience which includes launching and growing successful start-ups, turning around troubled businesses, converting stagnant enterprises into market leaders, developing financial discipline in management, and completing initial public offerings and related exit strategies, in relatively mature markets and as well as emerging ones, Indigo Partners and its personnel seek to create multiple sources of value across various geographies.

Risk of Loss

Each Client and the Fund Investors bear the risk of loss associated with the applicable Client's investment(s) and the related investment strategy. The discussion below enumerates certain risk factors that apply generally to an investment in one or more of the Indigo Advised Funds. Such risk factors would also be generally applicable to any separate account clients as they would engage in many of the same investment strategies. Prior to making any investment, Clients and Fund Investors should review the pertinent Governing Documents for additional information regarding risks and conflicts of interest specific to the particular Client.

Risks Related to Indigo Advised Funds

Business Risks; Nature of Investments. Each Indigo Advised Fund's investments consist at the outset primarily of an interest in one or more privately held companies or other privately held assets. Such investments involve a high degree of business and financial risk that can result in substantial losses. An Indigo Advised Fund may invest in one or more companies that are experiencing or are expected to experience severe financial difficulties, which difficulties may never be overcome. Any investment to be made by an Indigo Advised Fund is speculative in nature and the possibility of partial or total loss of capital will exist. Investors should not subscribe or invest in any Indigo Advised Fund unless they can readily bear the consequences of such loss.

Small Company and Emerging Company Risk. Subject to any limitations in its Governing Documents, any Indigo Advised Fund may invest in one or more small-sized and emerging companies, which may involve more risk than investing in the stocks of larger, more established companies because they often have greater price volatility, lower trading volume, and less liquidity than larger, more established companies. These companies also tend to have smaller revenues, narrower product lines, less management depth and experience, smaller share of market for their products or services, fewer financial resources, and less competitive strength than larger or more established companies and may underperform as compared to the securities of larger companies.

Future and Past Performance. The performance of investments previously made or recommended by Indigo Partners is not necessarily indicative of any particular Indigo Advised Fund's future results. While the objective is for each Indigo Advised Fund to make one or more investments that have estimated returns commensurate with the risks undertaken, it is difficult to predict operating results and there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Concentration of Investments. Each Indigo Advised Fund will participate in either one or a limited number of investments, in accordance with its Governing Documents. As a result, investment in any Indigo Advised Fund or group of Indigo Advised Funds will not provide an investor with the diversity available through the ownership of interests in other entities that invest in different types of businesses. Further, each Indigo Advised Fund's investment or investments are expected to be relatively long-term and generally difficult to liquidate, particularly in a short period of time. Therefore, it may be difficult for any Indigo Advised Fund to respond quickly to changing conditions or to liquidate its assets quickly. If an Indigo Advised Fund co-invests with other private equity funds, a Fund Investor may have additional exposure to a portfolio company through such other private equity funds.

Difficulty of Locating Suitable Investments. The activity of identifying, completing and realizing on appropriate investments is highly competitive and involves a high degree of uncertainty. Each Indigo Advised Fund which is established to make one or more unidentified investments (a "**Future Project Fund**") and each separately managed account created to make one or more unidentified investments (a "**Future Project Account**") will be competing for investments with other investors, including individual investors, other partnerships, strategic investors, and institutional investors. In general, the availability of desirable investment opportunities and an Indigo Advised Fund's investment returns will be affected by the level and volatility of interest rates, conditions in the financial markets and general economic conditions. There can be no assurance that any Adviser will be able to locate and complete investments that satisfy the investment criteria of any Future Project Fund or Future Project Account, and as a result there can be no assurance that the capital committed to any such Future Project Fund or Future Project Account will be fully invested. There is also no assurance that any Adviser will be able to realize the value anticipated in any investment, or that any investment will achieve the related rate of return objectives. However, investors in Future Project Funds and Clients which create Future Project Accounts will generally be required to pay Advisory Fees even if the pertinent Adviser or Advisers are unable to locate and successfully complete investments.

Limited Information; Accuracy of Third Party Information. In certain circumstances, the Adviser to an Indigo Advised Fund may not receive access to all available information to determine fully the manner in which the Indigo Advised Fund's investment or investments have been operated. Further, an Indigo Advised Fund's Adviser may select or recommend one or more investments for an Indigo Advised Fund, in part, on the basis of information and data made available by third parties. Although the pertinent Adviser will evaluate all such information and data and will ordinarily seek independent corroboration when the Adviser considers it appropriate and when such corroboration is reasonably available, the Adviser may not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.

Illiquidity. An investment in any Indigo Advised Fund should be viewed as illiquid. Distributions by any Indigo Advised Fund will depend on the particular Indigo Advised Fund's earnings, financial condition and such other factors as the Fund Manager may deem relevant from time to time in accordance with the Indigo Advised Fund's Governing Documents. It is uncertain as to when profits, if any, will be realized. In the case of Future Project Funds, losses on unsuccessful investments may be realized before gains on any successful investments are realized. The expenses of operating a particular Indigo Advised Fund (including

any Advisory Fees) may exceed its income, thereby requiring that the difference be paid from the Indigo Advised Fund's capital.

Leveraged Investments. Any Indigo Advised Fund's investment(s) may include one or more portfolio companies whose capital structures have significant leverage. Leverage generally magnifies both an Indigo Advised Fund's opportunities for gain and its risk of loss from a particular investment. The use of leverage may increase the exposure of investments to adverse economic factors such as rising interest rates and severe economic downturns. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast. During times when credit markets are tight, it may be difficult to obtain or maintain the desired degree of leverage. The failure to obtain leverage at the contemplated rates, pricing and other terms could have a material adverse effect on one or more Indigo Advised Funds. The use of leverage by an Indigo Advised Fund will also result in interest expense and other costs to the borrowing Indigo Advised Fund that may not be covered by distributions to the Indigo Advised Fund or appreciation of its investment or investments.

Limited Transferability of Interests in Indigo Advised Funds. There will be no public market for the interests in any Indigo Advised Fund, and none is expected to develop. There are or will be substantial restrictions upon the transferability of interests under each Indigo Advised Fund's Governing Documents and applicable securities laws. In general, withdrawals of interests are not permitted. In addition, interests are not redeemable.

Investments in Control Positions. Each Indigo Advised Fund (alone or together with other Indigo Advised Funds) will seek to acquire control or exercise influence over the management and the strategic direction of any portfolio company in which it invests. Additionally, each Indigo Advised Fund (alone, or together with other Indigo Advised Funds and/or other investors) may otherwise be deemed to have a control or management position with respect to any portfolio company in which it invests. This in turn could expose the Indigo Advised Fund to risk of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations, violation of fiduciary duties to minority owners and other types of liability, including claims in which the limited liability structure of the portfolio company may be ignored and, in the case of debt investments, lender liability. While the pertinent Fund Manager intends to manage any Indigo Advised Fund in a way that will minimize exposure to these risks, the possibility of successful claims resulting in adverse financial effects to an Indigo Advised Fund or group of Indigo Advised Funds cannot be precluded.

Investments in Minority Positions. Subject to any limitations in its Governing Documents, any Indigo Advised Fund may also hold or make a minority equity investment in one or more portfolio companies where it may not have control (or only have limited influence) over the portfolio company's management and strategic direction. Any such portfolio company may turn out to have economic or business interests or goals that are inconsistent with those of the Indigo Advised Fund, and the Indigo Advised Fund may not be able to cause the portfolio company to implement strategies or make decisions that are consistent with the Indigo Advised Fund's objectives. Any Indigo Advised Fund with such a minority equity investment may be adversely affected by actions taken by the majority equity holder(s). In addition, any Indigo Advised Fund with such an investment may not be in a position to limit its losses with respect to the investment or otherwise protect such investment, which could result in the Indigo Advised Fund's investment being frozen in a minority position that incurs substantial losses.

Investments in Restructurings. An Indigo Advised Fund may invest in a portfolio company that is experiencing financial difficulties, and any portfolio company may encounter financial challenges resulting from unforeseen developments. Such financial difficulties may never be overcome and may cause a portfolio company to become subject to bankruptcy proceedings. Any investment which results in unsatisfied obligations could, in certain circumstances, subject the Indigo Advised Fund to certain

additional penalties that may exceed the value of the Indigo Advised Fund's original investment in the portfolio company. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Indigo Advised Fund and distributions by the Indigo Advised Fund to its Fund Investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws.

Reliance on the Fund Manager. Control over the operation of any Indigo Advised Fund will be vested entirely with its Fund Manager, subject to any limitations in the Indigo Advised Fund's Governing Documents. The Indigo Advised Fund's future profitability will depend largely upon the business and investment acumen of the Fund Manager, particularly its owner and its principals. The loss of service of one or more of such individuals (or other key personnel) could have an adverse effect on the Indigo Advised Fund's ability to realize its investment objectives. Fund Investors generally have no right or power to take part in the management of any Indigo Advised Fund, and as a result, the investment performance of any Indigo Advised Fund will depend entirely on the actions of the Fund Manager.

Limited Recourse to Fund Manager. The Governing Documents for each Indigo Advised Fund include or will include exculpation and indemnification provisions that limit the circumstances under which the Fund Manager and its affiliates can be held liable to the Indigo Advised Fund. As a result, Fund Investors may have a more limited right of action in certain cases than they would in the absence of such limitations.

Recourse to Indigo Advised Fund Assets. Assets of any Indigo Advised Fund, including any capital held by the Indigo Advised Fund, are available to satisfy the obligations and liabilities of such Indigo Advised Fund. If the Indigo Advised Fund itself becomes subject to a liability, parties seeking satisfaction of such liability may have recourse to the Indigo Advised Fund's assets generally rather than being limited to a particular asset (such as the one giving rise to the liability).

Projections. Projected operating results of any company in which any Indigo Advised Fund invests normally will be based primarily on financial projections prepared by such company's management. In all cases, projections are only estimates of future results that are typically based largely upon information received by or from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in any projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in any portfolio company or other asset, any Indigo Advised Fund may decide to provide additional funds to such portfolio company or asset or may have the opportunity to increase its investment in a successful portfolio company or asset. There is no assurance that any Indigo Advised Fund will make follow-on investments or that any Indigo Advised Fund will have sufficient funds to make all or any of such investments. Any decision by any Indigo Advised Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company or asset in need of such an investment or may result in a lost opportunity for the Indigo Advised Fund to increase its participation in a successful operation.

Reliance on the Management of Portfolio Companies. Although it is the intention of each Indigo Advised Fund to ensure that any portfolio company in which it is invested has a strong management team, there can be no assurance that any portfolio company's management team will be able to operate successfully.

Global Economic Conditions; Market Dislocation. Economic conditions in the United States and international markets have been, and continue to be, disrupted and volatile and have led to increased market uncertainty and instability in capital and credit markets. Concerns over major financial institution and hedge fund failures, U.S. and internal governmental bailout measures, widespread job losses, the availability and cost of credit, the U.S. mortgage market, the credit derivatives market, a declining residential and commercial real estate market in the U.S., inflation, unstable valuations, energy costs, geopolitical issues and other large-scale and systemic national and international phenomena have contributed to increased uncertainty and diminished expectations for the economy and the markets going forward. These factors, combined with declining business and consumer confidence and high unemployment, have precipitated an economic slowdown that may have a material and adverse effect on any Indigo Advised Fund's portfolio companies. In addition, the fixed-income markets have experienced and continue to experience a period of great instability which has negatively impacted market liquidity conditions. Securities that are less liquid are more difficult to value and may be hard to dispose of. Domestic and international equity markets have also continued to experience heightened volatility and turmoil. These conditions have had broad regional, national and global economic ramifications, and the impacts of these conditions are continuing to be felt. Such conditions could materially and adversely impact an Indigo Advised Fund in a variety of ways and may include impacts that cannot be fully anticipated at this time. Among other things, these conditions may materially and adversely affect (i) the ability of an Indigo Advised Fund or its portfolio companies to access credit markets on favorable terms or at all in connection with the financing or refinancing of investments; (ii) the ability or willingness of third parties to do business with an Indigo Advised Fund or its portfolio companies; (iii) consumer spending and demand for the products and services offered by an Indigo Advised Fund's portfolio companies; (iv) growth opportunities for an Indigo Advised Fund's investments; (v) an Indigo Advised Fund's ability to exit its investments at desired times, on favorable terms or at all; (vi) the availability of reliable insurance on favorable terms or at all; and (vii) the ability of an Indigo Advised Fund's investors to meet their obligations to the Indigo Advised Fund in a timely manner or at all.

There can be no assurance that global markets and economic conditions will improve during the term of any Indigo Advised Fund, and such conditions could remain in place or deteriorate materially and for an extended period of time. National concerns about future economic growth, high unemployment, lower consumer sentiment, market instability, inflationary pressures, fluctuating oil prices, the adverse developments in the credit markets and mixed corporate earnings present significant challenges to the national and global economies and equity markets presently and in the future. Any of the foregoing could have a material adverse impact on an Indigo Advised Fund and its portfolio companies.

Foreign Investments. Certain of the Indigo Advised Funds invest or may invest in one or more portfolio companies located or operated principally or entirely outside of the U.S. Investment in non-U.S. securities involves certain risk factors not typically associated with an investment in U.S. securities, including risks relating to (i) currency exchange matters, such as fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which an Indigo Advised Fund's non-U.S. investment or investments are or may be denominated, and costs associated with conversion of investment principal and income from one currency into another, (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (iii) certain economic and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, nationalization of business enterprises, the risks of political, economic or social instability, the possibility of substantial rates of inflation and the possibility of expropriation or confiscatory taxation, (iv) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities and (v) differences in applicable legal systems, including the possibility that an Indigo Advised Fund may experience difficulty in asserting legal claims or obtaining legal remedies in non-U.S. jurisdictions.

Asset Valuation. Except as otherwise provided in the Governing Documents for an Indigo Advised Fund, the Fund Manager's valuation of an Indigo Advised Fund's assets will be final and conclusive for all Fund Investors in such Indigo Advised Fund.

Material Non-Public Information. By reason of their responsibilities in connection with their other activities, the owner and principals and other employees of Indigo Partners may acquire confidential or material non-public information or be otherwise restricted from initiating transactions in certain securities. None of the Indigo Advised Funds will be free to act upon any such information. Due to these restrictions, any Indigo Advised Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Dilution. Any investor admitted to an Indigo Advised Fund after such Indigo Advised Fund has made one or more investments will generally participate in then-existing investment(s) of the Indigo Advised Fund, thereby diluting the interest in such investment(s) of the Indigo Advised Fund's existing investors. Although any such new Fund Investor will be required to contribute its *pro rata* share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Indigo Advised Fund's existing investment(s) at the time of such contribution.

Transfer by Fund Manager. To the extent that any Fund Manager or its affiliates invests in any Indigo Advised Fund, participation in or all or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Governing Documents of such Indigo Advised Fund.

Hedging Policies / Risks. Any Indigo Advised Fund and any portfolio company may employ hedging techniques designed to protect against adverse movements in interest rates and other risks. While such transactions may reduce certain risks, the transactions themselves may entail certain other risks. Thus, while an Indigo Advised Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates or other factors may result in a poorer overall performance for the Indigo Advised Fund than if it and/or its portfolio company or companies had not entered into such hedging transactions.

Delayed Schedule K-1s. Any Indigo Advised Fund may not be able to provide final Schedule K-1s for any given fiscal year until after April 15 of the following year. Each Fund Manager will endeavor to provide final Schedule K-1s or estimates of the allocable taxable income or loss on or before such date, but final Schedule K-1s may not be available until the Indigo Advised Fund has received tax-reporting information upon completion of its annual audit (which may be as much as six months after year-end). Investors in any Indigo Advised Fund may be required to obtain extensions of the filing dates for their U.S. federal, state, and local income tax returns. Each prospective Fund Investor should consult with its own adviser as to the advisability and tax consequences of an investment in any Indigo Advised Fund or group of Indigo Advised Funds.

Contingent Liabilities on Disposition of Assets. In connection with the disposition by any Indigo Advised Fund of an investment in any portfolio company or other assets, the Indigo Advised Fund may be required to make representations and warranties about business and financial affairs and other matters (such as environmental, property, tax, insurance and litigation) typical of those made in connection with the sale of a portfolio company or other assets. The Indigo Advised Fund also may be required to indemnify the purchasers of such portfolio company or other assets (and third parties involved in any such transaction, such as investment bankers and brokers) to the extent that any such representations and warranties are inaccurate or with respect to certain potential liabilities. These arrangements may result in the occurrence of actual and/or contingent liabilities of the Indigo Advised Fund for which the Fund Manager may need to establish reserves or escrows. In that regard, Fund Investors may be required to return amounts distributed to them to fund obligations of such Indigo Advised Fund, including indemnity obligations, as provided by law and in accordance with the Indigo Advised Fund's Governing Documents.

Side Letters. To the extent permitted by an Indigo Advised Fund's Governing Documents, the Fund Manager of such Indigo Advised Fund may enter into Side Letters with one or more Fund Investors in such Indigo Advised Fund. These Side Letters may entitle a Fund Investors to make an investment in an Indigo Advised Fund on terms other than those described in such Indigo Advised Fund's other Governing Documents. Any such terms, including with respect to (i) opting out of particular investments, (ii) reporting obligations of any Adviser or Indigo Advised Fund, (iii) transfers to affiliates, (iv) co-investment opportunities, (v) withdrawal rights due to adverse tax or regulatory events, (vi) consent rights to certain Governing Document amendments or (vii) any other matters described herein, may be more favorable than those offered to any other Fund Investors in the Indigo Advised Fund. Furthermore, the Fund Manager of any Indigo Advised Fund may permit certain business associates and other "friends and family" of the owner, principals or other employees of Indigo Partners to invest directly or indirectly in such Indigo Advised Fund or in a parallel investment entity on terms which may be more favorable than those offered to the other Fund Investors in such Indigo Advised Fund, including with respect to the payment of advisory fees and carried interest. If a Fund Manager enters into a Side Letter entitling a Fund Investor to opt-out of a particular investment or withdraw from the Indigo Advised Fund, any election to opt-out or withdraw by such Fund Investor may increase the other Fund Investors' *pro rata* interest in the particular investment or in such Indigo Advised Fund.

Third Party Involvement. To the extent permitted under its Governing Documents, any Indigo Advised Fund may co-invest in one or more investments with other investors, which may include Fund Investors in such Indigo Advised Fund, their affiliates and/or other third parties, which parties in certain cases may have different interests or superior rights to those of the Indigo Advised Fund. An Indigo Advised Fund may not have control rights over certain of its investments and, therefore, may have a limited ability to protect its positions therein. In addition, any Indigo Advised Fund's investments will be subject to typical risks in connection with any third party involvement, including the possibility that a third party may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Indigo Advised Fund, or may be in a position to take (or block) action in a manner contrary to the Indigo Advised Fund's interests or investment objectives. The Indigo Advised Fund may also in certain circumstances be held liable for the actions of its third party partners. Investments made with third parties also may involve compensation arrangements including carried-interest and/or other fees payable to such third-party partners.*European Union Alternative Investment Fund Managers Directive.* The European Union Alternative Investment Fund Managers Directive (the "**Directive**") came into force in July 2011. The deadline for transposition of the Directive into the laws of the member states of the European Economic Area (the "**EEA Member States**") was July 22, 2013. Some EEA Member States did not meet this deadline and many provisions remain in transmission, their effect uncertain. The Directive regulates alternative investment fund managers (each an "**AIFM**") based in the European Economic Area (the "**EEA**") and generally prohibits such AIFMs from managing any EEA alternative investment fund ("**AIF**") unless authorization is granted to the AIFM. The Directive imposes new regulatory obligations on authorized AIFMs in respect of their activities and the AIFs that they manage. The Directive also regulates, and imposes new regulatory obligations in respect of, the marketing of AIFs (whether established in the EEA or elsewhere) in the EEA by AIFMs (whether established in the EEA or elsewhere).

It is expected that any existing and future Indigo Advised Funds will each constitute a non-EEA AIF. Indigo and its affiliates do not currently intend to market in the EEA and, as a result, do not intend to become authorized pursuant to the Directive as an AIFM. If an Indigo Advised Fund is actively marketed to investors domiciled (or having their registered office in the EEA): (i) an Indigo Advised Fund may be subject to certain reporting, disclosure and other compliance obligations under the Directive, which may result in such Indigo Advised Fund incurring additional costs and expenses; (ii) the Indigo Advised Fund and/or its Fund Manager may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in such Indigo Advised Fund incurring

additional costs and expenses or otherwise affect the management and operation of such Indigo Advised Fund; (iii) the Fund Manager may be required to make detailed information relating to the Indigo Advised Fund and its investments available to regulators and third parties; and (iv) the Directive may also restrict certain activities of an Indigo Advised Fund in relation to EEA portfolio companies including, in some circumstances, the Indigo Advised Fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership.

Some, but not all, EEA Member States have published the relevant acts, standards and guidelines. It should be noted that the final scope and requirements of the Directive as it is applied in each EEA Member State remain uncertain. However, the Directive could in the future have an adverse effect on Indigo, its affiliates and the Indigo Advised Fund by, among other things, increasing the regulatory burden and costs of doing business in EEA Member States, imposing extensive disclosure obligations on portfolio companies located in EEA Member States, significantly restricting marketing activities within the EEA, potentially requiring Indigo or its affiliates to change its compensation structures for key personnel, thereby affecting its ability to recruit and retain these personnel, and disadvantaging Indigo Advised Funds as bidders for and potential owners of private companies located in EEA Member States when compared to non-AIF/AIFM competitors which may not be subject to the requirements of the Directive.

In addition, the Directive's restrictions on the Fund Manager's ability to market limited partner interests to investors domiciled in (or with a registered office in) the EEA may make it more difficult for an Indigo Advised Fund to raise its targeted amount of Commitments.

The United Kingdom and Brexit. The United Kingdom is due to leave the European Union on March 29, 2019. However, there remains uncertainty around the United Kingdom's withdrawal from the European Union, including but not limited to, the date of the United Kingdom's withdrawal from the European Union and whether a revoking referendum will be called. Negotiations between the United Kingdom and the European Union remain ongoing and are complex, and there can be no assurance regarding the terms (if any) or timing of any resulting agreement. The withdrawal process has created significant uncertainty about the future relationship between the United Kingdom and the European Union, and this may have political consequences not only in the United Kingdom but also in the remaining European member states.

These developments, and the potential consequences of them, have had and may continue to have a material adverse effect upon global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings have been and may continue to be subject to increased market volatility. Lack of clarity about future United Kingdom laws and regulations, and the terms upon which United Kingdom businesses may continue to access European markets, including financial laws and regulations, tax and free trade agreements, immigration and employment laws, could increase costs, depress economic activity, impair ability to attract and retain qualified personnel, and have other adverse consequences. Any of these factors may have a material adverse effect on the ability of the Funds and their portfolio companies to execute their respective strategies and to access capital.

Air Transportation Industry Risks

Industry Competition. The airline industry faces significant competition with respect to routes, fares and services. Competitor airlines may make strategic decisions that increase overall industry capacity, or capacity dedicated to a particular domestic or foreign region, market or route, which could have a material adverse impact on any airline investment. There have been numerous mergers and acquisitions within the airline industry including, for example, the recent combinations of Delta Air Lines and Northwest Airlines, United Airlines and Continental Airlines, Southwest Airlines and AirTran Airways, British Airways and Iberia, Air France and KLM, and US Airways and American Airlines. In the future, there may be additional mergers and acquisitions in the Aviation industry. Any business combination could significantly alter industry conditions and competition within the airline industry and could cause the performance of any portfolio company to be reduced.

Competition from Air Travel Substitutes. In addition to competition from other airlines, airlines also face competition from air travel substitutes such as buses, trains and automobiles. In addition, technology advancements may limit the desire for air travel. For example, video teleconferencing and other methods of electronic communication may reduce the need for in-person communication and add a new dimension of competition to the industry as travelers seek lower-cost substitutes for air travel. In the event that the basis of competition in the market changes, it could have a material adverse effect on the business, results of operations and financial condition of any airline.

Control Over Costs. Participants in the airline industry also have limited control over certain of their costs, such as the price and availability of aircraft, aircraft fuel, aviation insurance, airport use fees and related infrastructure taxes, the cost of meeting changing regulatory requirements, and the cost to access capital or financing.

Price and Availability of Fuel. The air transportation industry is heavily impacted by the price and availability of aircraft fuel. Increases in the cost of fuel, or significant disruptions in the supply of fuel, including hurricanes and other events affecting the supply of fuel, could materially adversely affect the business, results of operations and financial condition of an airline.

Economic Effects. The air transportation industry is particularly sensitive to changes in economic conditions. Unfavorable economic conditions could negatively impact the business, results of operations and financial condition of an airline.

Security Concerns. The air transportation industry faces ongoing security concerns and related cost burdens. Further threatened or actual terrorist attacks or other hostilities could significantly harm the air transportation industry and the business of an airline.

Cyber Security Breaches and Identity Theft. Indigo, each Fund, certain of the Fund's portfolio companies and service providers to Indigo, the Funds and the portfolio companies generally rely on information technology systems for current and planned operations. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Information and technology systems of Indigo, each Fund's portfolio companies and any service provider may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, security breaches, and usage errors by their respective professionals. There can be no guarantee that Indigo or the Funds will be able to prevent or mitigate such incidents. The failure of these systems for any reason could cause significant interruptions in the operations of Indigo, the Funds and portfolio companies and could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). A cybersecurity

incident could have numerous material adverse effects, including on the operations, liquidity and financial condition of the Funds. Cyber threats and/or incidents could cause financial costs from the theft of Fund assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to: litigation costs, preventative and protective costs, remediation costs and costs associated with reputational damage, any of which could be materially adverse to the Funds.

The Funds, their affiliates, service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a Fund and its investors, despite the efforts of such Fund's service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of a Fund's service providers, counterparties or data within these systems.

Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of systems to disclose sensitive information in order to gain access to data or that of a Fund's investors. A successful penetration or circumvention of the security of systems could result in the loss, theft or corruption of an investor's data, a loss of Fund data, a loss of funds, the inability to access electronic systems, overall disruption in operations systems, loss, theft or corruption of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. These threats may also indirectly affect a Fund through cyber incidents with third party service providers or counterparties. Data taken in such breaches may be used by criminals in identity theft, obtaining loans or payments under false identities, and other crimes that could affect a Fund's investors directly as well as affect the value of assets in which a Fund invests. These risks can disrupt the ability to engage in transactional business, cause direct financial loss and reputational damage, lead to violations of applicable laws related to data and privacy protection and consumer protection or incur regulatory penalties, all or part of which may not be covered by insurance. Cybersecurity risks also result in ongoing prevention and compliance costs. In addition, Funds may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information and adverse reputational reaction or litigation.

Similar types of operational and technology risks are also present for the portfolio companies in which Funds invest, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

Future Regulation. The airline industry is subject to extensive regulation by regulatory bodies such as the Federal Aviation Administration, the Department of Transportation, and other U.S. and foreign governmental agencies. Such regulation may prevent any Indigo Advised Fund from owning and/or controlling as much of a portfolio company as it would otherwise like (please see "*Investments in Minority Positions*" in this section above for a discussion on certain risks associated with holding minority positions). Compliance with such regulations could also cause investments to incur increased costs and adversely affect an airline's business and financial results. Restrictions on or increased taxes applicable to fees or other charges for ancillary products and services paid by airline passengers could harm the business, results of operations and financial condition of an airline. If and as permitted by the Governing Documents of an Indigo Advised Fund, the Fund Manager may limit or preclude an investor's participation in such Indigo Advised Fund or in an individual portfolio company investment if the Fund Manager determines that an investor's investment in any Indigo Advised Fund or a portfolio company is reasonably likely to result in a regulatory violation which is reasonably likely to jeopardize the ability of the Indigo Advised Fund to consummate an investment or to have a material adverse effect on a portfolio company, the Fund Manager,

Indigo Partners, the Indigo Advised Fund, or any affiliate, or would otherwise result in material filing, regulatory or tax requirements to which it or they would not otherwise be subject.

Other Factors. Airlines are often affected by factors beyond their control including: air traffic congestion at airports; air traffic control inefficiencies; weather conditions, such as hurricanes or blizzards; increased security measures; new travel related taxes; the outbreak of disease; or political or social unrest and related conflicts, any of which could harm an airline's business, operating results and financial condition. Airline companies rely heavily on technology and automated systems to operate their businesses and any failure of these technologies or systems or failure by their operators could harm their businesses.

Reputation. Airlines and carriers are susceptible to potential significant losses in the event that any of their aircraft is subject to an emergency, accident, terrorist incident or other similar incident, including significant costs related to passenger claims, repairs or replacement of a damaged aircraft, and/or an aircraft's temporary or permanent loss from service. Related negative publicity regarding an airline's customer service or emergency response could have a material adverse effect on the business of the airline.

Potential Conflicts of Interest

Generally. Subject to any limitations in any applicable agreements, the owner, principals and other employees of Indigo Partners may spend a portion of their business time and attention pursuing investment opportunities that do not fall within the investment objectives of any Indigo Advised Fund or other Client for themselves or any other Clients and other than on behalf of any Client. However, the significant investment in each Indigo Advised Fund of its Fund Manager and/or such Fund Manager's affiliates, as well as the carried interest of such Fund Manager or other Advisers in such Indigo Advised Fund or in one or more co-invested Indigo Advised Funds, help to align the interest of the Fund Manager with the interest of the Fund Investors, although Indigo Partners and its affiliates have economic interests in other investments as well. Such other investments that Indigo Partners and its affiliates may control may compete with Portfolio Companies acquired by any Indigo Advised Fund or group of Indigo Advised Funds, except as otherwise provided in applicable Governing Documents.

Fund Manager's Carried Interest. The fact that any Adviser carried interest is based on a percentage of net profits may create an incentive for the Fund Manager or its affiliates to cause a Client to make one or more investments that are riskier or more speculative than otherwise would be the case.

Allocation of Personnel. Each Indigo Advised Fund's Fund Manager will allocate such time and attention as is deemed appropriate and necessary to carry out the operations of such Indigo Advised Fund effectively. The Fund Manager's personnel will work on other projects and on behalf of various Clients other than any particular Indigo Advised Fund; conflicts may arise, therefore, in the allocation of certain personnel and other resources, in the allocation of investment opportunities, and in the operation and disposition of investments.

Outside Investments. The principals and their affiliates may make small personal Aviation investments outside an Indigo Advised Fund, in lieu of offering such opportunities to the Indigo Advised Fund, under certain limited circumstances permitted pursuant to the applicable Indigo Advised Fund's or Funds' Governing Documents.

The Advisers' principals or employees may invest in other private equity investment vehicles (including single investor co-investments) managed by other advisers. In some cases, the Advisers or an Indigo Advised Fund may purchase portfolio companies that are owned by such other investment vehicles, which may indirectly benefit any principals or employees. In some cases, private equity professionals or other services professionals from other investment firms may also be investors in the Indigo Advised Funds.

Indigo Co-Investments. The Advisers and their affiliates, friends and family may co-invest with an Indigo Advised Fund and its related investment vehicles in one or more portfolio companies, to the extent permitted in applicable Governing Documents, including by taking additional allocations on certain investments that have not been taken by others entitled to priority rights on such allocations.

Conflicting Investor Interests. The applicable Fund Investors in any Indigo Advised Fund may have conflicting investment, tax, and other interests with respect to their investments in such Indigo Advised Fund, including conflicts relating to the structuring of any investment acquisition and/or disposition. Fund Investors may also make investments or engage in other business activities that compete with Indigo Advised Funds and their portfolio companies. Certain Fund Investors may be affiliates of one or more Fund Managers. Conflicts may arise in connection with decisions made by a Fund Manager regarding an investment that may be more beneficial to one Fund Investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, any Fund Manager generally will consider the investment and tax objectives of the Indigo Advised Fund and its investors as a whole, not the investment, tax, or other objectives of any Fund Investor individually.

Conflicts Arising from Business with Certain Fund Investors. Indigo Partners may have Fund Investors who provide services to Indigo Partners, an Indigo Advised Fund, or the portfolio companies (including lenders, brokers, attorneys and investment banking firms) and/or who provide services to or invest in businesses that compete with Indigo Partners, the Indigo Advised Funds and the portfolio companies. These service providers may also be sources of investment opportunities or counterparties to any of the foregoing. This presents a conflict of interest, as it may influence an Adviser or its affiliates in deciding whether to select such a service provider or have other relationships with such service provider. For example, the Advisers may have a conflict of interest with a Fund in recommending the retention or continuation of a service provider if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in the Funds or will provide Indigo Partners with information about its competitors. There is a possibility that Indigo Partners, because of such belief or for other reasons, will favor such retention or continuation even if a better price and/or quality of service could be obtained from another person or company. Advisors, consultants and other service providers to an Indigo Advised Fund, its portfolio companies, Indigo and their respective affiliates or their other clients may charge different rates for their services or may have different arrangements for specific types of services, which may be more beneficial to certain of such persons than others and/or may benefit Indigo, the Adviser or their affiliates, or may benefit other clients of such persons, to a greater degree than the benefit accorded to the Indigo Advised Fund or its portfolio companies. Such benefits may include more favorable rates or arrangements than those payable by the Indigo Advised Fund or its portfolio companies.

Monitoring and Transaction Fees. An Adviser, Indigo or their respective affiliates or personnel may receive transaction fees, investment banking fees, break-up fees, topping fees, advisory fees, monitoring fees, directors fees or other fees as a result of services performed by them for, or for the benefit of, portfolio companies. The terms of such fee arrangements may provide for annual or other periodic fees, fees tied to the earnings of such portfolio companies, acceleration of such fees (including for early termination of such fee arrangements), or such other terms as the Advisers or Indigo deems appropriate in its sole discretion. Unless otherwise stated in the applicable Governing Documents, the Fund Investors in any Indigo Advised Fund (or separate account client, as applicable) will not receive the benefit of fees or other compensation received by the Adviser or such affiliates in connection with the provision of such services to such Indigo Advised Fund or any other Client. Even in cases where some of these fees may offset advisory fees of an Indigo Advised Fund, they will not fully offset advisory fees. An Adviser may therefore have incentive to charge such fees in greater amounts. In many cases with respect to the implementation of such arrangements, there is not an independent third party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest may exist in the determination of any such fees and other terms in the applicable agreement with the portfolio company, which may be more favorable to the Adviser, Indigo or

their respective affiliates or personnel than terms that would otherwise be available on an arm's length market basis. There is also a risk that such fees could exceed available advisory fee offsets, resulting in an economic benefit to the Adviser, Indigo or their respective affiliates or personnel at the expense of the Fund Investors, or that the Adviser, Indigo or their respective affiliates or personnel will benefit from the accelerated timing of other fees relative to the timing on which advisory fees would otherwise be paid.

ITEM 9 DISCIPLINARY INFORMATION

Indigo Partners, the other Advisers, and their management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Indigo Partners is a registered investment adviser. Additionally, Indigo Partners is affiliated with the other Advisers which are also investment advisers registered in accordance with SEC guidance under the Advisers Act pursuant to Indigo Partners' registration. These Advisers are:

Indigo Denver Management Company, LLC
Indigo Hungary Management LLC
Indigo LatAm Management LLC
Indigo Management LLC
Indigo Pacific Management LP
Indigo Pacific Management II LLC
Indigo Partners Management III LLC
Indigo Partners III LLC

These affiliated investment advisers serve as managing members or general partners of private investment funds and other pooled vehicles or advise a Client pursuant to an advisory agreement. They share common owners, and officers, and may share common employees, consultants or persons occupying similar positions. All of the Advisers are under common control and subject to the code of ethics and compliance program adopted pursuant to the requirements of the Advisers Act and described below in Item 11.

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

The Advisers have adopted a Code of Ethics and Securities Trading Policy and Procedures (the "Code"), which sets forth standards of conduct that are expected of the Advisers' owner, principals and other employees and addresses conflicts that may arise from personal trading. With limited exception, the Code requires certain personnel of the Advisers to report certain personal securities transactions to the Chief Compliance Officer and prohibits such personnel from directly or indirectly acquiring beneficial ownership of certain restricted securities without first obtaining approval from the Chief Compliance Officer. A copy of the Code will be provided to any Client, prospective Client or any Fund Investor upon request to Sarah A. Asta, who serves as each Adviser's Chief Compliance Officer, at (602) 224-1500.

Any Adviser or its personnel may, from time to time, come into possession, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Advisers and their personnel are

prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a Client of the Advisers.

Accordingly, should the Advisers or their owner, principals or other employees come into possession of material nonpublic or other confidential information with respect to any public company, the Advisers would be prohibited from communicating such information to Clients, and the Advisers would have no responsibility or liability for failing to disclose such information to Clients as a result of following the Advisers' policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of the Advisers' personnel serving as directors of public companies and may restrict trading on behalf of Clients.

Participation or Interest in Client Transactions

When two or more fund vehicles are formed as part of the same Fund for making the same investments, the Advisers, generally, initially allocate investment opportunities to such fund vehicles based on their relative Fund Investors' commitments, subject to any limitations in the applicable Governing Documents. Certain single investor fund vehicles allow the applicable Fund Investor to choose to invest less than its initial allocation. In the event that happens, the Advisers generally then offer any remaining investment opportunity first to the other participating fund vehicle(s) and then to other Clients or third parties.

Additionally, any Indigo Advised Fund or separate account client may invest together with other Indigo Advised Funds, subject to limitations set forth in the applicable Governing Documents. The Advisers will determine allocations of investment opportunities in a manner that they believe is fair and equitable to the Clients consistent with the Advisers' obligations to each such Client, including as set forth in the applicable Governing Documents and the Advisers' allocation policy. Where necessary, the Advisers will consult and receive consent to conflicts from the separate account client and/or Advisory Board of the Fund or Funds subject to any conflict of interest.

The Advisers may serve as investment managers to certain co-invest vehicles that invest alongside other Indigo Advised Funds in certain portfolio companies. Certain affiliates and personnel of Indigo Partners, third party investors and other persons may be permitted to participate in the co-invest vehicles or in some cases co-invest directly in a particular portfolio company. Subject to any written agreements to make co-invest opportunities available first to Fund Investors in certain circumstances, the Advisers will select which Fund Investors or other persons are permitted to co-invest based on various factors, including (but not limited to) the sophistication of the Fund Investor, the ability of the Fund Investor to fund and complete the investment on a timely basis and any other reason for including such Fund Investor or person. In circumstances where an entire investment could be made by an Indigo Advised Fund, the Advisers may still allocate a portion of such investment to one or more co-invest vehicles in accordance with such Indigo Advised Fund's Governing Documents and the Advisers' allocation policy.

Personal Trading

The owner, principals and other employees of the Advisers may carry on personal investment activities for their own account and for family members, friends or others who do not invest in any Indigo Advised Fund or group of Indigo Advised Funds. The investment advice that such owner, principals and other employees give to such persons may differ from advice given to, or securities recommended or bought for any Indigo Advised Fund or group of Indigo Advised Funds even though their investment objectives may be the same or similar.

ITEM 12 BROKERAGE PRACTICES

The Advisers may purchase public or private securities with the assistance of a broker-dealer on behalf of Clients.

If an Adviser sells publicly traded securities on behalf of an Indigo Advised Fund or Client, the applicable Adviser is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by such Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute Client transactions, the Adviser may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order, including quality of execution; (ii) commissions charged; (iii) the experience and the reputation of the firm being considered; (iv) responsiveness to requests for trade data and other financial information; and (v) past experience with executing trades through the particular broker.

No Adviser has any duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular Client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting Client transactions to the extent consistent with the interests of such Clients. Although each Adviser generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on Client transactions may be directed to brokers in recognition of research furnished by them, although the Advisers generally do not make use of such services at the current time and have not made use of such services since Indigo Partner’s inception.

In an Adviser’s private company securities transactions on behalf of an Indigo Advised Fund, the Adviser may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In doing so, the Adviser may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although the Adviser generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Indigo Advised Funds may not necessarily pay the lowest commission or fee for such services.

ITEM 13 **REVIEW OF ACCOUNTS**

Each Adviser closely monitors its respective Client’s portfolio investments. Indigo Partners’ principals undertake comprehensive quarterly reviews and work closely with other Indigo professionals to oversee and monitor the operations, financial performance and strategic direction of each portfolio investment.

Each Indigo Advised Fund will provide its Fund Investors within 120 days following the end of each fiscal year or as soon as reasonably practicable thereafter, annual audited financial statements for the Indigo Advised Fund (accompanied by a statement of each Fund Investor’s closing capital account balance) and (subject to any restrictions on disclosure imposed by applicable law, contracts or otherwise) summary financial and other information concerning each Indigo Advised Fund portfolio company.

Each Fund Investor in an Indigo Advised Fund will also be furnished, within 45 days after the end of each of the first three fiscal quarters of each fiscal year or as soon as reasonably practicable thereafter, a

quarterly report of the Indigo Advised Fund's performance containing unaudited summary financial and other information concerning the Indigo Advised Fund and (subject to any restrictions on disclosure imposed by applicable law, contracts or otherwise) each any portfolio company in which such Indigo Advised Fund is invested.

Separate account clients would receive periodic reports similar to the type described above, but tailored to such client's specific requests.

In addition to the information typically provided to all Fund Investors, the Advisers may in certain circumstances (e.g., in connection with a co-investment opportunity) provide certain investors with additional information with respect to a Fund or a portfolio company or more frequent reports that other investors will not necessarily receive.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

Any Indigo Advised Fund's Adviser may provide certain business or consulting services to the Indigo Advised Fund's portfolio company or companies and may receive compensation (including equity) from any such company in connection with such services. While this may present a conflict of interest between the Adviser and the Indigo Advised Fund, any such conflict is addressed by the fact that, as described in the Governing Documents and above in Item 5, "*Fees and Compensation*," during the Commitment Period and Post-Commitment Period, a portion of this compensation offsets the advisory fees payable by the Indigo Advised Fund to the extent the fund pays advisory fees. However, in other cases (e.g., reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees may be in addition to advisory fees. *See also* Item 5, "*Fees and Compensation*." Fees related to business or consulting services provided to an Indigo Advised Fund's portfolio company where there is no offset against the advisory fees would be charged to the portfolio company and therefore would indirectly be a cost to the applicable Indigo Advised Fund.

Indigo has entered into a solicitation agreement with Brooklands Capital Strategies, a division of TPG Capital BD, LLC (the "**Placement Agent**"). TPG Capital BD, LLC, 345 California Street, Suite 3300, San Francisco, CA 94104, is registered with the SEC and a member of FINRA. Under this agreement, Indigo compensates the Placement Agent for referrals that result in a potential investor becoming a limited partner in an Indigo Advised Fund. Any fees payable to the Placement Agent or any other placement agent engaged by Indigo Partners in respect of an Indigo Advised Fund will be borne by Indigo Partners either directly or indirectly through a dollar-for-dollar offset against the advisory fees described above in Item 5, "*Fees and Compensation*." Such placement arrangements may be a flat fee or based on a percentage of commitments to a particular Indigo Advised Fund.

ITEM 15 CUSTODY

In accordance with current SEC standards and guidance, the Advisers have established accounts with a qualified custodian to hold funds and securities on behalf of the Indigo Advised Funds. Beginning from fiscal year 2015, each Indigo Advised Fund is subject to a year-end audit by a major accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board. Each audited financial statement is then provided to the Fund Investors of the applicable Indigo Advised Fund within 120 days of the end of the fiscal year.

ITEM 16 INVESTMENT DISCRETION

Each Indigo Advised Fund's Adviser generally has discretionary authority to manage investments on behalf of such Indigo Advised Fund. The Adviser assumes this discretionary authority pursuant to the

terms of the applicable Governing Documents, investment management agreement and powers of attorney executed by the Fund Investors of the Indigo Advised Fund. As a general policy, the Advisers do not allow Clients to place limitations on this authority. Pursuant to the terms of the applicable Governing Documents, however, any Indigo Advised Fund's Adviser may enter into Side Letters with certain Fund Investors in such Indigo Advised Fund whereby the terms applicable to such Fund Investor's investment in such Indigo Advised Fund may be altered or varied, including, in some cases, to provide for reduced fees or the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

Indigo Partners may manage separately managed accounts on a discretionary basis or non-discretionary basis as set forth in the applicable Governing Documents.

ITEM 17 VOTING CLIENT SECURITIES

The Advisers have adopted Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how they will vote proxies for any Indigo Advised Fund's portfolio investments (or other Client's investments if the Advisers have such authority). The Proxy Policy seeks to ensure that each Adviser votes proxies (or similar instruments) in the best interest of its Clients, including where there may be material conflicts of interest. Each Indigo Advised Fund's Adviser generally believes that its interests are aligned with those of the Fund Investors through the Adviser's and its principals' substantial capital commitment to such Indigo Advised Fund, and therefore will not seek investor approval or direction when voting proxies. However, the Proxy Policy sets forth certain specific proxy voting guidelines for when the Advisers do vote proxies on behalf of an Indigo Advised Fund, and Fund Investors in any Indigo Advised Fund may obtain information on how their securities were voted upon request to Indigo's Chief Compliance Officer, Sarah A. Asta at sasta@indigopartners.net.

The Advisers do not consider service on portfolio company boards by Indigo Partners' personnel or their receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In the event that there is or may be a conflict of interest between an Adviser and an Indigo Advised Fund in voting proxies, the Proxy Policy provides that the Adviser may address the conflict using certain procedures, including by seeking the approval or concurrence of the applicable Indigo Advised Fund's advisory board or committee on the proposed proxy vote or through other alternatives set forth in the Proxy Policy.

A copy of the Code will be provided to any Client, prospective Client or any Fund Investor upon request to Sarah A. Asta, Indigo Partners' Chief Compliance Officer, at (602) 224-1500.

ITEM 18 FINANCIAL INFORMATION

None of the Advisers requires prepayment of advisory fees more than six months in advance or has any other events requiring disclosure under this item of the Brochure. None of the Advisers has been the subject of any bankruptcy petition.