



Union Capital Associates, L.P.
Part 2A of Form ADV
Investment Adviser Brochure

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This brochure (this “**Brochure**”) provides information about the qualifications and business practices of Union Capital Associates, L.P. (referred to herein as “**Union Capital**”). If you have any questions about the contents of this Brochure, please contact Union Capital at (203) 580-5740 or via e-mail at kevin@unioncapitalcorp.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Glossary of Terms to Form ADV.

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

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT UNION CAPITAL OR ANY OF THE MANAGING PARTNERS OR EMPLOYEES OF UNION CAPITAL POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY BUSINESS OR ANY OTHER BUSINESS.

Item 2 - Material Changes

This section of the brochure will discuss only specific material changes that have been made since Union Capital filed its last annual updating amendment to its brochure dated March 29, 2018. There have been no material changes to the brochure since the most recent annual update. However, non-material clarifying amendments have been made to multiple sections

Item 3 - Table of Contents

Item 2 - Material Changes	2
Item 3 - Table of Contents.....	3
Item 4 - Advisory Business	4
Item 5 - Fees and Compensation	4
Item 6 - Performance-Based Fees and Side-by-Side Management.....	7
Item 7 - Types of Clients	8
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 - Disciplinary Information	15
Item 10 - Other Financial Industry Activities and Affiliations	15
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12 - Brokerage Practices	19
Item 13 - Review of Accounts.....	20
Item 14 - Client Referrals and Other Compensation.....	21
Item 15 - Custody.....	21
Item 16 - Investment Discretion.....	21
Item 17 - Voting Client Securities	21
Item 18 - Financial Information.....	22
Item 19 - Requirements for State-Registered Advisers.....	22

Item 4 - Advisory Business

Union Capital Associates, L.P. (“**Union Capital**” or the “**Firm**”) is a private equity firm that specializes in control investments in U.S. founder-owned lower middle-market companies with revenues of approximately \$20 million to \$200 million in diversified industries, including business services, restaurants, food and beverage and light manufacturing (collectively, “**Target Industries**”). Union Capital is controlled by Reis L. Alfond, Jay F. Landauer and William (“Bill”) S. Ogden (collectively, the “**Managing Partners**”). Union Capital began business operations in 2016.

Union Capital’s investment advisory business will be principally focused on providing advisory services to one or more pooled investment vehicles and, in certain instances, co-investment vehicles (collectively, the “**Funds**”), organized to make private equity investments in U.S. founder-owned lower middle-market companies whose operational inefficiencies Union Capital believes mask their intrinsic value. Union Capital will typically seek to be a company’s first institutional investor and seek to have majority ownership. The Funds will primarily seek to acquire majority ownership interests in lower middle-market companies experiencing operational inefficiencies in the Target Industries in which Union Capital, its Managing Partners, industry executives and professionals (the “**Operating Executives**”) that have a relationship with Union Capital, the general partner or affiliates of the Funds, their portfolio companies and their respective affiliates, and who have operating expertise and which the Firm expects to be able to add value to the Funds. Union Capital will not recommend a particular type of security and the portfolio investments of the Funds will not be limited to the Target Industries. The Funds will invest in, without limitation, debt and equity securities, typically in certain special situations, including bankruptcies.

Generally, a person that is under common control with Union Capital (a “**Related Person**”) will act as the general partner of each Fund, and Union Capital (directly or indirectly through a wholly-owned subsidiary) will serve as the investment adviser to each Fund. References to “Union Capital” in this Brochure include, as the context requires, affiliates through which Union Capital provides investment advisory services or that act in any capacity referenced in the previous sentence.

Union Capital will tailor its advisory services to the specific investment objectives and restrictions of each Fund set forth in such Fund’s limited partnership agreement and investment management agreement. Investors and prospective investors of each Fund should refer to the confidential private placement memorandum, limited partnership agreement, subscription agreement and/or other governing documents (collectively, the “**Governing Documents**”) of the applicable Fund for complete information on the investment objectives and investment restrictions with respect to such Fund. There is no assurance that any of the Funds’ investment objectives will be achieved.

Consistent with industry practices, Union Capital, the Funds and/or their general partners have entered into “side letters” or similar agreements with certain investors pursuant to which the general partner grants the investor specific rights, benefits, or privileges (including economic rights, benefits and privileges) that, except as set forth in the Governing Documents, are not required to be made available or disclosed to investors generally.

Union Capital will manage all client assets on a discretionary basis in accordance with the terms and conditions of each Fund’s Governing Documents. As of December 31, 2018, Union Capital managed approximately \$179,843,374.00 in assets on a discretionary basis.

Item 5 - Fees and Compensation

Compensation and Fee Schedules

As compensation for investment advisory services rendered to the Funds, Union Capital typically receives a management fee (each, a “**Management Fee**”) from each such Fund. All investors and

prospective investors should review the Governing Documents of each Fund in conjunction with this Brochure for complete information on the fees and compensation payable in connection with a particular Fund. Different Funds may be subject to different Management Fees and performance-based compensation arrangements. In limited circumstances, the Management Fees payable to Union Capital by individual investors in a Fund may be negotiable and/or waived. Investors and prospective investors in each Fund should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. All advisory clients (i.e., the Funds) are “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “*Company Act*”). Consequently, Union Capital is not required to include specific fee information in this Brochure relating to the Funds.

Deduction of Fees; Timing of Payments; Termination

As a general matter, Union Capital will charge and deduct Management Fees directly from the Funds pursuant to the terms of the Governing Documents. Payment of Management Fees is generally made quarterly in arrears and in accordance with the terms of the Governing Documents. Please refer to the Governing Documents of each of the Funds for complete information on the timing of Management Fee payments. Upon termination of any investment management agreement, any prepaid, unearned fees will be promptly refunded (determined on a pro rata basis based on the number of days elapsed in the applicable payment period), and any earned, unpaid fees will be due and payable.

Service-Related Fees

Union Capital and its affiliated entities will generally perform consulting, management, advisory, monitoring, integration, transaction-related, financial advisory and other services (“*Related Services*”) for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including consulting fees, commitment fees, monitoring fees, directors’ fees, integration fees, break-up fees, success fees, transaction fees and other remuneration (whether in the form of cash, securities or otherwise and excluding any reimbursement of out-of-pocket expenses, including taxes, if any) (all such fees, “*Fees Subject to Offset*”). Fees Subject to Offset may be substantial and may be paid in cash, in securities of portfolio companies or investment vehicles (or rights thereto) or otherwise. In addition, Fees Subject to Offset will generally be apportioned among Funds and other co-investment vehicles and co-investors based on the amounts invested, or proposed to be invested, in a portfolio company. Amounts apportioned to each Fund or other vehicle or co-investor will be for the benefit of Union Capital except to the extent otherwise provided in the Governing Documents of such Fund or other vehicle or account.

Union Capital and its affiliated entities will generally be entitled to receive a lump sum fee from a portfolio company upon the early termination of an agreement to provide Related Services to such portfolio company. Certain of these fees may not be established on an arm’s-length basis and may adversely impact the performance of the relevant portfolio companies. In addition, because investors will receive a benefit from such fees only to the extent set forth in the relevant partnership agreement, such fees constitute an actual or potential conflict of interest between a Fund and Union Capital and/or its affiliated entities and may create an incentive for Union Capital and/or its affiliated entities to approve and cause a Fund to make more speculative investments than it would otherwise make in the absence of the potential for such compensation.

To mitigate potential conflicts of interest, Union Capital will generally offset a percentage (which generally will be less than 100%, including 0%) of the Fees Subject to Offset attributable to a Fund’s investment (or prospective investment) against Management Fees payable by such Fund or otherwise remit such benefits to the investors of such Fund in accordance with its Governing Documents. A portfolio company of a Fund will generally pay or reimburse Union Capital for expenses (including without limitation travel expenses, meals and entertainment) incurred by Union Capital in connection

with its performance of services for such portfolio company; such reimbursed expenses will not generally be considered Fees Subject to Offset under the terms of the applicable Governing Documents.

In addition, fees, salary, bonuses, profits interest and other stock awards paid to or received by Operating Executives are not be considered Fees Subject to Offset under the applicable Governing Documents. The definition of and calculation of the amount of such Fees Subject to Offset that is used to offset the Management Fees and Fund expenses is described in the applicable Governing Documents. For a discussion of material conflicts of interest created by the receipt of such fees in connection with Related Services, please see Item 11 below.

The amount of Management Fees, fund expenses, and the amount of the offset relating to Fees Subject to Offset as described above may differ from one Fund to another, as well as among investors in the same Fund. Some Funds may not pay Management Fees. The Management Fees and the Fees Subject to Offset as described above are generally subject to waiver or reduction by Union Capital, in its sole discretion, both voluntarily and on a negotiated basis with its investors. For example, Union Capital and certain of its current Managing Partners and employees may invest directly or indirectly in the Funds, and Management Fees with respect to such investments are usually waived.

Expenses

Union Capital is responsible for paying its normal overhead and operating expenses attributable to the activities of Union Capital, including all routine, recurring expenses incident to its activities; compensation and expenses of the employees of Union Capital, including salaries of the members of Union Capital; expenses of Union Capital related to its registration and compliance as an investment adviser with the SEC or as an Alternative Investment Fund Manager (“AIFM”) under the United Kingdom’s Alternative Investment Fund Managers Directive (“AIFMD”); internal compliance expenses of Union Capital related solely to internal business of Union Capital, its affiliates and unrelated to the affairs and activities of the Funds; expenses relating to any litigation, investigation, audit or other proceeding, and any threatened litigation, investigation, audit or other proceeding related solely to internal business of Union Capital, its affiliates and unrelated to the affairs and activities of the Funds; and fees and expenses for administrative, clerical and related support services, office space and facilities, utilities, telephone and all other normal overhead and expenses attributable to its activities.

Each Fund will generally bear all expenses relating to its activities, investments and business, to the extent not borne by its portfolio companies, including, without limitation, (a) all costs and expenses incurred in investigating, developing, negotiating, structuring, purchasing, settling, hedging, valuing, holding and disposing portfolio investments, whether or not consummated, and operating the Fund; (b) costs of unconsummated investments (including any liquidated damages, reverse termination fees or other similar payments incurred in connection with unconsummated investments); (c) brokerage, banking, custodial, third-party administration, investment banking and other commissions, service fees, costs and expenses; (d) other expenses related to the purchase, monitoring, sale, settlement, custody, valuation or transmittal of Fund assets; (e) costs of preparing financial statements and reports to the investors; (f) fees and expenses of legal counsel, tax advisors, auditors, consultants and other outside advisors or service providers; (g) expenses of a Fund’s investor advisory board incurred in connection with its meetings and activities; (h) costs and expenses of annual or special meetings of the Fund and its investors or otherwise holding meetings or conferences with investors, whether individually or in a group; (i) costs and expenses related to the Fund’s compliance with applicable laws, rules and regulations, including compliance-related matters and regulatory filings of or pertaining to the Fund (but excluding, for the avoidance of doubt, any compliance or related expenses of Union Capital related to its registration as an investment adviser with the SEC or as an AIFM under the AIFMD); (j) insurance, taxes, tax returns and Schedule K-1s of the Fund and its general partner; (k) any extraordinary expense of the Fund, including fees and expenses associated with any pending or threatened litigation, audit, investigation, administrative or other proceedings, settlement or review of the business or activities of the Fund, including with respect to the

exercise of its contractual rights respecting portfolio investments; (l) costs and expenses for indemnification obligations; (m) interest expense and other expenses for borrowed money; (n) fees or government charges that may be assessed against the Fund; (o) related to any changes to the management structure and/or operation of the Fund and the terms of its Governing Documents and any agreement with any other provider of services to or in respect of the Fund as Union Capital considers to be necessary or desirable arising from any material change in the legal, tax or regulatory system in which the Fund operates; (p) costs of dissolving the Fund and liquidating its assets; (q) costs and expenses of each Operating Executive, including but not limited to consulting fees and indemnity expenses; (r) amounts necessary to satisfy any indebtedness or other contractual obligations of the Fund and (s) travel-related expenses in respect of any of the foregoing (“travel-related expenses” include, without limitation, transportation costs, accommodations, meals and entertainment).

Additionally, please see Item 6 below regarding “*Carried Interest*” that each Fund may pay. Although Union Capital does not frequently utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

Timing of Payments

Please refer to the subsection entitled “*Deduction of Fees; Timing of Payments; Termination*” described above.

Transaction-Based Compensation

Union Capital does not receive any compensation as broker or agent for the sale of securities or other investment products to any Fund. Please refer to the subsections titled “*Service-Related Fees*” above and “*Economic Benefits Received from Third Parties*” below for information on other types of compensation that Union Capital may receive with respect to investments by the Funds.

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

Performance-Based Fees

All Funds are subject to performance-based compensation arrangements. A Related Person of Union Capital, as general partner of a Fund, will typically receive certain allocations calculated and charged based on a share of capital gains on or capital appreciation of the assets of such Fund (“*Carried Interest*”). Such Carried Interest allocation arrangements comply with Rule 205-3 under the Investment Advisers Act of 1940, as amended (together with all rules and regulations promulgated thereunder, the “*Advisers Act*”) to the extent required thereunder. Any share of profits allocated or distributed to a general partner or affiliate of a Fund is separate and distinct from the Management Fees charged by Union Capital to such Fund for advisory services.

Arrangements regarding performance-based allocations received by Related Persons of Union Capital may create an incentive for Union Capital to recommend investments that may carry more risk or be more speculative than those that would be recommended under a different fee arrangement.

Side-by-Side Management

Funds with similar investment strategies may, in the future, be subject to different performance-based compensation arrangements. If Union Capital or a Related Person is entitled to receive a higher percentage of the net profits of the account of one Fund than the percentage that Union Capital or a Related Person receives from another Fund with a similar investment strategy, then Union Capital may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the Fund that is subject to the higher percentage.

To mitigate potential conflicts of interest, the allocation of commitments and investment decisions with respect to each Fund will be made by Union Capital with respect to all Funds in accordance with their Governing Documents and Union Capital's investment allocation policy, which takes into account multiple criteria, including: (i) the investment objectives, strategies, guidelines and restrictions of each Fund, (ii) the relevant allocation of investment opportunity provisions in a Fund's Governing Documents, (iii) the liquidity needs of each Fund and the investment cycle of each Fund; (iv) the respective holding periods for the prospective investments; (v) the nature of the investment opportunity, including the size and source of the opportunity; (vi) current and anticipated market conditions; and (vii) tax, legal and/or regulatory considerations. Please refer to the Governing Documents of each Fund for complete information on the specific "performance-based fee" arrangements of each Fund.

Item 7 - Types of Clients

Types of Clients and Investment Vehicles

Union Capital provides investment advice solely to one or more pooled investment vehicles generally offered to accredited investors and qualified purchasers pursuant to Section 3(c)(1) or 3(c)(7) of the Company Act. As a result, the Funds are not required to register as investment companies under the Company Act in reliance upon certain exemptions available to the Funds, the securities of which are not publicly offered. The limited partners of the Funds may include high net worth individuals, corporations, funds-of-funds, financial institutions, insurance companies, endowments, foundations, trusts, estates, sovereign wealth funds and public and private pension and profit sharing plans.

Union Capital and/or its affiliates may establish certain alternative investment vehicles, parallel funds and/or special purpose vehicles (collectively, "*AIVs*") for the purpose of addressing tax, regulatory and/or structural issues, and/or facilitating certain investments by one or more Funds and/or investors. Prospective investors are requested to refer to the Governing Documents of the applicable Fund for complete details on any feeder fund that may be established by such Fund and such Fund's ability to make investments through AIVs.

Minimum Investment Requirements

In general, the minimum investment commitment required of an institutional limited partner to participate in a Fund is \$5,000,000.00. Notwithstanding the foregoing, the general partner of each Fund has discretion to increase or reduce the minimum investment commitment. Investors are requested to refer to the Governing Documents of each Fund for complete information on minimum investment requirements for participation in a particular Fund.

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

Investment Strategies

As discussed in Item 4 above, the Funds' primary investment strategy is to make private equity control investments in U.S. founder-owned lower middle-market companies. The Funds' portfolio companies principally operate in the Target Industries including, but not limited to, business services, food and beverage and light manufacturing industries. Union Capital will typically seek to be a company's first institutional investor and seek to have majority ownership. Union Capital expects it may occasionally invest as a minority shareholder in certain circumstances. The investment strategy utilized by Union Capital on behalf of the Funds is based upon the conviction that Union Capital can create significant value by professionalizing owner-operated and founder-owned companies. The strategy is focused on investing in established founder-owned companies primarily to institutionalize processes, fund the development of such companies and transform them into professional enterprises, thereby creating potential for meaningful multiple expansion through: (a) prioritizing near-term addressable operational inefficiencies; (b) improving systems and information flow; (c) addressing talent gaps and transition

issues; (d) developing business controls and processes; (e) providing sophisticated financial and strategic advice to institutionalize the businesses, and (f) executing logical tuck-in/transformational add-on opportunities at attractive valuations that create business synergies.

Methods of Analysis

Union Capital adheres to a disciplined investment approach and process, which is informed by the experience of the Managing Partners gained by investing together for nearly a decade. The key components of the Firm's investment approach include: (a) the ability to achieve at least 40% EBITDA increase through improvements in process and people; (b) the alignment of interests with owners/founders when the owner/founder is staying on, where typically there is a management rollover (between 20% and 49% of the equity post-close); (c) equity incentive plans in the case of a new management team; (d) first institutional capital provides an opportunity to implement actionable operational improvements and growth opportunities; (e) meticulous investment process and creative structuring which prioritize risk mitigation and downside exposure; (f) value creation focused on continuous measured improvements in process and people; and (g) hands-on investment execution.

Union Capital's principal sources of information in identifying investments include leveraging relationships with one-to-five-person local brokers and regional investment banks. The sourcing process is led by the Managing Partners. Jay F. Landauer oversees the sourcing process to insure accountability for broker network calls and follow-through. Union Capital has developed relationships with over 600 brokers and small investment banks through a longstanding proactive calling program with ongoing follow up, where the Managing Partners speak to the same broker four to five times each year. In addition, the Managing Partners utilize a variety of strategies to reach out directly to business owners each year.

Union Capital determines the intrinsic value of each potential portfolio company acquisition through its own internal financial and operational analysis and, in some cases, by engaging with its Operating Executives, to understand the company's fundamental operational drivers, metrics, risks and relative competitive position. Union Capital systematically considers certain attributes and risks of the company in the context of a set of industry-specific criteria that assists it in predicting its future performance. These criteria include, but are not limited to: (i) the target portfolio company's performance relative to industry-specific operating metrics and financial performance; (ii) the sensitivity of the target portfolio company to fundamental drivers of change in the company's industry; (iii) the target portfolio company's particular strengths and weaknesses relative to its competitors; and (iv) the target portfolio company's management and/or opportunity to enhance management.

Union Capital's due diligence process is a rigorous exercise across multiple disciplines, including financial, legal, operational, information technology ("IT"), market, customer, intellectual property, tax, environmental, human resources/benefits, personnel/background checks (occasionally psychological profiles) and insurance. The Firm's operating partner and finance partner will be involved in operational and financial due diligence and manage third-party consultants. Union Capital's external Operating Executives will support the due diligence effort.

The entire investment team meets weekly to discuss investment opportunities. If a transaction appears to meet the initial investment criteria, the potential investment is reviewed in greater detail by an assigned deal team, which is led by one of the Managing Partners that conducts financial analysis, reviews available industry data and comparable company analysis and evaluates the competitive positioning of the target company.

Union Capital will seek to employ specific procedures in an effort to reduce risk during the diligence process, including: (a) multiple onsite visits to the target company over an extended period of time; (b) in-depth management interviews, utilizing third-party consultants where appropriate; (c) at least two Managing Partners meet the CEO of the target company prior to making an investment (independent of

which Managing Partner is specifically leading the investment); (d) the hiring of a reputable accounting firm to conduct a detailed quality of earnings analysis which ties company-reported financial performance to the underlying cash flows of the company's bank accounts; (e) extensive targeted diligence highly focused around the top (typically one to three) risk factors identified.

The results of Union Capital's rigorous due diligence review drive the pricing, terms and conditions of its final offer. In general, Union Capital aims to enter an investment at a price that, taking into account identified operating improvements, is at an attractive multiple, thereby attempting to minimize the risk of capital loss. Union Capital believes that the entry purchase price multiple is a key determinant of the return ultimately earned on an investment.

Material Risks

The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that Union Capital will be able to choose, and the Funds will be able to make and/or realize, any particular investment or that the Funds will be able to generate returns for their investors. In addition, there can be no assurance that any investor will receive any distributions from a Fund. Investing in the Funds involves a risk of loss that investors should be prepared to bear. Investors in the Funds are requested to refer to the Governing Documents of the applicable Fund for complete information on investment strategies employed by such Fund and the corresponding risks associated with such investment strategies. Investors in the Funds should carefully consider, among other factors, the following material risks involved with the Funds' investment strategies.

Dependence on Key Personnel

The success of a Fund will be highly dependent on the expertise and performance of Union Capital's investment team. There can be no assurance that the members of the investment team will continue to be associated with Union Capital throughout the life of a Fund. The loss of certain of these individuals could have a significant adverse impact on the business of a Fund. Investors in a Fund may have limited recourse in the event that any of these individuals ceases to perform services for the Fund. Investors are not expected to be permitted to withdraw commitments or investments in a Fund as a result of the departure of one of the professionals responsible for the activities of the applicable Fund.

Control Liability

A Fund will typically seek to own a controlling percentage of the equity of its portfolio companies. A Fund will generally appoint one or more representatives to the board of directors of the companies in which it invests. Significant or controlling ownership and serving on the board of directors of a portfolio company exposes a Fund's representatives, and ultimately a Fund itself, to potential liability because a Fund or its representatives may in certain cases be thought to control, participate in the management of or influence the conduct of such portfolio company.

Non-Controlling Investments

A portion of a Fund's investments may represent minority stakes in privately held companies. In addition, during the process of exiting investments, a Fund is likely to hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. A Fund may also invest in companies for which the Fund has no right to appoint a director or otherwise exert significant influence. In such cases, the Fund will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund. To the extent that the management of a portfolio company performs poorly, or if a key manager of a portfolio company terminates his or her employment with such company, the Fund's investment in such company could be adversely affected.

Limited Number of Investments

Although restrictions with respect to the amount that a Fund may invest in any single portfolio company and affiliated portfolio companies are generally contained in the applicable Governing Documents, diversification is not an objective of a Fund. A Fund's portfolio may include a small number of large positions. Furthermore, to the extent that the capital raised for a Fund is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified. If a Fund's investments are concentrated in a few portfolio companies, affiliated portfolio companies or industries, any adverse change in one or more portfolio companies or industries could have a material adverse effect on the Fund's investments. Therefore, while this portfolio concentration may enhance total returns to a Fund's limited partners, if any large position has a material loss, returns to limited partners may be lower than if they had invested in a more diversified portfolio.

Bankruptcy of Portfolio Companies

A Fund may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. There are a number of risks inherent in the bankruptcy process, including, for example, the effects of litigation between the creditors and debtor, the duration of the bankruptcy proceedings and the tangible and intangible costs to the portfolio company. Further, various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of a Fund. There is also a risk that a court may subordinate a Fund's investments to other creditors or require the Fund to return amounts previously paid to it by a portfolio company that has become insolvent or filed for bankruptcy, a risk that could increase if the Fund has management rights in such portfolio company.

Lower Middle Market Investments

A component of Union Capital's investment strategy is to invest in lower middle-market companies with revenues of approximately \$20 to \$200 million. While investments in lower 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. Small and medium-sized companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller private companies, which may make realizations of gains more difficult by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally and the somewhat greater illiquidity of private investments in small and medium-sized companies could make it difficult for the Fund to react quickly to negative economic or political developments.

Reliance on Portfolio Company Management; Lack of Control Rights.

The day-to-day operations of each portfolio company in which a Fund invests will be the responsibility of such portfolio company's management team. Although Union Capital and each Fund's general partner will be responsible for monitoring the performance of each portfolio company, Union Capital and each Fund's general partner will seek to negotiate appropriate rights and controls to influence key decisions, and generally intend to invest in portfolio companies operated by capable management teams, there can be no assurance that appropriate controls and other rights will be secured in negotiations and/or that the existing management team or any successor management team will be able to operate any such portfolio company in accordance with a Fund's expectations. Moreover, lower middle-market companies are often more dependent on a smaller group of key personnel than larger companies and thus may be more susceptible to risks associated with the departure of any such key personnel.

Follow-On Investments

Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There can be no assurance that a Fund will wish to make such follow-on investments or that a Fund will have sufficient capital to do so. Any decision not to make follow-on investments or the inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the Fund's proportionate ownership in such portfolio company and thus its ability to influence such portfolio company's future development.

Investments with Third Parties.

A Fund is permitted to partner with third parties to make investments through joint ventures or other entities, including with private equity vehicles sponsored by others, strategic partners, and co-investments with limited partners. The commitment to a portfolio company in an investment with partners may be substantial. Such investments may involve risks not present in investments where third parties are not involved, including the possibility that a partner alongside a Fund in an investment 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 Fund, may take a different view from the applicable Fund's general partner as to the appropriate strategy for an investment or disposition of an investment, or may be in a position to take action contrary to a Fund's investment objectives. In addition, a Fund may in certain circumstances be liable for the actions of its third party investment partner. 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 with whom a Fund may partner may have pre-existing investments with target portfolio companies, and the terms of such pre-existing investments may differ from the terms upon which the Fund invests in such portfolio companies. In addition, such arrangements are likely to involve additional restrictions on the resale of the Fund's interest in any such portfolio company.

Additional Regulation and Enforcement; Litigation.

In recent years, private investment funds have been increasingly subject to scrutiny by financial regulators and the public in the United States and abroad, which has led to more targeted regulatory oversight of the industry. Compliance with increased regulation may cause a Fund to incur additional expenses and could divert the attention of Union Capital and a Fund's general partner and the Managing Partners from their investment objectives. Non-compliance with new rules and regulations may result in substantial fines or other materially adverse consequences. In addition, tax laws may change in a manner which would adversely affect an investment in a Fund. Each prospective investor is advised to consult its own tax counsel as to the specific U.S. federal income tax consequences of an investment in a Fund and as to applicable state, local, estate, foreign or other tax laws. Additional regulation could potentially increase the risk of third party litigation. A Fund's business is transactional in nature and exposes the Fund, its general partner and the Union Capital generally to the risks of third party litigation. As set forth in the applicable partnership agreement, a Fund will generally be responsible for indemnifying its general partner, Union Capital, its employees and related parties for costs they may incur in connection with such litigation not otherwise covered by insurance.

Economic Conditions; Business and Market Risk.

The majority of a Fund's investments will be in equity or equity-related investments that by their nature involve business, financial, market and/or legal risks. The success of Union Capital's investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. Companies in which a Fund invests may be sensitive to general downward swings in the overall economy. Factors affecting economic conditions, including, for example, inflation rates, industry

conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends, tax laws and innumerable other factors, none of which will be within the control of a Fund, can substantially and adversely affect the business and prospects of a Fund. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings. A sustained period of low valuations in the public equity markets could result in substantially lower liquidation values and substantially longer periods before liquidity is achieved in comparison with historical values, which would reduce the returns that could be achieved by a Fund. In addition, factors specific to a portfolio company may have an adverse effect on a Fund's investment in such company. A Fund's general partner may rely upon its own, or a portfolio company's, projections concerning the portfolio company's future performance in making investment decisions. Such projections are inherently subject to uncertainty and to certain factors beyond the control of the portfolio company and the Fund's general partner.

Investments Longer than Term

A Fund may make investments that may not be advantageously disposed of prior to the date that the Fund will be wound-up and dissolved, either by expiration of the Fund's term or otherwise. Although the general partner for each Fund generally expects to extend, or seek an extension to, the Fund's term pursuant to the applicable partnership agreement if such an extension would be in the best interests of the Fund, and generally expects that investments will be either realized prior to dissolution or suitable for in-kind distribution at dissolution, the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution, particularly with respect to an early dissolution of the Fund as provided in the applicable partnership agreement.

Valuation of Assets

There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, Union Capital will apply a methodology consistent with ASC 820 and based on its best judgment that is appropriate in light of the nature, facts and circumstances of the investments. Valuations are subject to approval by the valuation committee and ensuring that portfolio investments are fairly valued is an important focus of Union Capital. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. With respect to the Funds, the exercise of discretion in valuation by Union Capital may give rise to conflicts of interest, as the performance allocation in certain Funds may be calculated based, in part, on these valuations.

Contingent Liability on Disposition of Investments.

Most of a Fund's investments will involve private portfolio companies. In connection with the disposition of an investment in a private portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. A Fund also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate or with respect to certain potential liabilities or other liabilities. The obligations of a Fund would be payable from the assets of the Fund, including the proceeds of insurance and the unused capital commitments of the limited partners. If the assets of a Fund are insufficient to pay such obligations, the limited partners may be required to return distributions previously made to them in order to satisfy such obligations.

Controlled Group Risks.

Under ERISA, members of certain "controlled groups" of "trades or businesses" may be jointly and severally liable for contributions required under any member's tax-qualified defined benefit pension plan and under certain other benefit plans. Further, if any member's tax-qualified defined benefit pension plan were to terminate, underfunding at termination would be the joint and several responsibility of all

controlled group members, including members whose employees did not participate in the terminated plan. Similarly, joint and several liability may be imposed for certain pension plan related obligations in connection with the complete or partial withdrawal by an employer from a multiemployer pension plan. Depending on a number of factors, including the level of ownership held by a Fund and other co-investors in a particular portfolio company, the Fund may be considered to be a member of one or more portfolio company's "controlled group" for this purpose.

Cybersecurity Risks

A 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 limited partners, despite the efforts of Union Capital and the Fund's service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a Fund and its limited partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of Union Capital, 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 Union Capital's systems to disclose sensitive information in order to gain access to Union Capital's data or that of a Fund's limited partners. A successful penetration or circumvention of the security of Union Capital's systems could result in the loss or theft of a limited partner'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, Union Capital or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for the underlying portfolio companies in which a Fund would invest, which could have material adverse consequences for such Fund, and may cause the Fund's investments to lose value.

Service Provider Discounts

In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to Union Capital or its affiliates as compared to services provided to one or more Funds, and their portfolio companies, which may result in more favorable rates or arrangements than those payable by a Fund, or its portfolio companies, due to the varying types of services provided to each.

Increased regulatory scrutiny and uncertainty with regard to expense allocations

While Union Capital and its Related Persons will allocate the expenses of each Fund in good faith and in accordance with the terms of the relevant Governing Documents and Union Capital's expense allocation policy in effect from time to time, due to continued regulatory scrutiny of expense allocation policies in the private investment funds realm, there is no guarantee that Union Capital's policies and practices will not be challenged by Union Capital's supervising regulatory bodies. If Union Capital's supervising regulators were to determine that Union Capital had improperly allocated such expenses, Union Capital could be subject to regulatory censure, litigation from a Fund's limited partners, or reputational harm, each of which could have a material adverse effect on Union Capital's financial condition.

Acceleration of Payments for Related Services

Union Capital and its affiliated entities will generally be entitled to receive a lump sum fee from a portfolio company upon the early termination of an agreement to provide Related Services to such portfolio company. Certain of these fees may not be established on an arm's-length basis and may adversely impact the performance of the relevant portfolio companies. In addition, because investors will

receive a benefit from such fees only to the extent set forth in the relevant partnership agreement, such fees constitute an actual or potential conflict of interest between a Fund and Union Capital and/or its affiliated entities and may create an incentive for Union Capital and/or its affiliated entities to approve and cause a Fund to make more speculative investments than it would otherwise make in the absence of the potential for such compensation.

Item 9 - Disciplinary Information

Neither Union Capital nor its Managing Partners have not been the subject of any disciplinary event or material legal proceeding required to be disclosed in response to this item.

Item 10 - Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

Neither Union Capital nor any of its Managing Partners are registered as a broker-dealer or a registered representative of a broker-dealer. In addition, Union Capital and its Managing Partners are not affiliated with any broker-dealer.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

Neither Union Capital nor any of its Managing Partners are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

Relationships with Related Persons

As discussed in the subsection titled “*Participation or Interest in Client Transactions and Personal Trading*,” Union Capital and its Related Persons and Managing Partners will generally serve as, directly or indirectly, the general partners, limited partners and/or managing members of the general partner of each Fund. Union Capital and its Related Persons may manage multiple Funds. This can create conflicts in the allocation of time, resources and investment opportunities among the Funds. Please refer to the Governing Documents of the relevant Fund for complete information on the requisite time commitments (if any) of Union Capital and its Related Persons and Managing Partners to the Fund and the allocation of investment opportunities among the Funds. Please also refer to the description of Union Capital’s investment allocation policy described in the subsection “*Side-by-Side Management*” above.

Union Capital’s Related Persons and Managing Partners will also continue to manage certain existing portfolio investments, or other assets, of private investment vehicles formed prior to the inception of Union Capital. While these private investment vehicles do not intend to make any future investments, they will require an amount of time and attention from Union Capital’s Related Persons and Managing Partners in order to manage and ultimately dispose of any remaining portfolio investments and administer final distributions to investors in these private investment vehicles.

Employees of Union Capital and its affiliates will generally serve as officers, advisors, directors or in comparable management functions for portfolio companies in which a Fund may invest, or provide other services to portfolio companies, and may receive compensation in connection therewith. In connection with such activities, employees of Union Capital will generally be given access to confidential information relating to companies in which a Fund may invest or will generally otherwise become subject to legal or contractual restrictions on their ability to effect transactions for a Fund. As a result, a Fund may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of certain portfolio companies, which prohibition may have an adverse effect on the Fund. The above individuals may spend a substantial portion of their time with these related management activities.

From time to time, certain Funds may hold or may acquire positions in portfolio companies in which other Funds invest or have invested. Such investments may be coincident with or precede one another. Follow-on investments in companies in which a Fund and one or more other Funds have invested may not necessarily be pro rata based on existing ownership in such companies. The Funds may have divergent interests with respect to exit strategies from such investments, restructuring the capital structure or business of such companies or other matters affecting the investment in such companies. To the extent that multiple Funds hold an interest in the same company, disposition opportunities with respect to that investment shall, to the extent practicable, be allocated among such Funds on a basis that is fair and equitable to each Fund as determined by Union Capital taking into account all relevant facts and circumstances.

Selection or Recommendation of Other Advisers

Union Capital does not recommend or select other investment advisers for its clients. Union Capital does not have business relationships with other advisers that create a material conflict of interest in relation to Union Capital's clients.

Related General Partners

Various limited partnerships or other entities (the "***General Partners***") will generally serve as general partners of the Funds and the Managing Partners of Union Capital will generally be partners of one or more of the General Partners. For a description of material conflicts of interest created by the relationship among Union Capital and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

Union Capital has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act expressing Union Capital's commitment to ethical conduct. Union Capital's Code of Ethics describes its fiduciary duties and responsibilities to its clients, and sets forth, among other things, Union Capital's (i) practice of monitoring the personal securities transactions of supervised persons with access to client investment recommendations, (ii) political contributions by covered associates, and (iii) policies on receipt of gifts and entertainment by supervised persons. Under Union Capital's Code of Ethics, all supervised persons of Union Capital have a duty to act only in the best interests of the Funds, and potential conflicts and violations of the Code of Ethics must be promptly reported to Union Capital's Chief Compliance Officer ("***CCO***"). All supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended. It is the expressed policy of Union Capital that no person employed by Union Capital shall prefer his or her own interest to that of a Fund or make personal investment decisions based on the investment decisions of a Fund.

To supervise compliance with its Code of Ethics, Union Capital requires that anyone associated with its advisory practices with access to advisory recommendations provide annual securities holdings reports and quarterly brokerage statements (or equivalent quarterly transaction reports) to the Firm's CCO. Union Capital requires such "access persons" to also receive approval from the CCO prior to investing in any initial public offerings or private placements.

In an effort to prevent inappropriate securities transactions by Union Capital's personnel, the CCO will maintain and make available a list of restricted securities. Access persons are strictly prohibited from trading on their own behalf in restricted securities without obtaining the prior written approval of the CCO.

Union Capital requires that all individuals act in accordance with all applicable federal and state regulations governing investment advisory practices. Union Capital also has a policy prohibiting the

trading of securities, either personally or on behalf of others, while in possession of material non-public information, or improperly communicating such information to others. Any individual not in observance of the above may be subject to discipline or termination.

Union Capital will provide a complete copy of its Code of Ethics to any investor or prospective investor in a Fund upon request.

Participation or Interest in Client Transactions; Personal Trading

As general partners, limited partners and/or managing members of the general partners of each Fund, Union Capital and its Related Persons have indirect beneficial interests in the securities owned by each Fund and will share in any profits and losses generated by a Fund's investments. Moreover, in certain situations, Related Persons of Union Capital may purchase interests in the same portfolio investments held by one or more Funds. All such transactions are subject to compliance with Union Capital's Code of Ethics as described above and the Governing Documents of the applicable Funds. Any access person who has or acquires ownership of an issuer through a private placement following approval by the CCO as described above (excluding any indirect investment in an issuer via a direct or indirect interest in a Fund) must affirmatively disclose that interest to the CCO if such access person is involved in considering or determining any subsequent investment decision regarding an investment by a Fund in any security of that issuer or one of its affiliates.

Union Capital and/or certain Related Persons of Union Capital may, on rare occasions, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain Funds in connection with certain "warehousing" transactions or more generally in connection with Union Capital's management of the Funds, provided that the sale is consistent with Union Capital's fiduciary obligations to the Funds. Such transactions will be fully disclosed and the written consent of the appropriate Fund (which, in certain circumstances, may be provided by the applicable Fund's Advisory Board, as defined below) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act to the extent that such transactions constitute "principal transactions" under Section 206(3).

Moreover, Union Capital may, in limited instances, cause a Fund to engage in "cross transactions" via the purchase or acquisition of a security from, or the sale or transfer of a security to, another Fund, provided that the transfer is consistent with Union Capital's fiduciary obligations to each Fund participating in the cross transaction.

While Union Capital endeavors at all times to act in the best interests of the Funds, investors should be aware that such transactions create a potential conflict of interest.

Conflicts of Interest

Union Capital and its affiliates engage in a broad range of activities, including investment activities for their own account and for the account of each Fund and provide transaction related, advisory, management and other services to operating companies, including portfolio companies of the Funds. Below, Union Capital describes various conflicts of interest that may arise in respect of its business, as well as a description of how Union Capital addresses such conflicts of interest. The discussion below does not describe all potential conflicts that may arise.

Resolution of Conflicts

In the case of all conflicts of interest, Union Capital's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Union Capital's best judgment, in its sole discretion. In resolving conflicts, Union Capital may consider various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- (1) Union Capital will not make an investment unless it believes that such investment is an appropriate investment considered solely from the viewpoint of the applicable Fund.
- (2) Conflicts of interest will generally be resolved by set procedures contained in the relevant offering and Governing Documents of a Fund, if applicable.
- (3) Generally, each Fund has established an Advisory Board, consisting of representatives of limited partners not affiliated with Union Capital. The Advisory Boards meet as required to consult with Union Capital as to certain potential conflicts of interest.
- (4) Where Union Capital in its sole discretion deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price.
- (5) Prior to subscribing for interests in a Fund, each investor (other than certain third party investors in a co-investment fund) receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.
- (6) On any issue involving actual conflicts of interest, Union Capital will be guided by its good faith judgment.

Allocation of Investment Opportunities

See Item 6, above, “Side-by-Side Management.”

Allocation of Fees and Expenses

The appropriate allocation between a Fund, investors, Union Capital and third parties of expenses and fees generated in the course of evaluating and making investments (including expenses and fees incurred in transactions which are not consummated), such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by Union Capital and its affiliates in their sole discretion, in each case using good faith and their best judgment, consistent with the Governing Documents of the Funds, as applicable. See Item 5 above.

Providers of Operational Support

Union Capital and Fund portfolio companies will from time to time retain other companies or individuals, which may be affiliates of Union Capital; employees of such affiliates or portfolio companies of a Fund; third-party consultants including individual consultants, consulting firms, and Union Capital Operating Executives (collectively “***Special Consultants***”). The Special Consultants may be engaged to provide services to, or in connection with, one or more portfolio companies in relation to the identification, acquisition, holding, improvement and/or disposition of such portfolio companies, including operational aspects of such companies (“***Services***”). Pursuant to the applicable Governing Documents, fees and expenses associated with the Services (collectively “***Consulting Fees and Expenses***”) may be paid and/or reimbursed by applicable portfolio companies and/or the Funds. Consulting fees and expenses may, at the discretion of Union Capital, taking into account the particular Services, include a profits or equity interest in a portfolio company or other incentive-based compensation to the Special Consultant.

Fee Structure

Because Management Fees are, at certain times during the life of a Fund, based upon capital invested by the Fund, this fee structure may create an incentive to deploy capital when Union Capital may not otherwise have done so. Additionally, as discussed above in Item 6, the General Partners of Funds are entitled to Carried Interest under the terms of the Governing Documents of such Funds. Such General Partners are affiliates of Union Capital. The existence of the General Partners’ Carried Interest may create an incentive for Union Capital to cause such Funds to make riskier or more speculative investments than they would otherwise make in the absence of such performance-based compensation.

Related Services

As described in Item 5 above, Union Capital will generally perform Related Services for, and may receive fees from, actual or prospective portfolio companies or other investment vehicles of a Fund. Such fees, to the extent they do not offset Management Fees payable by a Fund, will be for the benefit of Union Capital and received in addition to any Management Fees or Carried Interest paid by such Fund to Union Capital. In addition, Union Capital will generally incur, and a portfolio company will generally reimburse Union Capital for, expenses (including, without limitation, travel-related expenses) incurred by Union Capital in connection with its performance of services for such portfolio company – while the Fund and its investors will not have to contribute capital to pay for any such expenses, such expense payments or reimbursements will not offset any Management Fees and it is possible that some of such expenses would not otherwise constitute expenses that would be payable by a Fund. This may create a conflict of interest between Union Capital and its affiliates, on the one hand, and one or more Funds and their respective investors, on the other hand, because the amounts of these fees may be substantial and one or more Funds and their respective investors generally have only the benefit of a percentage (which may be zero) of these fees. Union Capital determines the amount of these fees for Related Services and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements may not be immediately apparent to investors in the Funds. Union Capital and its affiliates will in some circumstances offset Management Fees paid by the applicable Fund against a percentage (which may be zero) of such Fund's share of such fees from Related Services. The amount and nature of this reduction may vary among Funds and is set forth in the Governing Documents of the applicable Fund. Entities other than the Funds that participate in investments alongside the Funds (such as entities through which Union Capital and certain employees and affiliates of Union Capital invest alongside the Funds) may have a right to share in such fees, and Management Fees will generally not be reduced in connection with the receipt of such entities' share of such fees. As some Funds may not pay Management Fees, any such reduction may not benefit such Funds and may be retained by Union Capital solely for its own benefit. In many cases with respect to the implementation of such arrangements, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest may exist in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

Other Conflicts

Union Capital and its affiliates (including on behalf of the Funds) will generally engage common legal counsel and other advisers in connection with Firm, Fund and transactional matters, including matters in which there may be conflicts of interest. Such counsel and other service providers will not represent the investors in any Fund. Additionally, Union Capital and one or more Funds will generally engage other common service providers. In such circumstances, there may be a conflict of interest between Union Capital and the Funds in determining whether to engage such service providers, including the possibility that Union Capital 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.

Item 12 - Brokerage Practices

Discretionary Brokerage

Funds invest primarily in private equity investments, although they may acquire, sell or distribute public securities on occasion (for example, where a Fund receives shares of a company as part of a general distribution or initial public offering). Subject to the investment objectives, policies and restrictions of each Fund, as set forth in such Fund's Governing Documents, Union Capital will generally have

discretionary authority to select the broker or dealer to be used to execute transactions in securities on behalf of the Funds and negotiate the commission cost to be paid.

In the limited instances where Union Capital selects brokers, Union Capital's primary consideration will be to obtain the most favorable net result for the Funds under the circumstances, which may not involve the lowest possible commission cost. In selecting broker-dealers to effect securities transactions, Union Capital seeks to obtain best execution by considering factors including, but not limited to, the price and size of the order, the trading characteristics of the securities involved, the value of any research which might be provided by each broker, the broker's execution abilities, commission rates, and financial responsibility and responsiveness. The applicability of specific criteria will vary depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple brokers or dealers.

Research and Soft Dollar Benefits

Union Capital does not engage in soft dollar arrangements with respect to securities transactions for the Funds.

Brokerage and Client Referrals

Union Capital does not consider referrals of investors to the Funds in determining its selection of broker dealers or other third parties.

Trade Aggregation

Although Union Capital does not often trade in public securities, in such circumstances where more than one Fund is either selling or buying the same type of security, Union Capital will, to the extent possible, generally place a combined order for two or more Funds it may manage that are engaged in the purchase or sale of the same security if, in its good faith determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of the participating Funds' Governing Documents, and otherwise in the best interest of the participating Funds.

Item 13 - Review of Accounts

Review of Client Accounts

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. Union Capital will continuously monitor portfolio investments on behalf of the Funds. Investments are reviewed in the context of each Fund's stated investment objectives and guidelines as set forth in the Governing Documents of each Fund. Members of Union Capital's investment committee meet regularly to determine and review overall investment objectives, risk tolerance and other information relevant to the Funds. A review of the portfolio investments made by the Funds may also be triggered by, without limitation, changes in market conditions, the deployment or return of capital, or changes to investment objectives or policies.

Reports to Clients

The general partners of each Fund distribute quarterly and annual written reports to their respective limited partners. Annual reports generally contain an individual capital account statement as of the end of such fiscal year, certain descriptive investment information relating to the applicable Fund's investments and the audited financial statements of the applicable Fund. The quarterly reports generally contain unaudited financial statements of the applicable Fund for the fiscal quarter and certain descriptive investment information relating to the applicable Fund's investments.

Investors are requested to refer to the Governing Documents of the applicable Fund for further information on the reports provided by a particular Fund to its investors.

Item 14 - Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

For details regarding economic benefits provided to Union Capital by non-clients, including a description of the related material conflicts of interest and how they are addressed, please see Items 5 (“*Service-Related Fees*”) and 11 (“*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*”) above. Investors should refer to the Governing Documents of the applicable Fund for complete information on the additional compensation received by Union Capital or its affiliates or supervised persons in connection with a particular Fund’s investments and the amount of the applicable Management Fee offset.

Third Party Compensation for Client Referrals

Union Capital and related entities of Union Capital may enter into cash compensation arrangements with unaffiliated placement agents or other third parties for introducing prospective investors to a Fund. In accordance with the terms of the relevant Fund’s Governing Documents, any sales charge associated therewith will ultimately be payable by Union Capital and/or its related entities, either directly or through an offset of the Management Fee payable by the relevant Fund to Union Capital. An investor will not bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party.

Union Capital endeavors at all times to put the interests of each Fund first as part of Union Capital’s fiduciary duty. Nevertheless, the receipt of compensation by the placement agents creates a potential conflict of interest, and may affect the judgment of placement agents when making referrals to Union Capital and a Fund.

Item 15 - Custody

Union Capital will not have physical possession of any client assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Nevertheless, Union Capital will generally be deemed to have custody of the assets of each Fund as a result of its position as an affiliate of the general partner of each Fund it will manage.

It is Union Capital’s policy to cause each Fund with assets over which Union Capital is deemed to have “custody” to be audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles (“**GAAP**”), to investors within 120 days after the close of each fiscal year (subject to unforeseeable circumstances). In addition, upon the final liquidation of any such Fund, Union Capital will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all investors promptly after completion of the audit.

Item 16 - Investment Discretion

Subject to the investment objectives, policies and restrictions of each Fund as set forth in the Governing Documents of such Fund, Union Capital has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Fund. Union Capital is provided with this authority pursuant to a limited power of attorney granted via the applicable Governing Documents.

Item 17 - Voting Client Securities

Because Union Capital has, or will accept, authority to vote securities held by a Fund, it has adopted policies and procedures (the “**Proxy Voting Policies and Procedures**”) that have been designed to ensure that Union Capital complies with the requirements of the Advisers Act and reflect Union Capital’s

commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of each Fund it may manage.

When exercising its voting authority over client securities, Union Capital considers all relevant information, evaluates other issues that could have an impact on the value of the security and generally votes with a view toward maximizing overall value. Union Capital votes all proxies in a prudent manner, considering the prevailing circumstances at such time and in a manner consistent with the Proxy Voting Policies and Procedures and Union Capital's fiduciary duties to each Fund it may manage.

Union Capital reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable Fund. As a result, depending on the Fund's particular circumstances, Union Capital may vote one Fund's securities differently than it votes those of another Fund, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, Union Capital may determine that it is in a Fund's best interest for Union Capital to "abstain" from voting or not to vote at all, and will do so accordingly.

Prior to exercising its voting authority, Union Capital, in consultation with the CCO and outside counsel, as appropriate, reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of Union Capital, its owners, its employees or its Related Persons, with persons having an interest in the outcome of the vote. If a material conflict exists, Union Capital takes steps to ensure that its voting decision is based on the best interests of the applicable Funds and is not a product of the conflict. Union Capital may, at its discretion, (a) seek the advice of the applicable Advisory Board in voting such security (if any); (b) disclose the conflict of interest to the limited partners of the Fund and defer to the Fund's voting recommendation; (c) defer to the voting recommendation of an independent third party provider of proxy voting services; and/or (d) take such other action in good faith (in consultation with Union Capital's outside counsel) which would serve the best interest of the Fund. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

Union Capital will deliver to each limited partner of a Fund, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the applicable Fund.

Item 18 - Financial Information

Union Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and Union Capital has not been the subject of a bankruptcy proceeding.

Item 19 - Requirements for State-Registered Advisers

Item 19 is not applicable to Union Capital.