

INVESTMENT ADVISER BROCHURE

GF CAPITAL ASSET ADVISORS, LLC

GF Capital Asset Advisors, LLC
810 Seventh Avenue, 7th Floor
New York, NY 10019
(212) 433-1234
www.gfcap.com
March 22, 2022

This Investment Adviser Brochure ("Brochure") provides information about the qualifications and business practices of GF Capital Asset Advisors, LLC ("GF Capital"). If you have any questions about the contents of this Brochure, please contact us at (212) 433-1234. 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 authority.

GF Capital is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). However, such registration does not imply a certain level of skill or training.

Additional information regarding GF Capital is also available on the SEC's website at www.adviserinfo.sec.gov.

TABLE OF CONTENTS

<u>Brochure</u>	<u>Page</u>
ITEM 1: COVER	1
ITEM 2: TABLE OF CONTENTS	2
ITEM 3: MATERIAL CHANGE	3
ITEM 4: ADVISORY BUSINESS	3
ITEM 5: FEES & COMPENSATION	4
ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
ITEM 7: TYPES OF CLIENTS	6
ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS	6
ITEM 9: DISCIPLINARY INFORMATION	13
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS	13
ITEM 11: CODE OF ETHICS / INTEREST IN CLIENT TRANSACTIONS	14
ITEM 12: BROKERAGE PRACTICES	15
ITEM 13: REVIEW OF ACCOUNTS	16
ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION	16
ITEM 15: CUSTODY	16
ITEM 16: INVESTMENT DISCRETION	16
ITEM 17: VOTING CLIENT SECURITIES	16
ITEM 18: FINANCIAL INFORMATION	17
ITEM 19: REQUIREMENT FOR STATE REGISTERED ADVISERS	17

ITEM 3: MATERIAL CHANGE

There have been no material changes since the last Brochure dated March 30, 2021.

ITEM 4: ADVISORY BUSINESS

GF Capital Asset Advisors, LLC (“GF Capital”) is a Delaware limited liability company and principal investment adviser registrant. GF Capital’s affiliated investment entities, GF Capital Asset Management, LLC and GF Capital Private Equity Management, LLC (the “Managers”), are each registered with the SEC as “relying advisers” on the basis of GF Capital’s registration. The Managers, through GF Capital, provide “investment supervisory services” to their clients, which consist of private investment-related funds. GF Capital was formed in 2005 and first registered with the SEC in February 2012 pursuant to the Dodd-Frank Act. GF Capital is controlled by its manager and 100% owner, GF Capital Management & Advisors, LLC¹.

GF Capital’s clients comprise the following private funds; (collectively, the “Funds”):

- GF Capital Private Equity Fund, L.P.
- GF Capital Private Equity Fund II, L.P.
- GF Edgcombe Ventures, LLC
- GF Capital CSE, L.P.
- GF P&B, L.P.
- GF Riverside Drive, L.P.
- GF Capital Midtown East, L.P.

The Funds invest through negotiated transactions in operating companies or real estate assets. The Managers’ investment advisory services to the Funds consist of, among other things, identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. The respective offering documents for the Funds detail the types of operating companies or real estate assets in which each Fund may invest, and the Managers limit their investments to those types of operating companies or real estate assets.

The Investments of GF Capital Private Equity Fund, L.P., GF Capital Private Equity Fund II, L.P., GF Capital CSE, L.P. and GF P&B, L.P. (collectively, the “Private Equity Funds”) are made predominantly in non-public companies and securities, although investments in public companies are permitted. The senior principals or other personnel of the Managers or their affiliates typically serve on a portfolio asset’s board of directors or otherwise act to influence control or management of the portfolio asset held by the Private Equity Funds.

The Managers’ advisory services for the Funds are further described in the applicable private placement memoranda and limited partnership agreements, as well as below under “Method of Analysis, Investment Strategies and Risk of Loss” and “Investment Discretion.” Investors in a Fund participate in the overall investment program for that Fund but may be excused from a particular investment due to legal, regulatory or other applicable constraints.

¹ Gary Fuhrman owns more than 25% of GF Capital Management & Advisors, LLC.

GF Capital does not participate in wrap fee programs.

The assets under management of GF Capital totaled \$350,400,000 as of December 31, 2021. These assets are managed on a discretionary basis. GF Capital does not manage assets on a non-discretionary basis.

ITEM 5: FEES & COMPENSATION

Each Manager receives a management fee (the “Management Fee”) in connection with the advisory services provided to the Funds. Each Fund’s general partner, an affiliate of GF Capital and the Managers, receives carried interest participation, if any, based on the Fund’s investment performance. Each Fund’s general partners or other GF Capital entities or affiliates may receive transaction fee compensation in connection with management and other services performed for certain portfolio assets of the Fund. For the Private Equity Funds, this compensation offsets Management Fees otherwise payable. Investors in the Funds also bear certain fund level operating and administrative expenses.

1. Private Equity Funds:

GF Capital Private Equity Fund, L.P. (“Private Equity Fund I”)

For each Investor Limited Partner, Private Equity Fund I pays a Management Fee equal to the product of up to 1.75% and Actively Invested Capital (equal to cost basis of all undisposed Investments) of such Investor Limited Partner per annum subject to available capital.

GF Capital Private Equity Fund II, L.P. (“Private Equity Fund II”)

For the period ending five years from the Final Closing of Private Equity Fund II, Private Equity Fund II pays a Management Fee equal to the product of 2.00% and investor Capital Commitments per annum. Thereafter, for each Investor Limited Partner, Private Equity Fund II pays a Management Fee equal to the product of 1.75% and Actively Invested Capital (equal to cost basis of all undisposed Investments) of such Investor Limited Partner per annum subject to available capital.

GF Capital CSE, L.P. (“CSE”)

For each Investor Limited Partner, CSE pays a Management Fee equal to the product of 2.00% and investor Capital Commitments per annum.

GF P&B, L.P. (“P&B”)

For each Investor Limited Partner, P&B pays a Management Fee equal to the product of 2.00% and investor Capital Commitments per annum.

2. Real Estate Funds:

GF Edgecombe Ventures, LLC ("Edgecombe")

For each Investor Limited Partner, Edgecombe pays a Management Fee equal to the product of 2.00% and investor Capital Contributions per annum.

GF Riverside Drive, L.P. ("Riverside")

For each Investor Limited Partner, Riverside pays a Management Fee for each quarter calculated at a rate equal to the product of (A) 2% per annum, (B) the ratio of the Capital Commitment of each Investor Limited Partner to the aggregate Capital Commitment of all Partners, and (C) the aggregate Invested Capital of the Partnership as of the start of such quarter.

GF Midtown East, L.P. ("Midtown East")

For each Investor Limited Partner, Midtown East pays a Management Fee for each quarter calculated at a rate equal to the product of (A) 2% per annum, (B) the ratio of the Capital Commitment of each Investor Limited Partner to the aggregate Capital Commitment of all Partners, and (C) the aggregate Invested Capital of the Partnership as of the start of such quarter.

The Management Fee is typically payable by the respective Fund to the applicable Management Company quarterly. Management Fees are pro-rated for any periods less than a full quarter.

For the Private Equity Funds, when applicable, the Management Fee is reduced by certain fees paid to the Manager. For Private Equity Fund I, the general partner may elect to waive or reduce the Management Fee as part of a Management Profits Interest Program ("MPI"). The unfunded commitment of the general partner shall be reduced by MPI contributions. The general partner of Private Equity Fund I has not used the MPI program to date.

The Management Fee generally will be payable until a Fund's entire portfolio of investments are distributed or sold or until the general partner's relationship with the Fund is terminated for other reasons (as described in each Fund's limited partnership agreement).

The Funds invest on a long-term basis. Accordingly, Management Fees and other fees (if applicable) are expected to be paid, except as otherwise described in each Fund's limited partnership agreement, over the term of the applicable Fund. Investors are not permitted to withdraw or redeem interests in each Fund.

Managing Directors and other current or prior employees of GF Capital Management & Advisors, LLC, a service provider to the Management Companies, may receive a portion of the carried interest or other compensation received by GF Capital or the respective Fund's general partner.

As described in each Fund's limited partnership agreement, a Fund will pay all organizational and start-up expenses of the Fund and the applicable general partner, (generally subject to a specified cap), including legal, travel, accounting, filing and other organizational expenses. A Fund will not ultimately bear any investment banking or private placement fee incurred in connection with the organization of the Fund. In addition to the Management Fee payable to the Management Company and carried interest payable to the general partner, a Fund will typically bear all other costs and expenses of the Fund that are not reimbursed

by portfolio assets, which may include, without limitation, insurance, legal, auditing, consulting, financing, accounting and custodian fees and expenses; out of pocket expenses incurred in connection with transactions not consummated; expenses of the members of the Fund's advisory board; other expenses associated with the acquisition, holding and disposition of its investments, including extraordinary expenses (such as litigation, if any) and any taxes, fees or other governmental charges levied against the Fund.

Subject to a Fund's limited partnership agreement, the Manager will bear the normal and recurring operating and administrative expenses of the Fund, including compensation of all of the investment personnel and fees and expenses for administrative services, office space and facilities.

Brokerage fees may be incurred by the applicable Fund in accordance with the practices set forth in Item 12.

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

The Fund general partners receive carried interest allocation on certain realized profits in the Funds. The "carried interest" is generally equal to a percentage of the investment proceeds distributable by the Fund in excess of the capital invested by the Fund's Limited Partners (including their allocable share of fees and expenses) and the applicable preferred return.

ITEM 7: TYPES OF CLIENTS

GF Capital provides investment advice to Private Investment Funds. Private Investment Funds are investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The investors participating in Private Investment Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of GF Capital and its affiliates.

The Funds generally have a minimum investment in the range of \$500,000 to \$5.0 million for third-party investors, which may be waived by the general partners, but generally will not be less than \$100,000 (or other amounts as specified by local laws and regulations).

ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

General:

The Manager of the Private Equity Funds seeks to invest in growth companies across specific industry categories, specifically the middle market branded consumer product and media industries. The Manager of the Real Estate Funds seeks to achieve current income and/or long-term capital appreciation by investing in real estate and real estate related assets. There can be no assurance that the Managers will achieve the investment objectives of the Funds and a loss of investment may be possible.

Investment and Operating Strategy:

The Managers seek to provide returns to investors by (i) using research and contacts to identify investments that the Managers believe are attractive, (ii) performing rigorous analysis and due diligence to select and structure investments and (iii) providing significant resources to portfolio assets to build value and (iv) achieving liquidity through sale, merger, recapitalization etc. of the portfolio assets.

Identification of Investment Opportunities: The Managers originate many of the Funds' investment opportunities by leveraging relationships with entrepreneurs, existing management of portfolio companies, venture capitalists, investment bankers, investors, business brokers, accountants, lawyers and consultants, which contacts generate a significant number of investment opportunities.

Rigorous Analysis and Diligence: With respect to the investment opportunities that the Managers pursue actively, the Managers engage in in-depth discussions with management and conduct initial due diligence, arriving at a limited number of investments that become portfolio assets in the Funds. In evaluating potential investments, the Managers consistently maintain high standards of due diligence, engaging a team of professionals who study opportunities and complete extensive management, financial, legal, customer and industry reference checks.

Managing Investments: As the manager of the Private Equity Funds, great importance is placed on having a seat (or multiple seats) on the board of directors (or similar governing body) of each portfolio asset or on having a contractual right to attend board meetings. For both the Private Equity Funds and Real Estate Funds, the Managers may provide significant resources to portfolio assets, including contacts, advice, and assistance with matters such as staffing, accounting, marketing, strategic direction, human resources, business plan creation, business development, public and private financing and mergers and acquisitions.

Realization of Liquidity: The Managers of the Funds aim to realize gains primarily through strategic exits. However, the Funds may also realize gains through a sale or merger with a financial buyer or by the sale of securities in the public market. The Managers continually review investment positions for liquidity alternatives and work with portfolio assets in planning for and realizing liquidity for investors.

Types of Investments:

The Private Equity Funds generally will invest in operating companies. The structure of these investments may include common stock, preferred stock, warrants, convertible debt, partnership or similar interests in operating entities, options and other derivative type securities. The Private Equity Funds will hold almost all of their assets in unregistered restricted securities, but generally will seek liquidity features in connection with investments to enable them to exit the investment at an appropriate time under the individual circumstances of each investment.

The Real Estate Funds generally will invest in two types of real estate: (i) properties leased to tenants in the commercial, residential and government sectors located in suburban and urban districts which have a high probability of tenant renewal and (ii) real estate development projects. Investments will be in single assets or portfolios, such as partnerships or limited liability companies, synergistic with the Fund's strategies, and offering value enhancement opportunities appropriate on a risk-adjusted basis.

From time to time, the Managers may engage in derivative transactions for the Funds, including option, interest rate, currency and similar transactions. Derivative transactions will generally be used for hedging purposes.

Risks of Investment:

A Fund and its investors bear the risk of loss that the applicable Manager's investment strategy entails. The risks involved with the Manager's investment strategy and an investment in a Fund are detailed in the Fund's private placement memorandum. In general, these risks include, but are not limited to:

1. Business Risks: The Fund's investment portfolio will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.
2. Future and Past Performance: The performance of the Managers' prior investments is not indicative of the Fund's future results. While the general partner intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.
3. Investment in Junior Securities: The securities in which the Fund will invest may be among the most junior in a portfolio asset's capital structure and, thus, subject to the greatest risk of loss. Generally, for the Private Equity Fund, there will be no collateral to protect the Fund's investment once made. In the event any portfolio asset cannot generate adequate cash flow to meet debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio asset, which could adversely affect the Fund's returns.
4. Concentration of Investments: The Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or geographic region. As a result, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect the Fund's aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio assets and thus be less diversified.
5. Lack of Sufficient Investment Opportunities: It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity and real estate transactions is highly competitive and involves a high degree of uncertainty. However, in the Private Equity Fund, Limited Partners will be required to pay annual Management Fees based on the entire amount of their Commitments.
6. Dynamic Investment Strategy: While the general partner generally intends to seek attractive returns for the Funds through making growth capital investments in consumer and media companies (or, in the case of Real Estate Funds, real estate assets) as described herein, the

general partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate and to the extent not prohibited by the Fund's limited partnership agreement.

7. *Illiquidity; Lack of Current Distributions:* An investment in the Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before income or gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Fund (including the annual Management Fee payable to the Managers) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded Commitments.
8. *Leveraged Investments:* The Fund may make use of leverage by having a portfolio asset incur debt to finance a portion of its investment in such portfolio asset or fund its operations. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which is difficult to accurately forecast. During times when credit markets are tight, it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio assets will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate, and magnify declines in the value of the Fund's investments in a down market. In the event any portfolio asset cannot generate adequate cash flow to meet debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio asset, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be tight at the time the Fund determines that it is desirable to sell all or a part of a portfolio asset, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency.
9. *Limited Transferability of Fund Interests:* There will be no public market for the Fund interests and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the limited partnership agreements and applicable securities laws. In general, withdrawals of Fund interests are not permitted and in addition, Fund interests are not redeemable.
10. *Restricted Nature of Investment Positions:* Generally, there will be no readily available market for Fund investments and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners.

11. Reliance on the General Partner and Portfolio Asset Management: Control over the operation of the Fund will be vested with the general partner, and the Fund's future profitability will depend largely upon the business and investment acumen of the principals of the Managers (the "Principals"). The loss or reduction of service of one or more of the Principals could have an adverse effect on the Fund's ability to realize its investment objectives. Limited Partners generally have no right or power to take part in the management of the Fund and as a result, the investment performance of the Fund will depend on the actions of the general partner. Although the general partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio asset's management team to operate the portfolio asset on a day-to-day basis. Although the Fund generally intends to invest in assets with strong management or recruit strong management to such assets, there can be no assurance that the management of such assets will be able or willing to successfully operate a company or real estate asset in accordance with the Fund's objectives.
12. Projections: Projected operating results of a portfolio asset in which the Fund invests normally will be based primarily on financial projections prepared by each of the respective company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.
13. Conflicting Investor Interests: Limited Partners may have conflicting investment, tax, investment policy and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the general partner regarding an investment that may be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the general partner generally will consider the investment and tax objectives of the Fund and its Partners as a whole, not the investment, tax or other objectives of any Limited Partner individually.
14. Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes: United States financial reform legislation enacted on July 21, 2010 (the "Dodd-Frank Act") enhances governmental scrutiny and increases regulation of the private equity industry. Among other things, the Dodd-Frank Act imposes increased recordkeeping and reporting obligations on the Managers with respect to the Fund. Records and reports relating to the Fund that must be maintained by the Managers and are subject to inspection by the SEC include: (i) assets under management and use of leverage; (ii) side arrangements or side letters; (iii) valuation policies and practices of the Fund; (iv) type of assets held; (v) investment positions; (vi) trading practices; and (vii) such other information as the SEC, in consultation with the Financial Stability Oversight Council, determines is necessary and appropriate. While the Dodd-Frank Act subjects such records and reports to certain confidentiality provisions and provides an exemption from the Freedom of Information Act, no assurance can be given that the mandated disclosure of records or reports to the SEC or other governmental entities will not have a significant negative impact

on the Fund, the Managers, or any investor in the Fund. There can be no assurance that the implementation of this law will not have an adverse impact on the Fund's activities, including the ability of the Fund to implement operating improvements, execute its investment strategy or otherwise achieve its investment objectives.

15. *Need for Follow-On Investments:* Following its initial investment in a given portfolio asset, the Fund may decide to provide additional funds to such portfolio asset or may have the opportunity to increase its investment in a successful portfolio asset. There is no assurance that the Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio asset in need of such an investment. Additionally, such failure to make such investment may result in a lost opportunity for the Fund to increase its participation in a successful portfolio asset or the dilution of the Fund's ownership in a portfolio asset if a third party invests in such portfolio asset.
16. *Non-U.S. Investments:* The Fund may invest in portfolio assets that are organized or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the partners with respect to the Fund's income and possible non-U.S. tax return filing requirements for the Fund and/or the partners.

The Fund's investments may be made in currencies other than the currency in which the Fund's accounts are maintained. The value of an investment may fall substantially as a result of fluctuations in the currency of the country in which the investment is made as against the value of the currency in which the Fund's accounts are maintained. The general partner may (but is not obligated to) endeavor to manage currency exposures using hedging techniques where available and appropriate. The Fund may incur costs related to currency hedging arrangements. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis, or that such hedging arrangement will achieve the desired effect.

Additional risks include: (i) economic dislocations in the host country; (ii) less publicly available information; (iii) less well-developed regulatory institutions and (iv) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

16. *Significant Adverse Consequences for Default:* The limited partnership agreements provide for significant adverse consequences in the event a Limited Partner defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from

the Fund, a defaulting Limited Partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that may be paid over a designated period following the liquidation of the Fund, without interest.

17. Dilution: Limited Partners admitted to the Fund at subsequent closings will participate in then-existing investments of the Fund, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund's existing investments at the time of such contributions.
18. General Partner's Carried Interest: The fact that the general partner's carried interest is based on a percentage of net profits may create an incentive for the general partner to cause the Fund to make riskier or more-speculative investments than otherwise would be the case.
19. Transfer by General Partner: To the extent the general partner, its partners, the Principals and/or their respective affiliates commit to make an investment in the Fund, a material participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the limited partnership agreements or under applicable law or regulation.
20. Director Liability: The Fund will typically obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio asset exposes the Fund's representatives and ultimately the Fund, to potential liability. Not all portfolio assets may obtain insurance with respect to such liability and the insurance that portfolio assets do obtain may be insufficient to adequately protect officers and directors from such liability.
21. Delayed Schedule K-1s and Tax Information: The Fund may not be able to provide final Schedule K-1s or other annual tax information to Limited Partners for any given fiscal year until after April 15 of the following year. The general partner will endeavor to provide Limited Partners with final Schedule K-1s or other annual tax information on or before such date, but final Schedule K-1s or other annual tax information may not be available until the Fund has received tax-reporting information from its portfolio assets necessary to prepare final Schedule K-1s or other annual tax information. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the Fund.
22. Uncertain Economic and Political Environment: The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, the threat of additional terrorist strikes and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a "self-reinforcing" economic downturn. The availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, continues to be restricted. This may have an adverse effect on the economy generally and on

the ability of the Fund and its portfolio assets to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections.

24. Market Conditions: Any material change in the economic environment, including a slow- down in economic growth and/or changes in interest rates or foreign exchange rates could have a negative impact on the performance and/or valuation of the portfolio assets. The Fund's performance can be affected by deterioration in public markets and by market events, such as the onset of the credit crisis in the summer of 2007, which can impact the public market comparable earnings multiples used to value privately held portfolio assets. Movements in foreign exchange rates may adversely affect the value of investments in portfolio assets and the Fund's performance.

Conflicts of Interest:

GF Capital and its affiliates manage several Funds. The Principals may spend a portion of their business time and attention pursuing investment opportunities for Funds other than on behalf of a given Fund. The Principals and the applicable general partner's investment staff will continue to manage and monitor such Funds and investments. The general partners believe that the significant financial investment of the Principals in a Fund, as well as the Principals' participation in the carried interest with respect to such Fund, operate to align, to some extent, the interest of the Principals with the interest of the investors in the Fund, although the Principals have economic interests in such other Funds as well and receive Management Fees and carried interest therefrom. Such other Funds that the Principals may control may compete with a given Fund or companies acquired by the Fund. At such time as the applicable general partner is permitted to raise a successor investment fund to a Fund, the Principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

ITEM 9: DISCIPLINARY INFORMATION

Neither GF Capital, nor the Managers, nor their management persons have been subject to any legal or disciplinary events that are material to a client or a prospective client's evaluation of the respective advisory businesses nor the integrity of management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Neither GF Capital, nor the Managers, nor their management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither GF Capital nor the Managers are registered or have an application pending to register with the National Futures Association ("NFA") as a futures commission merchant, commodity pool operator, or commodity trading adviser. Three of GF Capital's management persons, Gary L. Fuhrman, Neil Shapiro and David Basner, are registered with the NFA as associated persons of affiliated companies, TAG

Associates, LLC and TAG Portfolio Management Group, LLC, each registered with the NFA as a commodity pool operator and commodity trading adviser.

Neither GF Capital, nor the Managers, nor their management persons recommend or select other investment advisers for clients.

As previously noted, GF Capital and the Managers manage several Funds. Because one or more of such Funds may invest in assets similar to other Funds there is the potential for a material conflict of interest regarding the allocation of investment opportunities. Refer to *Conflicts of Interest* under **Method of Analysis, Investment Strategies and Risk of Loss** and the last paragraph of section **Code of Ethics / Participation or Interest in Client Transactions**.

ITEM 11: CODE OF ETHICS / INTEREST IN CLIENT TRANSACTIONS

The Managers have adopted a Code of Ethics Manual ("Manual"), which sets forth standards of conduct that are expected of the Managers' Principals and employees and addresses conflicts that arise from personal trading. The Manual requires the Managers' personnel to report their personal securities transactions and prohibits the Managers' personnel's direct or indirect acquisition of beneficial ownership of securities in an initial public offering or in a limited private offering, in each case, without first obtaining approval from the Chief Compliance Officer. A copy of the Manual will be provided to any client or prospective client upon request to Victoria Chau at vchau@gfcap.com. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client-eligible investments.

The Managers and their affiliated persons may come into possession from time to time of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Managers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Managers. Accordingly, should the Managers or any of their affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Managers would be prohibited from communicating such information to clients, and the Managers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of GF Capital personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of the Managers and their affiliates may directly or indirectly own an interest in Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio assets as a Fund. The Funds may invest together with other private investment funds advised by an affiliated adviser of the general partner in the manner set forth in the applicable limited partnership agreement. The Managers will determine allocation of investment opportunities in a manner that they believe is fair and equitable to their clients consistent with the Managers' fiduciary obligations and consistent with the applicable Funds' underlying documents.

ITEM 12: BROKERAGE PRACTICES

The Managers focus on securities transactions of private companies and generally purchase and sell such companies through privately negotiated transactions in which the services of a broker-dealer may be retained. However, the Managers may also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Managers do not intend to regularly engage in public securities transactions, to the extent they do so, they follow the brokerage practices described below.

If the Managers sell publicly traded securities for the Funds, they are responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Managers. In such event, the Managers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Managers may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

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

Principal Transactions: GF Capital does not enter into principal transactions where we or any of our affiliates purchases or sells any securities for our own accounts from or to the account of any fund.

Cross Transactions: As neither GF Capital nor any of our affiliates is registered as a broker-dealer, we do not engage in agency cross transactions where one fund purchases or sells any securities for its account from or to the account of another fund.

Soft Dollars: GF Capital does not receive soft dollar benefits for client referrals from broker-dealers in connection with client transactions.

Brokerage for Client Referrals: In selecting broker-dealers GF Capital does not consider whether we or a related person receives referrals from the broker-dealer.

Directed Brokerage: GF Capital neither recommends, requests nor requires a client to direct GF Capital to execute transactions through a specified broker-dealer nor does GF Capital permit a client to direct brokerage.

ITEM 13: REVIEW OF ACCOUNTS

The Managers seek realization of liquidity for the Funds' assets and return of capital to investors. The respective Fund's general partners and Managers continually review investment positions for liquidity alternatives and work with portfolio assets in planning for and realizing liquidity for investors.

As the manager of the Private Equity Funds, the general partner places great importance on having a seat (or multiple seats) on the board of directors (or similar governing body) of each portfolio asset or on having a contractual right to attend board meetings, and may otherwise act to influence management or control of companies held by the Private Equity Funds, including through approval rights.

The Funds provide to their Limited Partners (i) annual audited and, in the case of the Private Equity Funds, quarterly unaudited financial statements, (ii) annual tax information necessary for each Limited Partner's tax return, and (iii) in the case of Private Equity Fund I and Private Equity Fund II quarterly reports describing the status of each investment in the Partnership's portfolio.

ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION

From time to time we have retained a registered broker-dealer to solicit investors for a Fund via private placement transactions. We pay a placement fee equal to a percentage of the aggregate capital commitment of solicited investors.

ITEM 15: CUSTODY

With respect to cash, we have engaged third party custodians to serve as qualified custodians for each Fund. In addition, each Fund (within 120 days of the end of its fiscal year) circulates to its Limited Partners audited annual financial reports prepared in accordance with generally accepted accounting principles.

ITEM 16: INVESTMENT DISCRETION

Each Manager has discretionary authority to manage investments on behalf of the applicable Fund. As a general policy, the Managers do not allow clients to place limitations on this authority, provided that the limited partnership agreement of a Fund may impose certain restrictions on investing in certain types of securities. Pursuant to the terms of the limited partnership agreement, however, a Manager may enter into "side letter" arrangements with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in the Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Manager assumes this discretionary authority pursuant to the terms of the limited partnership agreement and powers of attorney executed by the Limited Partners of the Fund.

ITEM 17: VOTING CLIENT SECURITIES

While the securities evidencing the private equity investments made by our Funds are not typically the subject of proxies, there could be certain circumstances where we, having discretionary authority over the accounts of our Funds, may be asked to vote the securities of such Funds on restructuring or other corporate

matters. We will ensure that a record of each securities position held by each Fund is maintained and, where any such vote is to occur, we will ensure that we receive all relevant information, disclosure materials and such proxies or consents as are necessary for us to be able to cast votes in a timely manner.

We will also determine whether there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interests of a Fund. If we determine that there is no material conflict of interest, then we will make the voting determination and take the required voting action. If we determine that, due to a conflict of interest, we are not capable of making an independent determination as to the voting decision, we shall appoint an independent third party to make the applicable voting decision.

Our Funds cannot direct our vote in a particular solicitation. Each Fund is controlled by its general partner (our affiliate) and, as such, each Fund is aware of how we voted with respect to its securities.

We will provide a copy of our policies and procedures concerning the voting of client securities to clients upon request. Requests may be made to us at 212-433-1234.

ITEM 18: FINANCIAL INFORMATION

Not applicable. Management fees are paid quarterly.

ITEM 19: REQUIREMENT FOR STATE REGISTERED ADVISERS

Not applicable