

Long Ridge Capital Management, LP

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Long Ridge Capital Management, LP. If you have any questions about the contents of this brochure, please contact us at (212) 951-8651. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. For further discussion, refer to the fund offering documents.

Additional information about Long Ridge Capital Management, LP is also available on the SEC's website at: www.adviserinfo.sec.gov.

Any reference to Long Ridge Capital Management, LP as a "registered investment adviser" or as being "registered," does not imply a certain level of skill or training.

Item 2 Material Changes

This brochure contains information about Long Ridge Capital Management, LP upon its initial application to register as an investment adviser with the SEC. In the future, this item will summarize the material changes, if any, made to this brochure as part of the annual update.

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Item 4 Advisory Business

Long Ridge Capital Management, LP (“LRCM” or “the Firm”) is a Delaware limited partnership. LRCM is co-owned by Jim Brown (Managing Partner) and Kevin Bhatt (Partner). The general partner of LRCM is Long Ridge Capital Management GP, LLC, also co-owned by Jim Brown and Kevin Bhatt. Jim Brown founded LRCM in 2007.

LRCM provides discretionary investment advice to the following private equity funds: Long Ridge Equity Partners I, LP, Long Ridge Equity Offshore Partners I, LP (collectively “Fund I”), Long Ridge Equity Partners II, LP and Long Ridge Equity Partners II-B, LP (collectively “Fund II”), and their related co-investment vehicles and special purpose vehicles (collectively with Fund I and Fund II, the “Funds” or “clients”). The Funds seek significant long-term capital appreciation through private investments, utilizing an investment strategy that leverages the experience of LRCM partners and investment professionals. Long Ridge Equity Partners, LLC is the general partner of Fund I and related co-investment entities, and Long Ridge Equity Partners GP II, LP is the general partner of Fund II and related co-investment entities (collectively, the “General Partners”).

LRCM primarily targets companies for investment in the financial services and business services sectors. Such companies generally have enterprise values ranging from \$10 million to \$250 million that require equity investments between \$5 million and \$100 million. LRCM generally focuses on both minority and control investments, which are achieved using growth equity transactions, recapitalizations, leveraged acquisitions, restructurings, and build-ups.

Assets Under Management

As of December 31, 2018, LRCM had \$453,502,902 of client assets under management on a discretionary basis. This includes the committed capital that may be called by the Funds from their respective limited partners. LRCM does not manage client assets on a non-discretionary basis.

Item 5 Fees and Compensation

LRCM, and/or its affiliates, receive compensation from annual management fees and may receive certain other fees related to transactions, consulting, advisory and other similar fees associated with investments or proposed investments or commitments made by each Fund, fees in connection with transactions that are not completed (i.e., break-up fees), directors’ fees (which may include options and warrants) and/or monitoring fees from portfolio companies.

Management Fees

Fund I

LRCM receives a management fee from Fund I. The Fund I partnership agreement provides that prior to the earlier of (i) the fourth anniversary of the last day of the month that includes the initial closing date, and (ii) the drawdown of the limited partners’ entire capital commitment, Fund I will pay a management fee at the beginning of each semi-annual period at an annualized rate equal to 2% per year of the limited partners’ aggregate capital commitments. Thereafter, the semi-annual

management fee will be equal to 2% per year of the amount of the capital contributions that have not been returned to the limited partners as of the end of the preceding semi-annual period. The General Partner may, in its sole discretion, reduce or waive the management fee for certain limited partners.

Fund II

LRCM receives a management fee from Fund II. The Fund II partnership agreement provides that Fund II will pay LRCM, or one of its affiliates, an annual management fee in an amount equal to 2% of each limited partner's subscription commencing on the date upon which the General Partner commences the evaluation of prospective portfolio companies for Fund II through the earlier of (i) the last day of the calendar quarter in which a successor fund with aggregate capital commitments equal to or greater than \$200,000,000 has begun to accrue a management fee and (ii) the last day of the calendar quarter in which the expiration or termination of the investment period occurs (the "Fee Reduction Date"). Following the Fee Reduction Date, the management fee with respect to each limited partner shall be equal to 2% of each limited partner's actively invested capital. The General Partner may, in its sole discretion, reduce or waive the management fee for certain limited partners.

Co-Investment Funds

Co-investment opportunities may be effected through limited partnerships or other entities formed to effect such co-investments ("Co-Investment Funds"). The management fees and incentive allocations charged to a Co-Investment Fund or another co-investor in a Fund investment may, in the sole discretion of LRCM, vary from the management fees and carried interest amounts payable by the investors in Fund I and Fund II.

Other Fees

LRCM may receive transaction fees from portfolio companies or other third parties. Such fees may be retained in full by LRCM, provided that an amount equal to 100% of such fees will reduce the management fee otherwise payable, on an aggregate basis. Transaction fees include any fees received in connection with the consummation, disposition, holding or termination of an investment and/or any fees received from portfolio companies, such as portfolio company advisory fees, investment banking fees and similar fees, break-up fees, commitment fees, termination fees, directors fees, and options or similar compensation received by directors in connection with their service on the boards of directors or other similar governing bodies of portfolio companies. If LRCM receives such fees in the form of shares in lieu of cash, the management fee will be reduced by the compensation valued at the grant date.

Co-investors will typically bear their *pro rata* share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments and may be required to pay their *pro rata* share of fees, costs and expenses related to potential investments that are not consummated, such as breakup fees or broken deal expenses. Their *pro rata* share is typically based on the investment amount in the underlying portfolio company. Although LRCM endeavors to allocate such fees, costs and expenses on a fair and equitable basis, there can be no assurance that such fees,

costs and expenses will in all cases be allocated as described above. In addition, co-investors may not agree to pay or otherwise bear fees, costs and expenses related to unconsummated co-investments (and in certain circumstances, co-investors may not bear such fees, costs and expenses because they have not been identified as of the time such potential investment ceases to be pursued). In such event, such fees, costs and expenses will be considered operating expenses of and be borne by the applicable Fund. Co-investors are also subject to other expenses related to its operations. This includes but is not limited to tax preparation fees, accounting fees, legal fees and other miscellaneous expenses.

Expenses

In addition to LRCM's management fees, each Fund will typically pay all costs and expenses relating to its operations. The expenses for each Fund are further described in the governing documents for each respective Fund. Expenses will generally include, but are not limited to, the following: (a) legal, auditing, consulting, fund administration and accounting fees and expenses (including costs and expenses of preparing and circulating reports to partners of such Fund, financial statements, tax returns and K-1s and any software or online data portal used in connection with such reporting); (b) investment banking, underwriting, research and expert network fees and expenses; (c) expenses of meetings of the limited partners of such Fund; (d) expenses and costs of the members of the limited partner advisory committee of such Fund (including those fees and expenses with respect to independent legal counsel retained in accordance with such Fund's governing document); (e) indemnification and insurance expenses and the costs and expenses of any litigation or other extraordinary events involving such Fund and the amount of any judgments or settlements paid in connection therewith; (f) all expenses incurred in connection with the identifying, evaluating, structuring, negotiating, making, monitoring, sale, proposed sale, other disposition or valuation of proposed or actual investments of such Fund (including, but not limited to, business development, due diligence, research, travel and lodging, and entertainment expenses related to the identification, development and management of portfolio companies and prospective portfolio companies); (g) all expenses relating to the formation and maintenance of any alternative investment vehicle or feeder vehicle; (h) interest on and fees and expenses arising out of all permitted borrowings made by such Fund and all expenses incurred in negotiating, entering into, effecting, maintaining, varying and terminating any borrowing or guarantee permitted to be incurred by such Fund's governing document; (i) all expenses relating to unconsummated transactions (including break-up fees paid by such Fund in connection therewith and such fees and expenses related to unconsummated co-investments); (j) all expenses of liquidating such Fund; (k) any domestic or foreign taxes, fees or other governmental charges levied against such Fund that are not allocable to a limited partner of such Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of such Fund that are not subject to indemnification by a limited partner of such Fund and all expenses incurred by such Fund's general partner in its capacity as such Fund's "tax matters partner" (as defined under the Internal Revenue Code of 1986, as amended) or a similar role under applicable foreign, state or local tax law; (l) communication expenses; (m) expenses incidental to the transfer, servicing and accounting for such Fund's cash and securities, including all charges of depositories and custodians; (n) expenses and costs in connection with government and regulatory filings; (o) expenses relating to a defaulting limited partner of such Fund; (p) expenses incurred in connection with any restructuring or amendments to the documents of such Fund and related entities; and (q) expenses incurred in connection with distributions to partners of such Fund.

Any compensation paid to any “operating partners” or other advisors affiliated with LRCM, in his or her capacity as a consultant to or employee of a portfolio company and any reimbursement to LRCM or an affiliate for amounts paid to any such individual in respect of such individual’s services to a Fund investment, shall not offset the management fee.

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

Item 6 Performance Based Fees and Side-by-Side Management

Carried interest is a share of the net profits realized on the disposition of investments that is paid to the Funds’ General Partners as an incentive to maximize performance of the Funds. The carried interest percentage is negotiated at the time each Fund is formed and shall be calculated and distributed in accordance with the specific provisions outlined in each Fund’s limited partnership agreement. The fact that a significant portion of LRCM’s compensation is directly computed on the basis of profits generated by the sale/disposition of Fund assets may create an incentive for LRCM to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. The existence of a capital commitment by each General Partner to the Funds may reduce this incentive. Additionally, each General Partner is subject to a “clawback” of carried interest previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable to such General Partner by such Fund as carried interest, applied on an aggregate basis covering all transactions of the applicable Fund.

Item 7 Types of Clients

LRCM provides discretionary investment management services to the Funds. The eligibility and suitability requirements for each Fund are described in the applicable private placement memoranda, limited partnership agreement, and subscription agreements. The Funds only admit sophisticated investors that are “accredited investors,” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, and “qualified purchasers” (or “knowledgeable employees”), as defined in the Investment Company Act and the rules thereunder.

LRCM and the General Partners, on behalf of the Funds, are expected from time to time to enter into agreements (“Side Letters”) with limited partners which provide such limited partners with additional or different rights than such limited partners have pursuant to the Fund offering documents. As a result of such Side Letters, certain limited partners will receive additional rights (which may include expanded informational rights or preferential economic terms) which other limited partners will not receive. LRCM and the General Partners will not be required to notify all limited partners of any such Side Letters or any of the rights or terms or provisions thereof, and will not be required to offer such additional or different rights or terms to all limited partners.

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

Each Fund's investment objective is to achieve significant, long-term capital appreciation by making investments in private equity portfolio companies. Specifically, the Funds seek to locate, analyze and make growth capital or private equity investments through equity and equity-related securities issued by U.S. and non-U.S. entities engaged in the financial services and business services industries. LRCM will generally have significant influence on the management, operations and strategic direction of the portfolio companies. For certain larger transactions, a Fund may seek co-investment partners. LRCM's investments generally focus on both minority and control investments, which are achieved using growth equity transactions, recapitalizations, leveraged acquisitions, restructurings, and build-ups.

LRCM employs an active investment strategy to enhance the long-term value of its portfolio companies. LRCM draws upon the financial expertise and professional networks of its partners and investment professionals to source, value and structure investments. In addition, LRCM may utilize "operating partners" or other advisors to enhance its ability to identify, conduct diligence and execute investments, as well as create value post acquisition.

Each Fund has formed an Advisory Committee (also referred to as the Advisory Board) which is made up of members appointed by the General Partner, each of whom shall be associated with a Fund investor. The General Partner may remove any member of the Advisory Committee with the consent of a majority of the other members of the Advisory Committee and the General Partner may appoint a new member to fill any vacancy on the Advisory Committee. The activities of the Advisory Committee shall be to: (a) be available to offer advice to the General Partner regarding the activities of the Fund; (b) review and advise the General Partner regarding transactions involving potential conflicts of interest submitted to them by the General Partner; and (c) undertake such other activities as are required by the limited partnership agreement or reasonably requested by the General Partner.

Risk Factors

Investing involves the risk of loss that investors in a Fund should be prepared to bear. The discussion below of risks associated with an investment in the Funds does not purport to be an exhaustive list of all such risks. Please see the offering documents of the Funds for a more detailed discussion of risks.

Nature of Investments. The Funds' investments are expected to include early-stage portfolio companies for which the Firm provides growth capital. The early-stage nature of these companies may pose future business uncertainty and risk as they have limited operating history. As such, any projections and forecasts are subject to significant change. Additionally, the Funds' investments may include portfolio companies in which the capital structure includes significant leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing on attractive portfolio investments is highly competitive and involves a high degree of uncertainty, especially with respect to timing. There can be no assurance that LRCM will be able to identify and complete portfolio investments which satisfy the Funds' investment objective, or realize the value of such portfolio investments, or that the Funds' will be able to invest fully their commitments. The availability of investment opportunities will be subject to market conditions, the prevailing regulatory conditions or the political climate in industries and regions in which the Funds may invest and other factors outside the control of the Funds.

General Economic Conditions. General economic conditions may affect the Funds' activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of portfolio investments made by the Funds or considered for prospective investment. The Funds' portfolio investments can be expected to be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of the Funds' portfolio investments. No assurances can be given as to the effect of these events on the Funds' investment objectives.

Geopolitical Risks and Force Majeure. An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default of particular portfolio investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have an adverse effect on the Funds' returns. No assurance can be given as to the effect of these events on the value of or markets for portfolio investments.

Illiquid and Long-Term Investments. Although a portfolio investment may generate current income, the return of capital and the realization of gains, if any, from a portfolio investment generally will most likely occur only upon the partial or complete disposition of such portfolio investment. While portfolio investments may be sold at any time, it is generally expected that the disposition of most of a Fund's portfolio investments will not occur for a number of years after such portfolio investments are made. It is unlikely that there will be a public market for the securities held by the Funds at the time of their acquisition, and such securities may require a substantial length of time to liquidate. The Funds generally will not be able to sell the securities they hold of any portfolio investment publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases the Funds may be prohibited or limited by contract from selling certain securities for a period of time, and as a result, may not be permitted to sell a portfolio investment at a time it might otherwise desire to do so.

Leverage. The Funds may borrow for the purpose of short-term financing, to cover shortfalls of capital contributions arising from the default of limited partners or for other purposes related to the Funds' business.

Portfolio Company Management Risks. Although LRCM expects to monitor the management of each portfolio company, management of each portfolio company will have day-to-day responsibility with respect to the business of such portfolio company. There can be no assurance that the existing management team of a portfolio company, or any new team, will be able to successfully operate such portfolio company or will meet a Fund's expectations. Some portfolio companies may depend for their success on the management talents and efforts of one person or a small group of persons whose death, disability or resignation would significantly adversely affect such portfolio companies' performance.

Disposition of Private Investments. Many of the Funds' investments involve private securities, which are generally more difficult to sell than publicly traded securities, as there is often no liquid market. This lack of liquidity may result in selling such private securities at a discount. In connection with the disposition of an investment in private securities, the Funds may agree to purchase price adjustments and may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. The Funds may be obligated to fund additional capital pursuant to such purchase price adjustments and also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These transactions may ultimately yield funding obligations that must be satisfied by the limited partners to the extent of their unfunded commitments or prior distributions made to such limited partner.

Projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values, outcomes and cash-flow.

Control Position. Each Fund's General Partner may seek certain investment opportunities that allow the Funds to either acquire control or exercise influence over the management, operation and strategic direction of certain portfolio companies in which they invest. The exercise of control and/or significant influence over a company imposes additional risks of liability for regulatory non-compliance, environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of the Funds to claims by such portfolio company, its security holders, its creditors and its regulators. While the General Partners intend to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Minority Investments. The Funds may also make minority equity investments in portfolio companies where they may have more limited influence. Such portfolio companies may have economic or business interests or goals that are inconsistent with those of the Funds and the Funds may not be in a position to limit or otherwise protect the value of their portfolio investments in such portfolio companies. The Funds' control over the investment policies of such portfolio companies may also be limited. This could result in the Funds' portfolio investments being frozen in minority positions that incur substantial losses.

Counterparty and Fraud Risk. The Funds will be subject to the risk of the inability of counterparties and custodians to perform with respect to transactions or to safeguard assets, whether due to

insolvency, bankruptcy or other causes, which could subject the Funds to incur substantial losses. Of paramount concern in purchasing securities and other assets is the possibility of material misrepresentation or omission on the part of a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of a portfolio company or other asset. The Funds rely upon the accuracy and completeness of representations made by counterparties to the extent reasonable and appropriate, but cannot guarantee that such representations are accurate or complete. Under certain circumstances, distributions to the Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance.

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

Non-U.S. Investments. The Funds may invest globally, including in portfolio companies located in emerging markets. Foreign securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (a) currency exchange matters; (b) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (c) certain economic and political risks, potential regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; (d) foreign governmental approvals and compliance with foreign laws; (e) the possible imposition of foreign taxes on income and gains recognized with respect to such securities; (f) less developed corporate laws regarding fiduciary duties and the protection of investors and (g) rudimentary anti-fraud and insider trading regulations. The Funds' returns on their U.S. portfolio investments may not be indicative of the results they may achieve on investments located in foreign countries. There may be no prohibitions or restrictions on the ability of management to terminate existing business operations, sell or otherwise dispose of a portfolio company's assets, or otherwise materially affect the value of the company without the consent of the company's shareholders. Anti-dilution protection also may be very limited. In these countries, the concept of fiduciary duty on the part of the management or directors of companies to shareholders may be limited. The legal systems in these countries may offer no effective means for the Funds to seek to enforce their rights or otherwise seek legal redress or to seek to enforce foreign legal judgments.

Possible Hedging Activities. The Funds may use certain hedging strategies in order to minimize the risk of a decrease in the value of one or more investments. The use of hedging strategies is a highly specialized activity, and there can be no assurance that their use will achieve the intended result. These hedging strategies may limit the ability of the Funds to profit from the increase in the value of an investment above a certain price. While such hedging transactions may reduce certain risks, such transactions themselves may entail certain other risks, including (but not limited to) counterparty credit risk and market liquidity risk. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. Thus, while the Funds and the portfolio companies may benefit from the use of hedging instruments, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Funds and the portfolio companies than if they had not used those hedging instruments. In addition, if judgments made with respect to future stock prices, exchange rates, market conditions or trends are not correct, these hedging strategies could result in losses to the Funds. The Funds' hedging activities will be subject to any limitation imposed by the de minimis exemption under CFTC Rule 4.13(a)(3) or any other exemption from registration under the Commodity Exchange Act applicable to the Funds at the applicable time.

Reliance on Key Personnel. The success of the Funds depends in substantial part upon the skill and expertise of the partners and investment professionals who will be providing investment advice with respect to the Funds. The loss of key personnel could have a material adverse effect on the Funds' ability to realize their investment objectives.

Board Participation. The Funds may be represented on the boards of directors of certain portfolio companies or may have their representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to the Funds' investment strategies and may enhance the General Partners' and LRCM's ability to manage the portfolio investments, they may also have the effect of impairing the General Partners' ability to sell the related securities when, and upon the terms they may otherwise desire, and may subject the General Partners, LRCM, the Funds and others to claims they would not otherwise be subject to as an investor, including claims of breach of fiduciary duties, violations of securities laws and other related claims. In general, the General Partners and LRCM will be entitled to indemnification by the Funds for such claims, subject to limited exceptions.

Cybersecurity Risk. LRCM, each General Partner, each Fund's 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 the Firm and 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 such 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 the Firm, the General Partners, 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 the Firm's systems to disclose sensitive information in order to gain access to the Firm's data or that of a Fund's investors. A successful penetration or circumvention of the security of the Firm's

systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause a Fund, the Firm or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Valuation of Portfolio Investments and Interests. There is no established market for the Funds' interests and there may not be any comparable companies for which public market valuations exist. The Funds' investments will include securities or other financial instruments or obligations that are very thinly traded or for which no market exists and which may be extremely difficult to value accurately. Although LRCM will determine the fair value of such investments based on various factors and may engage an independent third party to review such valuations, the valuation of such investments is inherently subjective and subject to increased risk that the information utilized to value the investment or to create price models may be inaccurate or subject to other error. In addition, securities which LRCM believes are fundamentally undervalued or overvalued may not ultimately be valued in the capital markets at prices and/or within the time frame LRCM anticipates. Because of this significant uncertainty as to the valuation of illiquid investments, the values of such investments may not necessarily reflect the values that could actually be realized by the Funds. Under certain conditions the Funds may be forced to sell portfolio investments at lower prices than it had expected to realize or defer – potentially for a considerable period of time – sales that it had planned to make. In addition, LRCM may not have access to all material information relevant to a valuation analysis with respect to a portfolio investment. As a result, the valuation of the Funds' portfolio investments, and as a result the valuation of the interests themselves, may be based on imperfect information and is subject to inherent uncertainties.

Conflicts of Interest

Allocation of Investment Opportunities. In general, investment opportunities are not allocated among the Funds. The respective Fund limited partnership agreements set forth terms with respect to the allocation of investment opportunities. Generally, based on such limited partnership agreements, from the date of the closing of a Fund, until the expiration of the commitment period, LRCM will allocate investment opportunities (other than follow-on investment opportunities related to investments of a prior Fund) that are within the scope of a Fund's investment objectives and are in a specified amount solely to such Fund before being offered to any other Fund. In the event that a closing on behalf of a new Fund occurs prior to the expiration of such commitment period of an existing Fund, LRCM will allocate those investment opportunities that meet the investment objectives of both Funds on a basis which it believes is fair and equitable, and in certain cases will obtain the approval of a Fund's limited partner Advisory Committee with respect to such allocation.

Co-Investment Opportunities. Where possible and appropriate, the General Partners may, but will be under no obligation to, provide co-investment opportunities to certain limited partners of the Funds before making such opportunities available to third parties. In respect of third parties, the General Partners may offer such co-investment opportunities to individuals whom the General Partners believe will add value to the Funds' or the applicable portfolio company's activities, including, without limitation, operating partners, lenders, placement agents, underwriters and purchasers of debt, equity and equity related securities of portfolio companies and other persons

with whom the Firm has a relationship. Decisions regarding whether and to whom to offer co-investment opportunities are made at the sole discretion of the General Partners, and may be offered to some and not other limited partners of the Funds with allocations that may differ from their proportionate investments in the Funds, and may be based on a number of factors, including, without limitation, a Fund limited partner's expressed interest in co-investments, the size of such Fund limited partner's capital commitment, and the General Partners' assessment of such Fund limited partner's ability to both fund and timely execute such co-investment. Fund limited partners should not have any expectation of receiving co-investment opportunities. In addition, the General Partners will allocate available co-investment opportunities to any Co-Investment Funds in such manner as it determines in its sole discretion.

Fund Expenses. Certain expenses of the Funds, the General Partners or the Firm incurred in connection with the structuring, negotiating, making, monitoring, sale, proposed sale or other disposition of portfolio investments may be borne by one or more portfolio companies and, as such, shall not be paid by the General Partners or the Firm or paid or reimbursed by the Funds.

Service Providers. The Funds' service providers (including, without limitation, deal generators, introducers, lenders, brokers, attorneys and outside directors) may be investors in the Funds or a successor fund and/or sources of investment opportunities therefor and counterparties therewith. This may influence the General Partners in deciding whether to select such a service provider or have other relationships with such party. Notwithstanding the foregoing, the General Partner will only select a service provider to the extent the General Partners determine that doing so is in the best interests of the Funds given all surrounding facts and circumstances and is consistent with the General Partners' responsibilities under applicable law.

In addition, the Firm and a portfolio company may engage common service providers. In such circumstances, there may be a conflict of interest between the Firm, on the one hand, and the Funds and the portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Firm may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies. The Firm may from time to time receive a discount on services provided to it by such a common service provider even though the Funds and/or the portfolio companies may receive a lesser, or no, discount. In addition, different portfolio companies may receive different levels of discounts.

Access to Insider Information. As a result of participation by representatives of the Firm on boards of certain companies, and/or as a result of confidentiality agreements or non-disclosure agreements entered into by the Funds or the Firm, the Funds may acquire confidential or material, non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information and such information may serve to restrict the Funds in their investment activities. Due to these restrictions, the Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell a portfolio investment that they otherwise might have sold. Such possession of material, non-public information may create a conflict of interest between the representatives' and the Firm's duties and obligations to the companies on whose boards these representatives participate and the Funds' abilities to effect

purchases and sales of the securities of such companies. Inadvertent trading on material non-public information could have adverse effects on the Firm's reputation, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact the Firm's ability to perform its investment management services on behalf of the Funds; provided that the foregoing is mitigated by the fact that the Firm will maintain a Code of Ethics that will limit its employees' ability to engage in personal trading and allow the Firm to monitor such activity.

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

Cross Transactions. LRCM is not affiliated with a registered broker-dealer and as such cannot engage in agency cross transactions. While unlikely, LRCM may engage in a cross transaction, where one Fund purchases or sells any security for its own account from or to the account of another Fund. In the event of a cross transaction, LRCM will obtain approval from the Fund's limited partner Advisory Committee in accordance with the terms of such Fund's limited partnership agreement.

Item 9 Disciplinary Information

LRCM and its employees have not been involved in any legal or disciplinary events that would be material to a Client's evaluation of the company or its personnel.

Item 10 Other Financial Industry Activities and Affiliations

LRCM is not registered, and does not have an application pending to register, as a broker-dealer.

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

Each General Partner is under common control with LRCM.

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

Code of Ethics

LRCM has adopted a written Code of Ethics ("Code") which is included as a part of its Compliance Manual and which is provided to each supervised person. The Code requires all supervised persons to (i) act with competence, dignity, integrity and in an ethical manner, (ii) use reasonable care and exercise independent professional judgment in the execution of their duties, and (iii) avoid actions or relationships that might conflict, or appear to conflict, with job responsibilities or the interests of LRCM and its clients. The Code also contains policies and procedures that ensure that all personal

securities trading by supervised persons are conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. LRCM prohibits personal trading on certain securities or instruments; requires pre-clearance before purchasing an IPO or limited offering (i.e., private placement); and requires periodic reporting of supervised person's personal securities transactions and all holdings.

Supervised persons are required to certify to their compliance with the Code on an annual basis. Supervised persons of LRCM who violate the Code may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of which they become aware.

LRCM will provide a copy of the Code to any investor or prospective investor upon request.

Participation or Interest in Client Transactions

LRCM, and an affiliated entity, serves as the investment adviser and General Partner, respectively, to the Funds. Each General Partner of the Funds will have an investment in such Fund. Therefore, LRCM may be considered to participate indirectly in transactions effected for those clients. The foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are disclosed in the respective Funds' offering documents.

LRCM and its affiliates may receive certain transaction, consulting, advisory and other similar fees associated with investments or proposed investments or commitments made by the Funds. All or a portion of such fees (for the avoidance of doubt, other than certain fees paid to "operating partners" or other advisors) generally offset the management fee otherwise payable by the Funds. The co-investors will receive their *pro rata* portion of the fee offset to the extent that such investors are subject to management fee; otherwise their *pro rata* portion is retained by LRCM.

Item 12 Brokerage Practices

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

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

LRCM does not currently have any soft dollar arrangements or investor referrals from broker-dealers in connection with Fund transactions.

Item 13 Review of Accounts

The investment portfolios of each Fund are generally private, illiquid and long-term in nature and accordingly, LRCM's review of them is not directed toward a short-term decision to dispose of securities. LRCM closely monitors the portfolio companies of its Funds and maintains an ongoing oversight position in such portfolio companies. A team of investment professionals reviews each Fund's portfolios on an ongoing basis. These reviews include, without limitation, sales trends, margins, profitability, debt to equity ratios, material business developments, competitive landscape and management. The team generally includes partners, principals and other investment professionals of LRCM.

The fund administrator, SS&C Technologies, Inc. ("SS&C") prepares the quarterly NAV based on the valuations provided by LRCM investment professionals. The financial statements (including partner allocations) are prepared by a senior accountant at SS&C, then reviewed by a manager and senior manager prior to sending LRCM for review and approval. Once the LRCM CFO approves the package, SS&C prepares the partner capital statements. Those are then sent to the LRCM CFO for review and approval. The quarterly financial statements, portfolio review and capital statements are disseminated by SS&C approximately 60 days following quarter end (other than Q4, which is typically later due to the audit).

LRCM also has contact with investors (in-person visits, telephone, email) throughout the year as needed.

Item 14 Client Referrals and Other Compensation

From time to time, LRCM may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming an investor in a Fund. Any fees payable to third party placement agents will be borne by LRCM indirectly through an offset against the management fee.

Item 15 Custody

LRCM has access to Fund accounts since an affiliate serves as a General Partner of the Funds. The Funds are subject to an annual audit by a PCAOB registered and inspected independent public accountant. Limited partners in each Fund are provided with annual audited financial statements, prepared in accordance with U.S. GAAP and U.S. GAAS, within 120 days of such Fund's fiscal year end.

Item 16 Investment Discretion

As discussed above, LRCM provides discretionary investment advice to the Funds pursuant to an investment management agreement with each Fund. Each such investment management agreement, together with the management authority granted to the General Partners of the Funds pursuant to the Funds' limited partnership agreements, provides LRCM with full discretion to determine investments to be purchased and sold on behalf of a Fund and the terms of the related transactions.

Limitations on investment discretion are set forth in the investment management agreements with, and the limited partnership agreements of, the Funds.

Item 17 Voting Client Securities

LRCM has the authority to vote client proxy statements on behalf of the Funds. The majority of “proxies” received by LRCM will be written shareholder consents or similar instruments for private companies owned by the Funds. LRCM has adopted proxy voting policies and procedures pursuant to SEC Rule 206(4)-6. LRCM’s proxy policy seeks to ensure that it votes proxies in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. LRCM generally believes its interests are aligned with those of the Funds’ investors through the partner’s beneficial ownership interests in the Funds. In the event that there is or may be a conflict of interest in voting proxies, LRCM’s proxy policy provides that the Firm may address the conflict using several alternatives, including by seeking the approval of the limited partner Advisory Committee on the proposed proxy vote. Investors in the Funds cannot direct how LRCM votes proxies nor is LRCM required to seek investor approval or direction when voting proxies.

A copy of the proxy voting policies and procedures will be provided to any investor and prospective investor upon request.

Item 18 Financial Information

LRCM has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.