

Item 1. Cover Page

JLL Partners FCH, Inc.

245 Park Ave., Suite 1601
New York, New York 10167

www.jllpartners.com

Part 2A of Form ADV: Firm Brochure

March 28, 2019

This brochure provides information about the qualifications and business practices of JLL Partners FCH, Inc (“JLL” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at (212) 286-8600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about JLL Partners FCH, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. An investment adviser's registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, JLL Partners FCH, Inc. will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document or outlined below.

Item 3. Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
Item 1.	Cover Page	1
Item 2.	Material Changes	3
Item 3.	Table of Contents	4
Item 4.	Advisory Business.....	5
Item 5.	Fees and Compensation.....	6
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	16
Item 10.	Other Financial Industry Activities and Affiliations.....	16
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	20
Item 12.	Brokerage Practices.....	21
Item 13.	Review of Accounts	21
Item 14.	Client Referrals and Other Compensation	21
Item 15.	Custody	22
Item 16.	Investment Discretion	22
Item 17.	Voting Client Securities	22
Item 18.	Financial Information.....	23
Item 19.	Requirements for State-Registered Advisers	23

Item 4. Advisory Business

JLL Partners FCH, Inc. (the "Firm") is a Delaware corporation that is wholly-owned by Paul S. Levy. The Firm was formed in 2007 and provides investment advisory services to a pooled investment vehicle that is exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act") and whose securities are not registered under the Securities Act of 1933, as amended (the "Securities Act") (the "Fund"). As the investment adviser of the Fund, the Firm, along with the general partner of the Fund (the "Fund General Partner"), identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of, the Fund.

The Firm shares advisory personnel with JLL Partners LLC and its affiliates (collectively, "JLL Partners LLC"). JLL Partners LLC is the successor firm to JLL Partners Inc. JLL Partners Inc. was also wholly-owned by Paul S. Levy. The members of JLL Partners LLC previously served as advisory personnel of JLL Partners Inc. JLL Partners LLC is managed by a management committee and is not controlled by Paul S. Levy. Prior to this succession, the Firm was a "relying adviser" with respect to JLL Partners Inc. JLL Partners LLC also provides investment advisory services to pooled investment vehicles that are exempt from registration under the 1940 Act and whose securities are not registered under the Securities Act. All of the Firm's advisory personnel have responsibilities with respect to the funds and accounts managed by JLL Partners LLC, and/or are owners and/or management committee members of JLL Partners LLC.

The primary focus of the Firm's investment advisory activity is researching and advising on the Fund's existing private equity investment in a bank holding company.

The Firm provides investment advisory services to the Fund pursuant to an investment management agreement (the "Management Agreement"). Investment advice is provided by the Firm directly to the Fund, subject to the direction and control of the affiliated Fund General Partner. This investment advice is provided in a manner consistent with the investment objectives of the Fund.

Restrictions on the types of securities that may be acquired by the Fund are described in the limited partnership agreement of (and side letters with) the Fund. The Fund is not open to new investors and does not seek to make additional acquisitions.

As of December 31, 2018, the Firm manages a total of approximately \$100,700,000 of regulatory assets under management of client assets, all of which is managed on a discretionary¹ basis.

¹ The Firm does not have ultimate investment discretion with respect to the assets of the Fund, as such discretion is retained by the Fund General Partner.

Item 5. Fees and Compensation

Management Fee

As compensation for investment advisory services rendered to the Fund, the Firm receives from the Fund an annual management fee payable quarterly in advance. Management fees during the commitment period of the Fund generally is based on aggregate capital commitments of the Limited Partners and are then asset-based or a combination of asset-based and unfunded commitments thereafter. Management fees are paid by the Fund on behalf of the Limited Partners by (i) requiring Limited Partners to make capital contributions in respect of such fees, or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to the Limited Partners of such Fund. Upon termination of the Management Agreement, appropriate treatment will be given to all management fees collected in advance. As described below, the management fee may be reduced or waived in some circumstances in connection with the receipt by the Firm or its related persons of various fees paid by actual or prospective portfolio companies. The management fee is generally subject to waiver or reduction by the Firm in its sole discretion, including in connection with investments made by the Fund General Partner or its related persons. The Fund's confidential private offering memorandum ("Confidential Private Placement Memorandum"), where applicable, and governing documents include a more detailed description of management fees charged to the Limited Partners of such Fund.

To the extent provided in the Management Agreement and the partnership agreement of the Fund, the Firm will pay out of its management fees certain operating expenses, including expenses on account of rent, utilities, office supplies, office equipment, travel, entertainment, compensation of its employees (other than carried interest described in Item 6 below) and other routine administrative expenses relating to the services and facilities provided by the Firm to the Fund. The Fund will bear all other expenses relating to it to the extent not borne by its portfolio company (the "Portfolio Company"), including the cost of directors' and officers' liability insurance, legal, accounting, investment banking, consulting, research, brokerage, finders', custody, transfer, registration, advisory board, appraisal, damages, annual meeting, winding up and liquidating the Fund, filing notification or other regulatory requirements, interest, taxes and extraordinary expenses, and other similar fees and expenses. Some of these expenses borne by the Fund may relate to costs associated with unexecuted transactions (e.g. travel-related expenses).

Because the Firm and JLL Partners LLC share advisory personnel, certain expenses of the Fund may also be incurred on behalf of, or for the benefit of, one or more funds advised by JLL Partners LLC. In such a case, such expenses will be apportioned pro rata among the Fund, on the one hand, and the applicable JLL Partners LLC fund(s), on the other hand, based on the respective Capital Commitments of the Fund and the applicable JLL Partners LLC fund(s) or in such other equitable manner intended to reflect the relative benefits received by each of the Fund and the applicable JLL Partners LLC fund(s).

Other Fees

The Firm and/or JLL Partners LLC will typically perform management, advisory, monitoring, consulting, transaction-related services, financial advisory and other services ("Related Services") for the Portfolio Company or other deal related investment vehicles of the Fund. The Firm may, but does not currently expect to, receive fees from the Portfolio Company in consideration of its performance of Related Services.

Although the Firm does not generally utilize the services of broker-dealers for transaction related services, in the event that it chooses to use a broker-dealer for limited purposes relating to the Fund, the Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

The General Partners of the Funds are also entitled to receive carried interest of up to 20% of profits on distributions derived from the disposition of investments (and, in certain circumstances, other income from investments) following a preferred return to the Limited Partners as set forth in each Fund's Confidential Private Placement Memorandum, where applicable, and other governing documents.

Director's Compensation

Because its investment strategy includes making control investments, and in order to protect the Funds' interests, when making equity investments JLL generally seeks appropriate shareholder rights including, in most situations involving control investments, the ability to designate a director(s) to serve on the board of directors of its portfolio companies. In their capacity as directors of portfolio companies, JLL personnel may earn compensation in the form of cash, stock options or other equity awards from time to time.

A JLL Fund's allocable share of any compensation received by a JLL employee from a JLL portfolio company for serving as a director for that portfolio company is reimbursed to the applicable JLL Fund through a management fee offset.

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

A portion of the Fund's net investment profit is distributed to the Fund General Partner as "carried interest." The Fund General Partner is a related person of the Firm. The carried interest is generally distributable to the partners of the Fund General Partner, which may include the Firm.

The fact that the Firm may in part be compensated based on the performance of investments may create an incentive for the Firm to recommend investments to or make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of a performance-based compensation arrangement. However, the Firm will provide its investment advisory services to its clients in accordance with their investment strategy disclosed in the

client's offering materials or advisory agreements, as applicable, to help ensure that its clients and their investors are aware of the investment strategy and the risks associated with the strategy.

Item 7. Types of Clients

The Firm currently provides investment advisory services to the Fund. Investment advice is provided directly to the Fund, subject to the direction and control of the Fund General Partner, and not individually to the limited partners of the Fund.

Investors in the Fund include high net worth individuals, banks, pension and profit-sharing plans, sovereign wealth funds, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other business entities.

Interests in the Fund are no longer offered. The Firm requires that each outside investor in the Fund be an "accredited investor" as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and a "qualified purchaser" as defined in the 1940 Act, as amended.

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

Methods of Analysis and Investment Strategies

The Firm seeks to build value in the Fund's Portfolio Company. The Firm may seek to build value through a variety of means, including through the consideration of various potential investment opportunities for the Fund's Portfolio Company. In considering such potential investment opportunities, the Fund carries out an extensive analysis of a target investment's position and prospects in an effort to achieve a thorough and in-depth assessment of the potential investment. The Fund looks for strong fundamentals and often seeks to identify value in complicated situations. Such situations may include companies which are significantly overleveraged; companies lacking committed sponsorship; companies requiring strategic and/or operational refocusing; businesses being divested from a larger corporate entity; and well run companies seeking a financial partner to pursue their strategies.

While the Firm considers a number of quantitative and qualitative factors in connection with investment opportunities, it has found that certain key principles, consistently applied, can lead to superior private equity investment performance over time. These include:

Employ Leverage Sensibly. The Firm believes in employing leverage prudently. The Firm helps design and implement a sound capital structure for its investments, allowing them to remain competitive, make appropriate capital expenditures, and pursue growth opportunities. The Firm

prefers to rely on strong management, rather than financial engineering, to increase the intrinsic value of its investments.

Commitment to Growth. The Firm seeks to invest in companies that have the potential to grow both organically and through acquisition. Such growth might be achieved through capacity expansion, new product introduction, development of new markets and, perhaps most importantly, the acquisition of related companies.

Optimize Realization on Investments. The Firm has no predetermined time frame or preferred method for exiting an investment. Rather, along with management, the Firm concentrates first and foremost on building value. However, in the course of improving and growing a company, there often comes a logical and obvious point to realize the value that has been created. In such instances, the Firm might find a buyer for a portfolio company or perhaps look to sell shares in a secondary offering in the public markets or pursue another appropriate exit transaction.

Importance of Management. The Firm views management as the most important ingredient in making an investment and invests in situations where it can partner with experienced executives who have established track records. The Firm works closely with the management of a portfolio company to develop growth strategies, enhance profitability, and make acquisitions. The Firm may back strong incumbent management teams already operating good companies or it may team up with experienced manager to acquire companies in their industry. The Firm aligns its interests with senior management through very significant equity-based compensation programs.

Industry Focus and Expertise. The Firm invests and has developed a significant knowledge base and strong relationships in the banking industry. This effort provides the Firm with several competitive advantages, including (i) an understanding of banking industry-specific dynamics, which ultimately enables the Firm to identify and source proprietary deal flow and more effectively diligence new investment opportunities; (ii) a wealth of banking industry contacts, including senior executives, consultants, and other intermediaries and advisors, who assist the Firm in identifying and evaluating investment opportunities; and (iii) an ability to add significant value and insight to the strategy and operations of the Portfolio Company, being an active partner rather than a passive investor. In addition, industry specialization enables the Firm to uncover unique value propositions in companies that other investors may have overlooked.

Differentiated Transaction Sourcing Through Complicated Situations and Build-Ups. The Firm looks for situations that involve regulatory, legal or financial complexity, including restructurings and bankruptcies. The Firm, and an experienced team of outside professionals, perform a full review of potential regulatory, environmental, tax, legal, and accounting contingencies, as needed, prior to making an investment.

Material Risks

Investing in securities involves a substantial degree of risk and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Fund and for which the Fund does not represent a complete investment program. The Fund may lose all or a substantial portion of its investment, and investors in the Fund must be prepared to bear the risk of loss of their investments therein.

There can be no assurance that the investment objective of the Fund will be achieved, that the Fund will otherwise be able to successfully carry out its investment program, or that an investor will receive a return of its capital contributed to the Fund. The discussion below enumerates certain risk factors that apply generally to an investment in the Fund. Prior to making any investment in the Fund, investors should carefully review the applicable offering documents for a more complete description of the risk factors and conflicts of interest relating to the Fund.

Market Conditions and Financial Market Fluctuations

The value of the investment held by the Fund may be affected by general economic and market conditions, including fluctuations in market prices of securities, interest rates, availability of credit, credit defaults, inflation rates, industry conditions, competition, technological developments, domestic and international economic uncertainty, trade barriers, currency exchange controls, and national and international political circumstances. Instability in the securities markets may also increase the risks inherent in the Fund's investment. The Fund may be adversely affected to the extent that it seeks to dispose of its portfolio investment into an illiquid or volatile market, and the Fund may be unable to dispose of its investment at a price that the Fund General Partner and the Firm believe reflects the investment's fair value.

Illiquidity of Investments

Partial or complete sales, transfers or other dispositions of the Fund's investment, which may result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years. There may often be no readily available market for the Fund's portfolio investment. The Fund generally does not expect to be able to sell the securities of the Portfolio Company publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. To the extent that there is no trading market for its portfolio investment, the Fund may be unable to liquidate its portfolio investment or may be unable to do so at a profit. Moreover, there can be no assurances that private purchasers of the Fund's portfolio investment will be found.

The Fund's investments may consist of securities that are subject to restrictions on sale under U.S. securities laws. Generally, the Fund will not be able to sell these securities publicly in the U.S. without the expense and time required to register the securities under the Securities Act or will be able to sell the securities only under Rule 144 or other rules under the Securities Act that

permit only limited sales under specified conditions. When restricted securities are sold to the public, the Fund may be deemed an "underwriter," or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under that Act.

The sale of the Fund's investment may be subject to restrictions imposed by the applicable securities laws or the countries in which it wishes to publicly list securities, if applicable. In addition, practical limitations may inhibit the Fund's ability to liquidate its investment in the Portfolio Company since the issuer will be privately held, may be subject to complex regulatory requirements and the Fund owns a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries, such as the banking industry. The limitations on liquidity of the Fund's investment could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Reliance on Management

Decisions with respect to the management of the Fund will be made by the Fund General Partner with the advice of the Firm. The success of the Fund will depend on the ability of the Fund General Partner and the Firm to identify and consummate investments, to improve the operating performance of portfolio companies and to dispose of investments of the Fund at a profit. The loss of the services of one or more members of the professional staff of the Firm or of the partners of the Fund General Partner could have an adverse impact on the Fund's ability to realize its investment objective.

The Firm shares advisory personnel with JLL Partners LLC. All of the officers and employees responsible for managing the Fund have responsibilities with respect to the funds and accounts managed by JLL Partners LLC. Thus, such persons have demands made on their time for the investment, monitoring, exit strategy and other functions of other funds and accounts.

Uncertainty in the U.S. and Global Financial Markets

The upheavals in the United States and global financial markets that began in 2008 illustrated the possibility of extraordinary and unprecedented uncertainty and instability in such markets. There can be no assurances that conditions in the global financial markets will not adversely affect the Fund's Portfolio Company or other investments, its access to capital or leverage or its overall performance.

Sourcing of Investments

An investor must rely upon the ability of the Firm to identify, structure and implement portfolio investments consistent with the Fund's investment objectives and policies. The success of the

Fund will depend on the ability of the Firm to identify suitable portfolio investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of portfolio investments.

Limited Number of Investments

The Fund participates in a single portfolio investment and, as a consequence, its aggregate return may be substantially adversely affected by the unfavorable performance of that portfolio investment. Moreover, there are no assurances that all of the Fund's portfolio investment will perform well or even return capital. Therefore, if the portfolio investment performs unfavorably, the Fund may not achieve above-average returns.

Banking Industry Risk

The Fund invests in the banking industry. An adverse development in the banking industry (domestic or foreign) may affect the value of the Fund's investment more than if the Fund participated in investments that were not in the banking industry. Banks may be particularly susceptible to certain economic factors such as interest rate changes, adverse developments in the real estate market, fiscal, regulatory and monetary policy and general economic cycles. For example, deteriorating economic and business conditions can disproportionately impact companies in the banking industry due to increased defaults on payments by borrowers. Moreover, political and regulatory changes or actions can affect the operations and financial results of companies in the banking industry, potentially imposing additional costs and expenses or restricting the types of business activities of these companies.

Uncertainty of Financial Projections

The Firm generally establishes the pricing of transactions and the capital structure of the Portfolio Company on the basis of financial projections. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Valuation of Assets

The Firm values its investment at estimated fair market value as determined in good faith by the Fund General Partner. Due to the generally illiquid nature of the securities held, fair market values determined by the Fund General Partner may not reflect the prices that actually would be received when its investment is realized. 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.

Portfolio Company Management

The Portfolio Company's day-to-day operations are the responsibility of its management team. Although the Firm is responsible for monitoring the performance of its investment in the Portfolio Company there can be no assurance that the existing management team, or any successor, will be able to successfully operate the Portfolio Company in accordance with the Firm's plans. The success of the Portfolio Company depends in substantial part upon the skill and expertise of its management team. Additionally, the Portfolio Company must attract, retain and develop executives and members of its management teams. The market for executive talent is, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that the Portfolio Company will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, the Fund may be adversely affected thereby.

Operating and Financial Risks of Portfolio Company

The Portfolio Company could deteriorate as a result of, among other factors, an adverse development in its business, a change in the competitive environment or an economic downturn. As a result, although the Fund expects the Portfolio Company to be stable, it may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support its operations or to maintain its competitive position, or may otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of the Fund's investment strategy will depend, in part, on the ability of the Fund to restructure and effect improvements in the operations of the 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 Fund will be able to successfully identify and implement such restructuring programs and improvements.

Risks Relating to Due Diligence of and Conduct of Portfolio Companies

Before making its portfolio investment, the Firm conducted due diligence that it deemed reasonable and appropriate based on the facts and circumstances applicable to its portfolio investment. When conducting due diligence and making an assessment regarding an investment, the Firm relied on the resources available to it at the time, including information provided by the Portfolio Company and, in some circumstances, third-party investigations. The due diligence investigation that the Firm carried out with respect to the Fund's investment in the Portfolio Company may not have revealed or highlighted all relevant facts that may have been necessary

or helpful in evaluating such investment opportunity. Moreover, such investigation does not guarantee that the portfolio investment will be successful. There can be no assurance that attempts to provide downside protection with respect to portfolio investments will achieve their desired effect.

There can be no assurance that the Firm will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the portfolio investment on an ongoing basis. In the event of fraud by the Portfolio Company or any of its affiliates, the Fund may suffer a partial or total loss of capital invested in the Portfolio Company. An additional concern is the possibility of material misrepresentation or omission on the part of the Portfolio Company or the seller. Such inaccuracy or incompleteness may adversely affect the value of the Fund's securities and/or instruments in the Portfolio Company. The Fund relies upon the accuracy and completeness of representations made by the Portfolio Company and/or its former owners in the due diligence process to the extent reasonable when it made its investment, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Misconduct of Employees and Third-Party Service Providers

Misconduct by employees or by third-party service providers could cause significant losses to the Fund. Employee misconduct may include binding the Fund to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third-party service providers. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Fund's business prospects or future activities. Although, the Firm believes it has implemented reasonable policies, procedures and controls relating to these activities, it is not always possible to deter misconduct by employees or service providers, and the precautions the Firm takes to detect and prevent this activity may not be effective in all cases.

Third Party Involvement

The Fund may co-invest with third parties through partnerships, joint ventures or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party co-venturer or partner may at any time have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objective of the Fund. In addition, the Fund may in certain circumstances be liable for actions of its third party co-venturer or partner.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes or actions could occur during the term of the Fund that may adversely affect the Fund. There is a material risk that governmental bodies, regulatory agencies self-regulatory organizations and other industry bodies that supervise the financial markets in the United States, Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity industry, or other changes that could adversely affect private equity firms and the funds they sponsor, including the Fund.

Absence of Regulatory Oversight

Notwithstanding that the Firm is registered as an investment adviser under the Advisers Act, and that the Fund may be considered similar in some ways to an investment company, the Fund is not required and does not intend to register as such under the 1940 Act and, accordingly, investors are not afforded the protections of the 1940 Act.

Litigation

In the ordinary course of business, the Firm may be a party to litigation, disputes and other potential claims.

Cybersecurity Risk

The Firm, the Fund and their respective service providers may be prone to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting the Firm, the Fund and their respective service providers may adversely impact the Fund.

In addition, despite certain measures established by the Firm, the Fund and their respective service providers to safeguard information in these systems, the Firm, the Fund and their respective service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, liability under applicable law, regulatory intervention or reputational damage.

Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company is subject to 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 Fund, to substantial losses.

For additional information regarding the foregoing or the risks and conflicts with respect the Fund, please see the Confidential Private Placement Memorandum, if applicable, or governing documents of the Fund.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of its management. The Firm has no information to disclose applicable to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

The Fund General Partner is an affiliate of the Firm. A Delaware limited liability company serves as the general partner of the Fund General Partner and is also an affiliate of the Firm.

Resolution of Conflicts of Interest

In the event of a conflict of interest, the Firm will be guided by its good faith judgment as to the best interests of the Fund and its limited partners and shall take such actions as are determined by the Firm to be necessary or appropriate to mitigate such conflicts of interest, subject in certain cases to approval by the advisory committee of the Fund. The Firm intends to consult with the advisory committee with respect to any matter as to which it determines in good faith that such a conflict of interest exists.

Sources of Conflicts of Interest

The conflicts of interest encountered by the Fund include those discussed below, although the discussion below does not describe all of the conflicts that may be faced by the Fund. Other conflicts may be disclosed throughout this document and the document should be read in its entirety for other conflicts.

Carried Interest

As described in Item 6, carried interest may create an incentive for the Fund General Partner to make riskier or more speculative investments on behalf of the Fund than would be the case in the absence of this arrangement.

The terms of the carried interest or performance allocations could also give the Firm an incentive to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors. For example, the Fund General Partner may be in a position to receive carried interest distributions earlier if profitable investments are liquidated prior to investments that are not profitable because, at the time proceeds from such profitable investments are liquidated, the Fund would not be required to first distribute capital to limited partners to make up for prior losses associated with unprofitable investments. Although the Fund contains a net unrealized loss clause and a “clawback” requiring the Fund General Partner to return excess distributions to limited partners in the event the Fund General Partner receives more than its carried interest percentage of fund profits on an aggregate basis over the life of the fund, the return of such distributions to the limited partners would generally be delayed until the end of the fund’s term.

The existence of the carried interest or performance allocation creates a potential conflict of interest for the Fund General Partner and the Firm in valuing investments. For example, because distributions to the partners in such funds are generally calculated in a “deal-by-deal” waterfall, the general partner will not receive a carried interest until the partners receive distributions equal to their share of writedowns not taken into account in prior distributions. This creates an incentive for the Fund General Partner and the Firm to avoid writing down the value of assets that are not readily marketable or difficult to value, because the general partner will be in a position to receive a higher carried interest. The Firm has adopted written valuation procedures intended to mitigate potential conflicts of interests in respect of the valuation of assets that are not readily marketable or are difficult to value. The Firm also seeks to mitigate any potential conflicts of interest by having independent auditors review its valuations for accuracy and reasonableness.

Conflicts Relating to the Fund General Partner, the Firm and JLL Partners LLC

As described above, the Firm may, but does not currently expect to, receive fees from the Portfolio Company in consideration of its performance of Related Services. Such fees would be in addition to the management fee and the carried interest paid by the Fund. The Firm will determine the amount of these fees, if any, in its own discretion, subject to agreements with sellers, buyers and management teams, the boards of directors of or lenders to portfolio companies, and/or third-party co-investors in its transactions. The opportunity to earn these fees creates a conflict of interest between the Firm, on the one hand, and the Fund and its limited partners, on the other hand, because the amounts of such fees may be substantial, the Fund and its limited partners do not have an interest in the Firm and the rights of the Fund and its limited partners to these fees is limited to the reduction of future management fees. The Firm will determine, in good faith but in its discretion, the cost of obtaining services similar to the management, advisory and similar services it or JLL Partners LLC provides to portfolio

companies of the Fund. In order to mitigate any conflicts of interest associated with the receipt of fees by the Firm, under the limited partnership agreement of the Fund, the management fees payable by the limited partners to the Firm would be reduced by some or all or the amount of such fees received by the Firm.

The officers and employees of the Firm who are responsible for managing the Fund have responsibilities with respect to current and future funds and accounts of JLL Partners LLC. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

Valuations of Investments

The Fund's investment is generally illiquid and lacks a readily assessable market value. The investment is also subject to the management fees described above and is valued pursuant to the valuation policy and procedures provided for in the limited partnership agreement of the Fund. During the period fees are based upon committed capital. After the investment period, fees are based upon invested capital which, under the terms of the limited partnership agreement of the Fund, is adjusted for net unrealized losses. Thus, valuing assets at historical cost may result in the Fund General Partner receiving a higher carried interest distribution or performance allocation than it would if assets are valued at fair value.

Preparation of Tax Returns

Tax returns for the Fund are initially prepared by a third party tax consultant. The Firm has an independent accounting firm review the tax returns prepared by the third party tax consultant and sign the tax returns of the Fund as the tax preparer of record.

Side Letters

The Fund General Partner may enter into side letters or other similar agreements with investors in connection with their admission to the Fund without the approval of any other investor. The side letters or other similar agreements have the effect of establishing rights under, altering or supplementing the terms of the limited partnership agreement of the Fund with respect to one or more such investors in a manner more favorable to such investors than those applicable to other investors, including but not limited to economic terms, information and reporting rights, transfer rights, advisory committee appointment rights or provisions necessary to comply with tax, regulatory or internal policy requirements applicable to investors.

Other Conflicts of Interest

The Fund and the funds managed by JLL Partners LLC generally engage common legal counsel and other advisers to represent them in a particular transaction, including a transaction in which the Fund and one or more funds managed by JLL Partners LLC have conflicting interests because they are investing in different securities of a single portfolio company. In the event of a significant dispute or divergence of interest between the Fund and one or more funds managed by JLL Partners LLC, such as in a work-out or other distressed situation, separate representation may become desirable, in which case the Firm may hire separate counsel in its sole discretion, and in litigation and other circumstances, separate representation may be required.

The Fund may have tax-exempt, taxable, foreign and other investors, whereas most members of the Fund General Partners are taxable at individual U.S. rates. Conflicts may exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Fund, the Firm will consider the investment and tax objectives of the Fund, not the investment, tax or other objectives of any investor individually.

The limited partnership agreement of the Fund permits the Fund to withhold certain information from certain limited partners in the Fund in certain circumstances. For instance, certain information may be withheld from a limited partner to prevent disclosure of such information by such limited partner that the Fund General Partner determines would reasonably be expected to occur.

Due in part to the fact that potential investors in the Fund (including purchasers of a limited partner's interests in a secondary transaction) or a co-investment opportunity may ask different questions and request different information, the Firm may provide certain information upon request to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Neither the Firm nor any of its management persons are registered, or have applications pending to register, as futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of any of the foregoing or as broker-dealers or registered representatives of broker-dealers.

The Firm does not receive compensation directly or indirectly from other investment advisers for recommending or selecting other investment advisers for its clients and has no business relationships with such advisers that create a material conflict of interest.

Please contact the Firm's Compliance Department with any additional questions or concerns at the following e-mail address: compliance@jllpartners.com.

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

Code of Ethics

The Firm recognizes and believes that high ethical standards are essential for its success and to maintain the confidence of its clients and their investors. The Firm believes its interests are best served by adherence to the principle that clients' interests come first. The Firm's personnel are required to act in accordance with the implied contractual covenants of good faith and fair dealing in respect of their dealings with clients. The Firm's personnel must also comply with all federal securities laws.

The Fund General Partner is responsible for identifying, reviewing, and resolving potential and actual conflicts of interest between the Firm and the Fund. In addition, whenever necessary, conflicts of interest are also identified, reviewed and resolved by the senior management of the Firm. All of the Firm's employees have the duty to report any material potential or actual conflicts of interest to the Firm's Chief Compliance Officer. All material conflicts of interest are reviewed and resolved by the Firm's Chief Compliance Officer.

The Firm has adopted a Code of Ethics policy for its employees. The Policy describes employees standard of conduct and fiduciary duties and limits personal trading by its employees and their immediate family/household members in a wide range of securities, including common and preferred stock, debt instruments, securities that are convertible or exchangeable for equity or debt securities, and derivative instruments. Employees must report every account that they or their immediate family member use for trading securities covered by the policy and, if they directly or indirectly influence or control trading in the account, they must generally pre-clear covered securities transactions and have copies of trade confirmations and periodic account statements sent by their broker to the compliance department. Controlled trading by employees and their immediate family/household members is prohibited in a wide range of securities that appear on restricted lists and confidential watch lists, and additional steps are taken to ensure that employees and their immediate family/household members are not permitted to trade for their personal account in securities selected for the Fund and to ensure employees do not engage in "front-running" of the Fund's investment opportunities.

A detailed summary of the Code of Ethics is available to limited partners and prospective limited partners during the investment due diligence process. A copy may be obtained by contacting the Firm's Compliance department.

Related Person Investment

For further details regarding circumstances in which the Firm or a related person (a) buys or sells for client accounts, securities in which the Firm or a related person has a material financial interest, (b) invests in the same securities that the Firm or a related person recommends to clients, or (c) recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Firm or a related person buys or sells the same securities for the Firm's own (or the related person's own) account, as well as related conflicts of interest, please see "Code of Ethics" and Item 10 above.

Item 12. Brokerage Practices

Although the Firm does not generally utilize the services of broker-dealers for transaction related services, in the event it chooses to use a broker-dealer, the Firm seeks to obtain best execution of transactions. To the extent they aggregate orders for purchase and sale, the Firm will aggregate such orders as it deems appropriate and in accordance with each Fund's documents and in the best interest of the Fund.

Item 13. Review of Accounts

Oversight and Monitoring

The portfolio investments of the Fund are continuously reviewed by a team of investment professionals. The team generally includes Managing Directors and other investment professionals of the Firm. The Firm closely monitors the portfolio companies of the Fund and generally maintains an ongoing oversight position in such portfolio companies.

Reporting

Investors in the Funds will typically receive, among other things, a copy of audited financial statements of the Fund within 75 days after its fiscal year end. In addition, investors in the Fund will typically receive unaudited quarterly summary financial information regarding the Fund within 45 days after each financial quarter. Investors in the Fund also receive regular reporting updates through quarterly letters, investor meetings and other materials provided on the secure investor intranet. The Fund also provides detailed capital call and distribution statements and holds an annual call for the limited partners as well.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Firm by non-clients, including a description of related conflicts of interest, please see Item 10 above. In addition, the Firm and its

related persons may, in certain instances, receive discounts on products and services provided by portfolio companies.

Item 15. Custody

The Firm's clients generally maintain custody arrangements through independent qualified custodians. The Firm's clients have selected as their qualified custodians Wells Fargo Bank, 150 East 42nd Street, 39th Floor, New York, NY 10017.

However, the Firm may in some circumstances be deemed to have "custody" of client securities and funds, even though it does not actually maintain client assets. In such instances, it is the Firm's policy to cause each fund with assets over which the company is deemed to have "custody" to distribute annually audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and audited by an accountant subject to regular inspection by the Public Company Accounting Oversight Board, to investors no later than 120 days after the end of each fiscal year (or 180 days for any funds that are "funds of funds" as defined by Rule 206(4)-2). In addition, upon the final liquidation of any such fund, the Firm 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

The Firm provides investment advisory services to the Fund pursuant to the Management Agreement. Investment advice is provided by the Firm directly to the Fund, subject to the direction and control of the affiliated Fund General Partner. Any restrictions on investments in certain types of securities are established by the Fund General Partner, and are set forth in the documentation received by each limited partner prior to investment in the Fund.

Item 17. Voting Client Securities

The Fund is not able to direct the vote of the Fund General Partner. The Fund General Partner intends to vote proxies or similar corporate actions in the best interests of the Fund, taking into account such factors as it deems relevant in its sole discretion.

The Firm's proxy voting policy is designed to ensure that if a material conflict of interest is identified in connection with a particular proxy vote, that the vote is not improperly influenced by the conflict.

A detailed summary of the Firm's proxy voting policies and procedures are available to limited partners and prospective limited partners during the investment due diligence process. The

general policy is to recommend voting proxy proposals and to vote proxy proposals as well as any amendments, consents or resolutions relating to client securities (collectively, "proxies"), in a manner that serves the best interests of client accounts, as determined by the Firm in its discretion, taking into account various factors, including, without limitation, the impact on the value of the securities. A copy of the proxy voting policies and procedures may be obtained by contacting the Firm's Compliance Department.

The Firm generally does not participate in class actions on behalf of the Fund because the Firm generally does not have the opportunity for such participation.

Existing clients may obtain copies of relevant proxy logs, identifying how proxies were voted in connection with the Fund, and copies of proxy voting policies and procedures upon written request to: JLL Partners FCH, Inc. 245 Park Avenue, Suite 1601, New York, NY 10167.

Item 18. Financial Information

The Firm has no financial commitment(s) that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Firm.