

PART 2A OF FORM ADV

FIRM BROCHURE



Angeles Equity Partners, LLC

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This brochure (“Brochure”) provides information about the qualifications and business practices of Angeles Equity Partners, LLC (“AEP”). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer at 310-844-9205 or by email at investorrelations@angelesequity.com. 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, and references in this Brochure to AEP as a “registered investment adviser” are not intended to imply a certain level of skill or training.

Additional information about AEP is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

There have been no material changes to this brochure since the last annual amendment dated March 29, 2018.

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ITEM 4 – ADVISORY BUSINESS

A. Introduction

AEP is a private equity firm that provides discretionary investment advisory services to a number of private pooled investment vehicles (including related co-investment vehicles) typically organized as limited partnerships (collectively the “Funds”). AEP is organized as a Delaware limited liability company, was founded in 2014, and is owned by the Jordan & Dori Katz Family Trust of 2006 dated September 1, 2006 and by the S + T Meyer Family Trust dated March 27, 2009. Timothy Meyer and Jordan Katz (the “Principals”) are Managing Members of AEP.

As of December 31, 2018, the Funds include Angeles Equity Partners I, L.P., Angeles Equity Partners (Parallel) I, L.P., Angeles Equity Partners (Parallel Blocked) I, L.P., AEP NVH Co-Investors, L.P. and AEP NVH Co-Investors (Parallel), L.P.

Affiliates of AEP serve as the general partners of the Funds (the “Affiliated General Partners”). Each of the Affiliated General Partners is controlled by or under common control with AEP. As of December 31, 2018, the Affiliated General Partners include Angeles Equity GP I, LLC and Angeles Equity NVH GP, LLC.

Each Fund is governed by a limited partnership agreement or equivalent governing agreement (each, a “Fund Agreement”) that specifies the material terms and conditions of the Fund, including the investment guidelines and investment restrictions applicable to the Fund. In addition, some of the Funds may have confidential private placement memoranda, prepared for the investors in such Funds, which contains additional information regarding the intended investment program for such Funds. AEP, together with the Affiliated General Partners, provide investment management and administrative services to the Funds in accordance with the applicable Fund Agreements. Each of the Affiliated General Partners retains management authority over the business and affairs, including investment decisions of the Funds, for which it serves as general partner.

The Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and the securities of the Funds are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The investors in the Funds (“Investors”) include, among others, family offices, individuals, public pension plans, sovereign wealth funds, fund of funds, endowments and charitable organizations.

B. Investments

AEP offers advice solely with respect to the investments made by the Funds, which generally consist of private company securities, by identifying investment opportunities and participating in the acquisition, management, monitoring and disposition of investments for each Fund.

AEP generally has broad and flexible investment authority with respect to the Funds. Each Fund’s investment objectives and strategy is set forth in the relevant Fund Agreement and, in some instances, also in a confidential private placement memorandum for such Fund. All Investors in a Fund are urged to carefully review the Fund Agreement and, if applicable, the private placement memorandum, for such Fund.

The investment strategy for the existing Funds primarily targets platform investments in North American industrial businesses. AEP also will opportunistically look at opportunities in other industries.

C. Advisory Services

As noted above, the clients of AEP are the Funds. AEP tailors its investment advice to each Fund in accordance with such Fund's investment objectives and strategy as set forth in the relevant Fund Agreement and, if applicable, confidential private placement memorandum for such Fund.

The Investors are able to negotiate the terms of the applicable Fund Agreement in connection with, and prior to, their investments in a Fund. In certain cases, the Affiliated General Partners have entered into side letter agreements with certain Investors to modify certain rights and privileges which are not available to other Investors (including, without limitation, information rights, reporting rights, capacity rights, approval rights and certain other protections and the right to receive certain special allocations) (the "Side Letters").

Once an Investor has been admitted to a Fund, it generally cannot seek additional investment guidelines or restrictions on such Fund.

D. Wrap Fee Programs

AEP does not participate in wrap fee programs.

E. Client Assets

As of December 31, 2018, AEP manages \$331,371,573 of Fund assets on a discretionary basis. AEP does not currently manage any Fund assets on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

AEP is generally compensated by the Funds through the management fees from such Funds. In addition, the Affiliated General Partners may receive performance-based compensation from the Funds, which is discussed in further detail in Item 6 below. The specific compensation terms may vary from Fund to Fund, and the compensation terms for a Fund are set forth in the Fund Agreement for such Fund.

Management Fees

In general, with respect to each Fund (other than co-investment vehicles), AEP receives a management fee equal to 2.00% per annum of each Investor's (excluding Investors who are affiliates and related persons of AEP) capital commitment to such Fund during such Fund's active investment period. Thereafter, the management fee drops to 2.00% per annum of such Investor's net invested capital in such Fund. Currently, Funds that are co-investment vehicles do not pay management fees to AEP.

Under the applicable Fund Agreements, management fees for each Fund are charged quarterly in advance to AEP and are not refunded in the event such Fund terminates or AEP's relationship with such Fund is terminated prior to the end of such quarter.

The Affiliated General Partner that controls a Fund causes the management fee payable by such Fund to be deducted from the assets of such Fund and paid over to AEP.

Management fees paid by the Funds are not open to negotiation after the final closing of such Funds.

Management Fee Offsets

AEP and its affiliates and related persons may receive certain transaction fees, advisory fees, directors' fees, break-up fees or other similar fees (collectively, "Fee Income") in connection with the Funds' investment activities. Typically, to the extent provided in the Fund Agreements, a specified portion of Fee Income is applied as an offset against the management fees (if any) payable by the Funds to which such Fee Income relates. Typically, under the Fund Agreements, if Fee Income relates to two or more Funds, then such Fee Income will typically be allocated for purposes of such offset in accordance to the applicable Affiliated General Partner's good faith determination of the proportion in which the respective Funds participated or were intended to participate in the transaction that gave rise to such Fee Income. Funds and Investors that do not pay management fees do not enjoy the benefit of such offset.

To the extent provided in a Fund Agreement for a Fund, the management fee payable by such Fund also may be offset by placement agent fees paid by such Fund in connection with the offering of interests in such Fund and organizational expenses paid by such Fund that exceed the cap on organizational expenses to be borne by such Fund.

Fund Expenses

The Funds are responsible for their respective costs, fees, expenses and liabilities, including, without limitation: formation expenses (typically subject to a cap); management fees; costs, fees and expenses (including to third parties) related to investments, including for investigation, development, negotiation, structuring, acquisition, trading, settling, valuing, monitoring, holding, and disposition thereof, travel, legal, tax and accounting expenses; broken deal expenses; brokerage fees and other investment costs; interest and other expenses on borrowed money; administrative fees and expenses; insurance; legal, tax, audit, accounting, fund administrators, custodians, appraisers, consultants and other outside advisers expenses; expenses of the investor advisory board; Fund meetings and associated travel costs; market data costs; research (including expert networks); taxes, fees or other governmental charges; costs of reporting to the Investors; business development expenses; investor relations expenses (excluding internal investor relations costs); and placement fees (to the extent they are offset against management fees).

Fund expenses pertaining directly to a Fund will be charged to such Fund. If any expenses are associated with two or more Funds, such expenses will typically be allocated according to the applicable participation (which could be based on aggregate capital commitments) of the applicable Funds unless otherwise indicated in AEP's expense policy or if an Affiliated General Partner determines in good faith that a disproportionate allocation would be fair or equitable because the incurrence of such expenses is disproportionately for the benefit of a particular Fund.

Investors should refer to the relevant Fund Agreement for the Fund in which they are investing for a complete understanding of how management fees and other compensation are paid to AEP and its affiliates. The information contained herein is a summary only and is qualified in its entirety by the Fund Agreement.

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

As described in Item 5 above, each Affiliated General Partner receives performance-based compensation from the Fund for which it serves as general partner. In general, the Funds allocate a portion of their investment profits to their Affiliated General Partners, which are affiliates of AEP, pursuant to each Fund's applicable Fund Agreement (such profit allocation is commonly referred to as a "carried interest"). Carried interest for the Funds typically range from between 10% to 20% of such profits, depending on the Fund and Investor. Depending on the specific Fund Agreement, the carried interest from a Fund may be subject to the achievement of a minimum annual rate of return on the amount of the unreturned capital contributions of Investors as of the date of determination. Typically, no carried interest is charged to Investors who are affiliates and related persons of AEP.

The possibility that an Affiliated General Partner may receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for AEP to allocate more time, resources, and/or investment opportunities to Funds paying carried interest at a higher rate. The possibility of receiving performance-based compensation may also create incentives for AEP to make investments on behalf of such Funds that are riskier or more speculative than would be the case in the absence of such performance-based compensation. AEP's practice is generally to make investment decisions with respect to a particular portfolio company concurrently for all applicable Funds in accordance with any applicable Fund Agreements. Furthermore, such conflicts are mitigated by limitations on the ability of AEP to establish new Funds, contractual provisions requiring certain Funds to purchase and sell investments contemporaneously, and contractual provisions and procedures setting forth investment allocation requirements designed to ensure allocation of investment opportunities among Funds on a fair and equitable basis, all as set forth in further detail in the Fund Agreements. Please also see Item 11 below for additional information on how conflicts of interests are generally addressed by AEP.

ITEM 7 – TYPES OF CLIENTS

AEP provides investment advisory services solely to the Funds, as described in Item 4 above.

AEP does not provide investment advisory services to any of the Investors, and thus the Investors should not be deemed to be clients of AEP. Nevertheless, AEP requires each Investor to meet certain eligibility requirements. Specifically, each Investor is required to represent that it is an “accredited investor” (as defined in Regulation D under the Securities Act) and/or a “qualified purchaser” (as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the “Investment Company Act”)).

Investors whose investments in the Funds are subject to carried interest are required to be “qualified clients” within the meaning of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Investors who are “qualified purchasers” for purposes of the Investment Company Act are automatically deemed to be “qualified clients” for purposes of Rule 205-3.

Each Fund requires a significant minimum capital commitment from an Investor in such Fund, which can be waived at the discretion of the Affiliated General Partner for such Fund.

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

A. Methods of Analysis

AEP performs its own analyses on prospective investments utilizing an in-house team of individuals with varying degrees of experience in both industry and private equity investing. As noted in Item 4, AEP will primarily target platform investments in North American industrial businesses but will opportunistically look at investments in other industries.

Prior to making an investment, AEP conducts comprehensive due diligence on potential portfolio companies. AEP's investment process includes analyses of business and industry trends, appraisal of management, assessment of financial results, projections, growth prospects, and competitive advantages, a determination of appropriate transaction and capital structures, and an evaluation of appropriate exits. Post-acquisition, AEP provides ongoing support to portfolio companies by assisting with major strategic, operational and financial initiatives.

B. Risk Factors

An investment in the Funds involves a significant degree of risk. There can be no assurance that the Funds' investment objectives will be achieved or that there will be any return of capital. The environment for private equity investments is increasingly competitive and an Investor should only invest in the Funds if the Investor can withstand a total loss of its investment.

No guarantee or representation is made that the Funds' investment programs will be successful.

The following are some of the additional material risks associated with an investment in the Funds:

Limited Operating History. AEP and the Funds have limited operating history on which investors can evaluate the potential performance of the Funds.

Nature of the Funds' Investments. A substantial portion of the Funds' investments will be in equity or equity-related investments that by their nature involve business, financial, market and legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses.

Uncertainty of Financial Projections. Financial and other information concerning the Funds' investments may only be available through certain sources, including the portfolio companies themselves. Such involvement of portfolio companies and sources such as third party advisors or consultants may present risks primarily relating to reduced control of the functions that are outsourced. There may be no consistent means of confirming the accuracy of information.

Competition. The business of investing in leveraged acquisitions, venture capital opportunities and other private equity situations is highly competitive. Identification of attractive investment opportunities by AEP is difficult and involves a high degree of uncertainty.

Lower Middle-Market and Middle-Market Companies. While investments in lower middle-market and middle-market companies may present greater opportunities for growth, such investments may also entail larger risks than are customarily associated with investments in large companies.

Market and Credit Risks of Debt Securities. Portfolio companies with debt securities are subject to credit and interest rate risks. “Credit risk” refers to the likelihood that an issuer will default in the payment of principal or interest on an instrument.

Investment in Distressed Securities. The Funds will be authorized to invest in the securities and obligations of distressed and bankrupt portfolio companies, including debt obligations that are in covenant or payment default. Such investments generally are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties.

Bankruptcy. The Funds may make investments in portfolio companies that are in or subsequently enter into the bankruptcy process. There are a number of significant risks inherent in the bankruptcy process.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company is subject to a cyber-attack or other unauthorized access is gained to a portfolio company’s systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company’s failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at AEP or one of its service providers holding its financial or investor data, AEP, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under AEP’s policies.

Investments with Third Parties. The Funds are permitted to co-invest with third parties. The co-investment commitment to a portfolio company may be substantial. Such investments may involve risks not present in investments where third parties are not involved, including the possibility that a co-investor of the Funds may experience financial, legal or regulatory difficulties, may at any time have economic or business interests or goals which are inconsistent with those of the Funds, may take a different view from AEP as to the appropriate strategy for an investment or disposition of an investment, or may be in a position to take action contrary to the Funds’ investment objectives. In addition, the Funds may in certain circumstances be liable for the actions of their third party co-investors. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Some of the third parties or partners with whom the Funds may co-invest have pre-existing investments with target portfolio companies, and the terms of such pre-existing investments may differ from the terms upon which the Funds invest in such portfolio company.

Co-Investments and Other Transactions with Other Funds. The Funds may co-invest with other managed funds or accounts. Any such co-investments or related transactions may raise potential conflicts of interest, particularly if the Funds and such other managed accounts invest in different classes or types of securities of the same portfolio company. In that regard, actions may be taken by such other funds that are adverse to the Funds. In addition, it is possible that in a bankruptcy proceeding, the Funds' interests may be subordinated or otherwise adversely affected by virtue of such other funds' involvement and actions relating to their investment. AEP may cause Funds or accounts managed directly or indirectly by it, including the Funds and other managed accounts in which AEP or an affiliate may own an interest, to enter into transactions with each other.

Investment Environment and Market Risk. Many factors affect the appeal and availability of the types of investments targeted by the Funds. Although the Funds see changes in these factors indicating a trend towards increased opportunities and value creation, there can be no assurance that such changes will continue. There can be no assurance that the Funds will be able to accurately predict market price movements and, as such, there may be a significant degree of market risk.

Risk of Absence of Exit Opportunity. Investments are subject to the risk that the Funds will be unable to dispose of such investments by sale or other disposition at attractive prices or otherwise be unable to complete a realization or an "exit" strategy. It is likely that many of the investments made by the Funds will be in securities for which there is no public market. The Funds may also be prohibited by contractual or legal requirements from selling such securities for a period of time, or the investments themselves may be of such a type as to require a substantial length of time to liquidate.

Risks in Effecting Operating Improvements. In some cases, the Funds' investment strategies will depend, in part, on the ability of the Funds to restructure and improve the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Funds will be able to successfully identify and implement such restructuring programs and improvements.

Concentration. If a Fund is a co-investment vehicle, such Fund's investment is typically concentrated in a single portfolio company. Even when a Fund is not a co-investment vehicle, such Fund typically has the ability to concentrate a meaningful portion of its investments in a single portfolio company. Although concentration may benefit a Fund if the investment or investments in which it is concentrated generate strong returns, such concentration also may magnify the losses suffered by a Fund if such investment or investment perform poorly when compared to a more diversified portfolio.

Investments in the Industrials Sector. AEP expects that the Funds will invest primarily in portfolio companies that operate in the industrials sector. The industrials sector is challenged by various factors, including environmental damage claims, commodity price volatility, changes in exchange rates, imposition of import controls including tariffs, increased competition, depletion of resources, and difficulties relating to labor relations. In particular, the products of manufacturing companies may face product obsolescence due to rapid technological

developments and frequent new product introduction. Declines or other adverse events in the industrials sector can reduce returns to the Funds.

Follow-On Investments. The Funds may be called upon to provide follow-on funding for their portfolio companies or have the opportunity to increase their investment in portfolio companies. There can be no assurance that the Funds will wish to make such follow-on investments or that the Funds will have sufficient capital to do so. In particular, Funds that are co-investment vehicles typically only have raised funds sufficient to make a specific investment and typically do not have the ability to call additional capital for follow-on investments.

Leverage. Although the Funds have certain limitations on the ability to borrow, portfolio companies may borrow without limitation. While leverage presents opportunities for the Funds' total return, it also has the effect of potentially increasing losses

Managerial Assistance, Control and Board Participation. The Funds often will designate directors (and non-executive chairmen) to serve on the boards of directors of the Funds' portfolio companies. A board member designated by the Funds will have fiduciary duties to persons other than the Funds. The designation of directors and other measures contemplated could expose the assets of the Funds to claims by a portfolio company, its security holders and its creditors for breaches of fiduciary duties, securities claims and other director-related claims. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability for which the limited liability generally characteristic of business ownership may be ignored.

Risks of Derivative Transactions. The Funds are permitted to engage in certain derivative transactions, including swaps, short sales, forward contracts or options (together, the "Derivative Instruments") or hedging transactions which are intended to reduce the Funds' equity, debt, currency or interest rate exposure, however there is no obligation to enter into any such transactions. The use of Derivative Instruments, even when used with the intent to reduce the risks associated with the Funds' investments, involves additional expenses as well as risks that are different than those of the Funds' direct or indirect investments. Unanticipated changes in securities prices, interest rates or currency exchange rates may result in a poorer overall performance for the Funds than if they had not entered into any such derivative transaction

Outside Activities. Officers and employees may work on outside projects that do not relate to the Funds. Conflicts of interest may arise in allocating opportunities, management time, services or functions among the respective officers and employees.

Service Providers. Certain service providers or their affiliates (including any accountants, administrators, lenders, brokers, attorneys, consultants and investment or commercial banking firms) may be investors in the Funds and/or sources of investment opportunities and co-investors or counterparties therewith. This may influence the Affiliated General Partners in deciding whether to select such a service provider. In certain circumstances, service providers or their affiliates may charge different rates or have different arrangements for services provided to the Affiliated General Partners, AEP or their affiliates (other than the Funds) as compared to services provided to the Funds or their portfolio companies, which may result in more favorable rates or arrangements than those payable by the Funds or such portfolio companies.

Investor Advisory Board Approvals. Certain Fund Agreements contain certain protections for Investors against conflicts of interest faced by the Affiliated General Partners, but will not purport to address all types of conflicts that may arise. As applicable, under the Fund Agreements certain transactions that involve conflicts of interest between the Affiliated General Partners and the Funds may be submitted to the investor advisory board for evaluation. However, the investor advisory board will not necessarily represent the interests of all the Investors and the members of the investor advisory board may themselves be subject to various conflicts of interest.

ITEM 9 – DISCIPLINARY INFORMATION

AEP has no legal or disciplinary information to disclose at this time.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described in Item 4, the Affiliated General Partners are related persons of AEP that serve as general partners to the Funds and, in connection therewith, maintain investments in such Funds and provide investment management and administrative services to the Funds. As described in Item 6, the Affiliated General Partners are entitled to receive performance-based compensation from the Funds, which may in certain circumstances create a conflict of interest, as described in Item 6 above.

In certain cases, a co-investment vehicle, a parallel vehicle or other similar vehicle established to facilitate the investment by investors to invest alongside the Fund will be formed in connection with the consummation of a transaction. As described in each Fund Agreement, the applicable Affiliated General Partner retains full discretion to offer co-investment opportunities to third parties, including current Fund investors. In the event such a vehicle is created, the investors in such vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the vehicle. The co-investment vehicle, parallel vehicle or other similar vehicle will generally bear its pro rata portion of expenses incurred in the making an investment. If a proposed transaction is not consummated, no such vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction (including any expenses relating to the organization of such vehicle that was not ultimately formed) would therefore be borne by the Funds selected by AEP as proposed investors for such proposed transaction.

As described elsewhere in this Brochure, AEP generally seeks to make significant investments in portfolio companies. AEP typically seeks control or substantial minority positions in portfolio companies, with board representation and customary shareholder rights.

Certain of AEP's investment professionals and members of AEP's network of expert advisors serve, and may serve in the future, on the board or management team of certain of the portfolio companies of the Funds. Certain expert advisors are also Fund investors who are typically offered the opportunity to co-invest alongside the Funds on deals where he or she served as an expert advisor, if a co-invest opportunity exists. AEP tracks all such management team and board positions and monitors for conflicts. AEP does not believe that such positions or directorships pose a material conflict of interest.

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

A. Code of Ethics

AEP's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 under the Advisers Act. The Code applies to AEP's "Access Persons." Access Persons include, generally, any member, officer or director of AEP and any employee of AEP who, in relation to the Funds (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. Currently, all AEP employees are deemed to be Access Persons. In addition, certain consultants and other individuals may also be deemed to be Access Persons at AEP's discretion.

The Code sets forth a standard of business conduct that takes into account AEP's status as a fiduciary to the Funds and requires Access Persons to place the interests of the Funds above their own interests and the interests of AEP. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of AEP's Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide AEP's Chief Compliance Officer with a list of their personal accounts and an initial holdings report listing the holdings of such personal accounts within 10 days of becoming an Access Person. In addition, AEP's Access Persons must provide annual holdings reports and quarterly transaction reports detailing, respectively, the holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer or her designee reviews Access Persons' personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

The Code also describes AEP's duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) Funds. Underlying these policies and procedures are two primary principles. First, confidential information must be maintained in confidence. Second, employees of AEP who possess material non-public information about a public company must not trade in the public securities affected by such information, must not disclose such information to anyone who does not have a legitimate need to know it and must immediately disclose such information to the Chief Compliance Officer.

Investors or prospective Investors may obtain a copy of the Code by contacting AEP.

B. Potential Conflicts of Interest

As explained in Item 10 above, the Affiliated General Partners, which are indirectly owned by the Principals through trusts and are related persons to AEP, serve as the general partners of the Funds. Certain Affiliated General Partners also commit capital to certain Funds (excluding related co-investment vehicles) and, through their commitments to certain Funds, hold an interest in the same securities that the co-investment vehicles have an interest in. As a result, every investment made by a Fund involves a purchase of securities whereby related persons of AEP indirectly acquire an indirect interest in such securities. Also, the Principals and employees of AEP have, either directly or indirectly, invested and in the future may invest in certain of the Funds.

The fact that the Principals and certain employees of AEP have either direct or indirect financial ownership interests in certain Funds creates a potential conflict in that it could cause AEP to make different investment decisions than if such parties did not have such financial ownership interests. However, AEP believes that these financial interests align AEP's and the Affiliated General Partners' incentives with the other Investors in such Funds.

AEP receives management fees from certain Funds. The management fees are payable without regard to the overall success or income earned by such Funds and therefore may create an incentive on the part of AEP to raise or otherwise increase assets under management to a higher level than would be the case if AEP were receiving a lower or no management fee.

AEP seeks to address these potential conflicts through regular monitoring of the Funds' portfolios for consistency with objectives, strategies, and target capacity. As stated in Item 11, the Code provides guidelines for identifying and addressing conflicts of interest and requires Access Persons to place the interests of the Funds over their own or those of AEP, and all Access Persons are required to acknowledge their receipt and understanding of the Code.

Finally, as described in Item 5 above, AEP, an Affiliated General Partner, or a Principal may receive Fee Income in connection with portfolio investments of the Funds as compensation for financial advisory and similar services provided by them to the Funds' portfolio companies. Payment of such fees may create a conflict of interest because it could create an incentive for AEP or an Affiliated General Partner to cause a Fund to invest its capital in a company that will pay such a fee to AEP or its affiliate.

In certain cases the management fees payable by the Funds to AEP may be offset by a portion of such Fee Income pursuant to the applicable Fund Agreement, AEP further mitigates this conflict of interest by generally seeking to ensure that such fees are, in the good faith opinion of AEP, in accordance with prevailing market rates in the relevant industry.

As discussed further below, the Code and the Fund Agreements place restrictions on the ability of AEP personnel to hold direct interests in non-public portfolio companies outside of their indirect interests through Affiliated General Partners or through their investment in Funds. In general, such investments are permitted only in very limited circumstances and require approval of the investor advisory board (pursuant to the Fund Agreements if applicable) and the Chief Compliance Officer (under the Code).

AEP enforces the foregoing policy and manages the potential conflicts of interest inherent in Access Persons' personal trading by rigorous enforcement of its Code, which contains strict pre-clearance and reporting guidelines for Access Persons.

AEP requires that Access Persons' transactions in certain "reportable securities" (as defined in Section 202(a)(18) of the Advisers Act) be pre-cleared with the Chief Compliance Officer. Further details are available in the Code, which is available to Investors upon request.

AEP maintains a "Restricted List" with the names of issuers of public securities about which AEP or its affiliates (including Access Persons) hold an interest or otherwise have learned material, non-public information. Companies will be removed from the Restricted List at the discretion of the Chief Compliance Officer, typically when information involved has been made public or is no longer considered material, or when the confidentiality agreement relating to such company has expired. Further, AEP will assess the need to place the public stock of a Fund portfolio company on the restricted list on an as-needed basis.

If a portfolio company were to go public, Access Persons would generally be prohibited from purchasing the stock while it remained a portfolio company (and for some time after at the discretion of the Chief Compliance Officer). Any sales of an interest in a public portfolio company would need to be pre-cleared so that the Chief Compliance Officer may confirm that the proposed investment meets the requirements of the applicable Fund Agreements and the Code. Access Persons are generally prohibited from trading securities on the Restricted List.

ITEM 12 – BROKERAGE PRACTICES

A. Recommending Brokers & Research and Other Soft Dollar Benefits

The private company securities which are the primary investments by the Funds are generally purchased in private placement transactions, without the assistance of a broker-dealer and without the payment of brokerage commissions or dealer mark-ups. In the event that AEP's business were to evolve such that the Funds were to execute transactions through a broker-dealer, then AEP would adopt policies and procedures reflective of its duty to execute trades in publicly-traded securities in a manner designed to seek best price and execution. AEP does not utilize soft dollars.

ITEM 13 – REVIEW OF ACCOUNTS

A. Review of Client Accounts

AEP's client accounts are under periodic review by the Principals and other investment professionals of AEP. AEP considers, among other things, investment performance, the portfolio's sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return.

B. Reports Sent to Investors

The Fund Agreements set forth the reports required to be sent to the Investors in a particular Fund. Typically, under the Fund Agreements, each Investor in a Fund receives: (i) quarterly, unaudited financial statements of such Fund, (ii) annual financial statements of the Fund audited by a nationally recognized accounting firm, and (iii) Fund tax information reported on IRS form K-1 annually. Certain Side Letters grant certain Investors additional reporting rights.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

The existing Funds are closed to new Investors. AEP may organize one or more additional Funds at any time and from time to time, subject to any applicable restrictions in the Fund Agreements.

AEP used placement agents in connection with the offering of interests in Angeles Equity Partners I, L.P., Angeles Equity Partners (Parallel) I, L.P., and Angeles Equity Partners (Parallel Blocked) I, L.P. (collectively, “Fund I”). Such placement agents earned fees generally based upon a percentage of the capital commitments of the Investors in Fund I, subject to certain exclusions.

AEP may use placement agents in the future offering of interests in Funds. Compensation to such placement agents (if any) will be set forth in the agreements by which AEP engages such placement agents.

ITEM 15 – CUSTODY

AEP is deemed to have custody of client funds or securities by virtue of the Affiliated General Partners' status as general partners to the Funds and, accordingly, AEP and its affiliates comply with the custody requirements applicable to registered investment advisers.

All of the Funds' assets, save for certain uncertificated securities purchased in private transactions, are held with a "qualified custodian," as defined in the applicable custody rules, which generally includes a bank or broker-dealer.

AEP is exempt from the quarterly account statement delivery obligations and surprise audit requirement of the custody rule because each of the Funds are audited each year by an independent public accountant, which is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and AEP distributes financial statements to Investors in each Fund annually. To ensure compliance with Rule 206(4)-2 under the Advisers Act, Investors in the Funds are provided with audited financial statements for their respective Funds within 120 days of the end of such Funds' fiscal years.

Investors receive statements from AEP. These statements should be carefully reviewed.

ITEM 16 – INVESTMENT DISCRETION

Pursuant to the Fund Agreements, AEP has discretionary authority to manage securities accounts on behalf of the Funds. AEP is authorized to make transaction recommendations for the Funds. As explained in Item 4 above, each Fund's investment strategy is set forth in detail in such Fund's confidential private placement memorandum and Fund Agreement. Investors do not have the ability to impose limitations on AEP's discretionary authority. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

ITEM 17 – VOTING CLIENT SECURITIES

AEP understands and appreciates the importance of proxy voting. AEP has adopted proxy voting policies and procedures that are designed to ensure that when AEP or an Affiliated General Partner votes proxies with respect to securities held on behalf of Funds, such proxies are voted in the Funds' best interests, in the judgment of AEP to the extent reasonably practicable. The procedures also require that AEP identify and address conflicts of interest between AEP, its related persons and its Funds and their portfolio companies and related persons. AEP and/or its personnel may occasionally have business or personal relationships with the proponents of proxy voting proposals, participants in proxy voting contests, corporate directors and officers, or candidates for directorships. If a material conflict of interest is identified, AEP will determine whether voting in accordance with the guidelines set forth in the procedures is in the best interests of its Funds or whether taking some other action may be more appropriate.

It should be noted that given AEP's business as a private equity fund manager, it is anticipated that it will be extremely rare that AEP will receive proxies with respect to securities held on behalf of the Funds. However, there could be situations where private companies could have proxy issues (e.g. a private company needs approval of investors to make changes to board of directors, auditors, etc.). In such situations, AEP or an Affiliated General Partner would have authority to vote proxies on behalf of Funds. In such cases, each proxy voting proposal received by a Fund would be thoroughly reviewed in order to ensure that each such proxy is voted in the best interests of the Fund holding the applicable securities.

Investors generally do not have the ability to direct proxy votes, however, if a material conflict is identified, AEP will determine what course of action is in the best interests of the affected Investors (which may include utilizing an independent third party to vote such proxies, if any). Further, AEP will determine whether it is appropriate to disclose the conflict to affected Investors or the respective investor advisory board and give such Investors the opportunity to vote the proxies in question themselves.

The Chief Compliance Officer or her designee would deliver proxies in accordance with instructions related to such proxy. In the event proxy voting procedures were ever to be utilized, AEP would keep a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each client request for proxy voting records and AEP's response for the previous five years.

ITEM 18 – FINANCIAL INFORMATION

AEP and its affiliates do not require or solicit prepayment of advisory fees six months in advance.

AEP is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Funds or Investors.

AEP has not been the subject of any such bankruptcy petition.