

FORM ADV PART 2A: FIRM BROCHURE

ITEM 1. COVER PAGE

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March 2022

Important Disclosure:

This brochure (“Brochure”) provides information about the qualifications and business practices of Harlan Capital Partners LLC and its affiliates (“Harlan” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at (561) 467-5400 or josh@harlancapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

Please note that registration as an investment adviser with the SEC does not imply any level of skill, training or ability with respect to the provision of investment advisory services. The oral and written communications of an investment adviser provide you with information through which you determine to hire or retain an investment adviser.

ITEM 2. MATERIAL CHANGES

Since the Firm's last annual updating amendment on March 11, 2021, the Firm has updated information related to its principal place of business and phone number in Item 1 of this Brochure.

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ITEM 4. ADVISORY BUSINESS

- A. Harlan, a New York limited liability company formed in October 2010, is an investment adviser located in Palm Beach, FL. The Firm's principal owner and Chief Compliance Officer is Josh Harlan.
- B. The Firm provides investment advisory services to private fund investment vehicles (each a "Fund" and collectively, the "Funds"). In making investment decisions, the Firm, from time to time, consults with selected senior advisors with significant industry experience. Harlan provides discretionary investment management services to the Funds in accordance with the applicable limited partnership agreements, private placement memoranda, investment management agreements and other such agreements (the "Offering Documents"). The Funds rely on an exemption from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"), pursuant to either Section 3(c)(1) or Section 3(c)(7), as defined in each Fund's Offering Documents.

The Firm's investment objective for the Funds is to generate attractive risk-adjusted returns with low correlation to the equity and fixed income capital markets, with a high cash yield. Harlan will pursue its objective by investing in pooled investment vehicles, managed accounts or special purpose vehicles ("Investee Vehicles") that are managed by underlying portfolio managers ("Operators") or directly through privately negotiated transactions ("Direct Investments" and together with investments in Investee Vehicles, "Partnership Investments").

Harlan is affiliated with other entities that are general partners (each a "General Partner" and collectively the "General Partners" to the Funds). The General Partners have the overall responsibility for the management of the business and affairs of the Funds. Harlan has responsibility for the selection of Fund investments pursuant to an investment management agreement with each General Partner. The advisory services of Harlan and the overall responsibilities of the affiliated General Partners are described in this Brochure and in the Offering Documents. The information set forth herein regarding Harlan shall also apply in respect of the General Partners when appropriate and unless specifically noted.

Additionally, from time to time, Harlan reserves the right to provide (or agree to provide) certain investors or other persons, including Harlan personnel and/or certain other persons associated with Harlan or its affiliates (to the extent not prohibited by the applicable Offering Documents), co-investment opportunities (including the opportunity to participate in co-invest vehicles) that will invest in the same, or similar, Partnership Investments alongside the Funds in certain special purpose vehicles ("SPVs") (collectively with the Funds, "Clients").

- C. Harlan does not tailor advisory services to the individual or particular needs of the investors in the Clients. Such investors accept the terms of advisory services as set forth

in the Funds' Offering Documents. The Firm has a broad investment authority with respect to the Clients and, as such, investors should consider whether the investment objectives of the Clients are in line with their individual objectives and risk tolerance prior to investment.

- D. Harlan does not participate in wrap fee programs.
- E. As of December 31, 2021, Harlan managed \$224,381,524 in regulatory assets on a discretionary basis.

ITEM 5. FEES AND COMPENSATION

- A. The specific terms of Harlan's fees and compensation arrangements are set forth in each of the Fund's Offering Documents. The Firm charges a management fee, payable semi-annually in advance, equal to the product of up to 2.0% annually of aggregate investor commitments commencing upon the initial closing date through the expiration of three years following the final closing date, as further disclosed in each Fund's Offering Documents. Thereafter, the management fee will be charged on the basis of the net asset value of each investor's commitment, as further described in the Offering Documents. The Firm may, at its discretion, waive, reduce, or calculate differently the management fee for certain investors. Harlan will also be eligible to receive a performance-based profit allocation ("Carried Interest") with respect to realized investments. Additionally, the Firm reserves the right to make any such exemption from fees and/or Carried Interest for any co-investment SPVs. The details of such fees, or the exemptions thereof, will be disclosed in the Offering Documents of the related SPV.
- B. Harlan deducts the management fee from the Funds' accounts semi-annually in advance, as further disclosed in each Fund's Offering Documents.
- C. In addition to the management fees described above, each Client is responsible for certain of its operating expenses as disclosed in each Client's Offering Documents. These expenses include all organizational expenses and expenses associated with each Fund offering, including legal, filing, marketing, and accounting fees. Other ongoing Fund expenses may include those related to the operation and administration of each Fund, including, without limitation: legal fees, annual investor meeting expenses, premiums for errors and omissions insurance, fidelity insurance and officers and directors liability insurance for the General Partners and Harlan (and their members, employees and agents), fees payable to any third-party service providers, auditing, tax preparation and accounting expenses and other professional fees, fees payable to the Funds' administrators and custodians, investor reporting and bookkeeping expenses (including software license fees), expenses related to compliance with applicable regulatory and/or reporting requirements with respect to the Funds, expenses related to compliance by the General Partners, Harlan or their affiliates with applicable regulatory and/or reporting requirements with respect to the management and/or sponsorship of the Clients that may be imposed by certain regulatory bodies including the costs of registering as an investment adviser and maintaining such registration, corporate licensing fees, annual fees payable to governmental authorities, as applicable, due diligence costs (including travel expenses and any broken-deal fees or expenses) related to investment selection and ongoing monitoring and operational diligence with respect to investment opportunities (whether or not consummated) and existing investments, interest expense associated with any borrowing by the Funds, and the Clients' pro rata share expenses of each Investee Vehicle in which it invests, including commissions, interest expense, custodial fees and other trading expenses, general overhead and administrative expenses and compensation to a General Partner or

Harlan of each such Investee Vehicle, as applicable. For a more complete description of the expenses associated to each Client, please review the applicable Offering Documents.

Expenses paid by the Funds are allocated among any related co-investment vehicles that participate in the activities and/or investments or potential investments generating such expenses; however, in the event that a co-investment opportunity is not consummated, and prospective investors do not agree to bear their share of any broken deal expenses, such expenses will be considered operating expenses and be borne by the applicable Funds.

- D. The Funds are expected to pay management fees, in advance, on a semi-annual basis, as further disclosed in each Fund's Offering Documents. In the unlikely event that Harlan does not provide services for a full period, or if accounts are terminated according to the terms set out in each Fund's Offering Documents, before the end of the relevant period, a pro-rated fee will be returned to the Fund.
- E. Neither Harlan nor any of the Firm's supervised persons will accept compensation for the sale of securities or other investment products.

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

As mentioned in Item 5 of this Brochure, the Firm receives performance-based fees, in the form of Carried Interest from the Clients. Harlan is entitled to receive Carried Interest distributions from the Clients based on realized gains from investments, generally above a performance benchmark as described in each Client's Offering Documents.

Carried Interest distributions may create an incentive for the Firm to cause the Clients to make investments which may be riskier or more speculative than those which would be made under a different fee arrangement. However, the Firm is committed to fulfilling its fiduciary duty to the Clients and to act at all times in the best interest of the Clients. To this end, the Firm has implemented internal controls to address the potential conflicts associated with Carried Interest.

All Carried Interest are charged in accordance with Rule 205-3 of the Advisers Act, whereby each investor that is charged a performance fee must be a "Qualified Client." To be considered a Qualified Client, an individual must have a net worth of \$2.2 million (excluding their primary residence) or have at least \$1.1 million of assets under management with Harlan.

ITEM 7. TYPES OF CLIENTS

As further described in Item 4 of this Brochure, the Firm currently provides investment advice to the Clients, which are private fund investment vehicles exempt from registration under the Investment Company Act. These Clients will be limited to individuals and entities that meet the criteria of “accredited investors” and “qualified clients,” “qualified purchasers,” or “knowledgeable employees.”

Prospective investors should refer to the Offering Documents of each respective Client for information on minimum investment requirements. Typically, Harlan will require a minimum investment of up to \$2,000,000; although, Harlan maintains discretion to individually waive, increase or reduce the minimum investment required.

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

- A. Harlan will pursue its objective by making Direct Investments in, and targeting Operators pursuing strategies across, four key market segments including media and intellectual property, real assets, financial assets and specialty lending. The strategies targeted by Harlan typically have the following characteristics: attractive absolute returns with low correlation to equity and fixed income capital markets; high current cash yields; returns driven by contractual rights to cash flow, providing a margin of safety (although embedded upside optionality may be provided by equity kickers and other structures or catalysts); and value-oriented buy-and-hold investing, rather than short-term trading strategies. Investing in securities or other instruments within the Clients involves a risk of loss of all or part of an investor's own investment, which each investor should be prepared to bear.

A full description of the Firm's investment strategy and processes are included in each of the Client's Offering Documents.

- B. *Listed below are some of the risks associated with an investment in the Clients. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in the Clients' investment strategies. For a complete explanation of the Clients' relevant investment strategies and their associated risks, investors should review the relevant Offering Documents, which contain additional explanations of strategies, risks and other related details not discussed below.*

Dependence on Operators. The success of certain Clients will critically depend upon the efforts of Harlan to select successful Investee Vehicles and Operators. Although Harlan will seek to select only Operators who will invest the Clients' assets with the highest level of integrity, the Firm's investment selection process cannot ensure that selected Operators will perform as desired and Harlan will have no control over the day-to-day operations of any of its selected Operators.

Access to Operators. In some cases, certain Clients may not be able to gain access to or invest with desired portfolios or Operators because the Clients do not meet eligibility or minimum investment requirements of the portfolio, or the Operator is not accepting additional investors at that time. Although the Clients may want to invest in a particular entity, they may not be permitted to do so for a variety of reasons beyond the control of Harlan.

Timeliness and Accuracy of Information from Investee Vehicles. Harlan generally will receive periodic reports from Investee Vehicles at the same time as any other investor in the Investee Vehicles. The Firm will request detailed information on a continuing basis from each Operator regarding the Investee Vehicles' historical performance, and the Investee Vehicles' current holdings and investment strategies. However, Harlan may not always be provided with detailed information regarding all

the investments made by the Operators because certain details of this information may be considered proprietary information by the Operators. Additionally, information received from the Operators may not always be accurate or timely. This lack of access to, or untimeliness or inaccuracy of, information provided by Operators may make it more difficult for the Clients to select, allocate among, and evaluate Client investments.

Valuation. Harlan must generally rely on the valuations of Investee Vehicles established by Operators with little or no ability to verify those valuations. Many of the investments held by the Investee Vehicles will not be traded on an exchange and will have a limited market for resale. In valuing such instruments, the Operators will have broad discretion to establish fair value based upon representative bids received from dealers, recent sales of similar securities, and pricing models. In addition, the management fee, as well as the fees charged by the Investee Vehicles, will be based on the valuations of securities assigned by the Investee Vehicles and Operators and may therefore be subject to inaccuracies.

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

Investment and Trading Risks in General. All investments made by the Clients risk the loss of capital. The Investee Vehicles may utilize investment techniques which can, in certain circumstances, maximize the adverse impact to which the Clients may be subject. No guarantee or representation is made that each Client's program will be successful, and investment results may vary substantially over time.

High Risk Investments. The Clients, through investments in Investee Vehicles or Direct Investments, acquire assets secured by high-risk collateral, including financial assets such as subordinated loans and other debt and equity co-investments; real estate (including distressed commercial and residential real estate) and other real assets securing commercial and industrial loans; bankruptcy claims, royalty payments, intellectual property, pre-settlement litigation payments, small business administration loans and other liens on high-risk collateral, or notes or pledges made by high-risk borrowers, including sub-prime and non-performing loans. Such assets generally carry

below-investment grade credit ratings, or lack credit ratings altogether. These assets and/or the loans underlying these types of assets may be in default or may have a greater than normal risk of future defaults, delinquencies, bankruptcies or fraud losses. There can be no assurance that the assets will perform, the borrowers will pay as expected, or, if defaulted, that the underlying assets will be able to be foreclosed upon and liquidated in a cost effective manner. In addition to the risks of borrower default, such investments will be subject to a variety of risks in connection with such debt instruments, including risks arising from mismanagement or a decline in the value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the right of each Client's or the Investee Vehicle's exercise of contractual remedies for defaults on such investments.

Other Clients of Operators. The Operators will have exclusive responsibility for making investment decisions for the Investee Vehicles. The Operators will have various levels of experience. Additionally, the Operators may also manage other accounts (including other funds and accounts in which the Operators may have an interest) which may employ different or similar trading strategies, and which together with accounts already being managed could increase the level of competition for the same investments the Investee Vehicle might otherwise make. This could make it difficult or impossible to take or liquidate a position in a particular security or futures at a price indicated by an Operator.

Cybersecurity. Harlan, the Clients, the Operators and their third-party service providers are susceptible to operational and information security risks. While third-party service providers have procedures in place with respect to information security, their technologies may become the target of cyber-attacks or information security breaches that could result in the unauthorized gathering, monitoring, release, misuse, loss or destruction of Harlan's, the Clients' or an Operator's confidential and other information, or otherwise disrupt the Clients' or an Operator's operations or those of any third-party service providers. Disruptions or failures in the physical infrastructure or operating systems that third-party service providers, or cyber-attacks or security breaches of the networks, systems, or devices that third-party service providers use to service the Firm's, the Clients' or the Operator's operations, could disrupt and impact the service providers' and Harlan's, the Clients' or an Operator's operations, potentially resulting in financial losses, the inability to process transactions, inability to calculate valuations, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. The third-party service providers' policies and procedures with respect to information security have been established to seek to identify and mitigate the types of risk to which the Firm, the Clients, the Operator and the third-party service providers are subject. As with any risk management system, there are inherent limitations to these policies and procedures as there may exist, or develop in the future, risks that have not been anticipated or identified. There can be no assurance that the

Firm, the Clients, the Operators or the third-party service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

Substantial Fees, Expenses and Performance-Based Charges. An investor will incur certain costs associated with the various administrative and investment management services provided to the Funds. The Funds will pay a Management Fee to Harlan and provide for a performance-based Carried Interest to the applicable General Partner for providing administrative and investment management services, including, but not limited to, identifying Operators, Investee Vehicles and Direct Investments for investment by the Funds, and, indirectly, fees and incentive fees or allocations to the Operators for similar services provided on behalf of the Investee Vehicles. It is possible that, in any accounting period, one or more Operators may receive performance-based compensation even though each Client as a whole suffers a loss. Additionally, the fees and expenses of operating the Funds may be substantial. The Investee Vehicles and the Funds may incur fees and expenses including, without limitation, fees and expenses for accounting and legal services, financial consulting, borrowing charges, custodial fees and bank service fees and premiums for insurance.

Force Majeure. Harlan's strategies and investments on behalf of its Clients may be affected by force majeure events (i.e., events beyond Harlan's control, including acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes). Certain force majeure events (such as war or an outbreak of an infectious disease that becomes a global pandemic) could have a broader negative impact on the world economy and international business activity generally. In particular, such events may materially and adversely impact the value and performance of the Clients, their ability to source, manage and divest investments and their ability to achieve their investment objectives. In addition, the operations of the Clients and their respective general partners and managers may be significantly impacted, or even temporarily or permanently halted, as a result of required office closures, government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to the force majeure event. Any one or any combination of the foregoing may therefore adversely affect performance.

C. Harlan does not recommend a particular type of security.

ITEM 9. DISCIPLINARY INFORMATION

There have been no legal or disciplinary events involving either Harlan or any of its management persons that are material to the Firm's advisory business.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- A. Neither Harlan nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Harlan nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Harlan was engaged by a real estate investment company (the “Company”) to act as a finder with respect to introduction of the Company to an investor. Previous to this relationship, Harlan had made an investment into a real estate investment trust managed by the Company. As a finder, Harlan’s sole undertaking and agreement was introducing a client to the Company. The engagement was non-exclusive and the Company had no obligation to enter into a transaction with the investor and Harlan had no obligation to introduce any other investors to the Company. With respect to the transaction, Harlan’s obligation was limited to making an introduction and it was not involved in negotiating the terms of any transaction, nor was the Firm involved in conducting due diligence on the suitability of the investor or the transaction. The Company acknowledged that Harlan had been retained solely as a finder to the Company and was engaged as an independent contractor. The Company further acknowledged that Harlan did not act as an agent of the Company or in a fiduciary capacity with respect to the Company or its clients or investors and that Harlan did not assume any duties or obligations other than those expressly set forth in the applicable agreement. Harlan does receive certain fees from the Company associated with the investment as further outlined in Harlan’s agreement with the Company. The Firm does not believe that this relationship presents any material conflicts of interest to the Clients. Should an actual or potential conflict arise in the future, Harlan will adopt policies and procedures to manage, mitigate and/or disclose the conflict accordingly.
- D. Harlan does not recommend or select other investment advisers for its Clients to which it receives compensation directly or indirectly from those advisers.

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

- A. Through Harlan's service as an investment adviser, there may arise many potential conflicts of interest, including, but not limited to, those identified below. Harlan adopts and continues to adopt, policies and procedures to address such potential conflicts of interest. Harlan has adopted a Code of Ethics (the "Code"), which describes the Firm's fiduciary duties and responsibilities to its Clients, requires that the Firm's employees act in the best interests of the Clients to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Clients to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. Harlan's employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate parties of any actual or suspected violations of such laws by Harlan or its employees. Initially, upon hire, and on an annual basis thereafter, Harlan requires that all employees certify their receipt, review, understanding and compliance with the provisions of the Firm's Code.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of the Firm's employees. The Code prohibits personal securities transactions of issuers who have been placed on the Firm's restricted list, and requires written pre-approval for all initial-public offerings and private placements. The Code requires employees to report all securities transactions and provide a summary of securities holdings initially upon hire and on an annual basis thereafter. The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions. Harlan will provide a complete copy of the Code to any client or prospective client upon request sent to Josh Harlan at josh@harlancapital.com.

- B. From time to time, consistent with the Clients' investment objectives and subject to satisfaction of the policies and procedures set forth in the Code and in Harlan's compliance manual (the "Compliance Manual"), the Firm may recommend that a Fund acquire or sell securities in which a related person of the Firm has a pre-existing direct or indirect interest. A potential conflict of interest could arise in that the interested related person of the Firm could benefit from such a purchase or sale of the applicable security by a Client. However, the Firm has policies and procedures designed to identify and manage conflicts of interest to the extent they arise in connection with such transactions.
- C. From time to time, subject to satisfaction of the Firm's policies and procedures, Harlan or a related person of the Firm may invest in the same securities that are bought or sold for the Clients. A potential conflict of interest could arise in that the Firm or the

interested related person of Harlan could benefit from a Fund's ownership of, or subsequent sale of, the applicable security. However, Harlan's Code and the Compliance Manual are designed to identify and manage conflicts of interest to the extent they arise in connection with the personal securities transactions and other investment activities of Harlan's related persons. In particular, the Code requires that Harlan's related persons abide by policies and procedures, including a pre-clearance procedure, in connection with certain investment activities, and such activities are monitored under the Code to ensure compliance with such policies and procedures.

- D. From time to time, in appropriate circumstances and subject to satisfaction of the policies and procedures set forth in the Code, the Compliance Manual and the Clients' Offering Documents, Harlan personnel may invest in the same securities or related securities as the Clients; however, the Firm generally prohibits employees from transacting in a security at or about the same time that a Client transacts in such security, without prior approval. The Firm's Code and Compliance Manual are designed to identify and manage conflicts of interest to the extent they arise in connection with such transactions.

Other Potential Conflicts of Interest: Listed below are certain potential conflicts of interests associated with an investment in the Clients. The following explanation of certain conflicts of interest is not exhaustive, but rather highlights some of the more significant potential conflicts involved with investing in the Clients. For a complete explanation of the Clients' relevant conflicts of interest, investors should review the relevant Client's Offering Documents, which contain additional explanations of those not discussed below.

Time and Attention of Investment Professionals. The members, officers, and employees of the Firm and its affiliates will devote only so much of their time to the activities of each Client as they deem necessary and appropriate. In particular, Harlan continues to be involved in managing the activities of all the Clients. Harlan and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships, or from engaging in other business activities (*as disclosed in Item 10*), even though such activities may be in competition with the Clients and/or may involve substantial time and resources of the Harlan or its affiliates. These relationships could be viewed as creating a conflict of interest in that the time and effort of the members, officers, and employees of Harlan and its affiliates will not be devoted exclusively to the business of the Clients, but will be between the business of the Clients and the management of assets for such other clients, funds, or other business interests. Harlan will act fairly when determining the amount of time and attention members, officers and employees of the Firm and its affiliates devote to the Clients and other business activities.

Allocation of Investment Opportunities. Certain Clients, including those that are not in existence at the date of this Brochure, follow an identical or similar investment

strategy as that employed by previous Clients. Allocation of investment opportunities among the Clients will be subject to Harlan's allocation procedures, which generally provide that investments will be allocated in the Firm's sole discretion while taking into account the best interests of the Clients. Allocations will not necessarily be pro rata to available capital and consider the following factors, among others: investment programs/guidelines and portfolio positions of the Clients; concentration limits and other investment limitations of the Clients; the amount of unfunded commitments or available capital of each of the Clients; the applicable tax, legal and regulatory restrictions of the Clients; and other factors and considerations deemed relevant.

Harlan, because of differing investment objectives, different investment teams or other factors, may cause one or more of its Clients to take investment positions different from those taken by other Clients, including positions opposed to those held by a Client, or senior or junior to those held by a Client. To the extent that a Client holds interests that are different, or more senior or junior, than those held by such others, Harlan may be presented with decisions involving circumstances where the interests of such others are in conflict with those of such Client, including, among others, terms and the targeted returns for an investment and the timeframe for and method of exiting the investment. Furthermore, it is possible that, in a bankruptcy proceeding or otherwise, a Client's interest may be subordinated or otherwise adversely affected by virtue of such others' involvement and actions relating to their investment. For example, a debt holder of a company may be better served by the company's liquidation, in which case it may be paid in full, whereas a Client may hold equity and prefer a reorganization that could create value for such Client and other equity holders.

The Firm allocates co-investment opportunities to strategic and other investors and/or one or more investors if the size and type of the investment makes it impractical or imprudent for each Fund to acquire 100% of the investment for its own account, as determined by Harlan in its sole discretion. Co-investment opportunities may be allocated to one or more investors on an investment by investment basis based on a variety of factors, including without limitation: (i) the current investment amount in the Funds (if any); (ii) the ability to efficiently arrange for participation in such co-investment opportunity on a timely basis; and (iii) the investor's strategic status with respect to such co-investment opportunity. Such arrangements may create a conflict to the extent they are allocated on a basis other than pro rata among all Funds and accounts with a similar investment strategy. Harlan will act fairly when determining the allocation of such co-investment opportunities amongst the various parties.

ITEM 12. BROKERAGE PRACTICES

- A. Harlan will provide investment advice to the Clients primarily with regards to Partnership Investments. As such, the Firm's transactions on behalf of the Clients are normally privately negotiated and may not involve the use of a broker or dealer for the execution of Client transactions. In those cases, the Firm will seek to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to the Clients. Due to the nature of the Firm's investment advice and relationship with the Clients, Harlan does not expect to recommend or select broker-dealers for transactions in the Clients. In rare cases where the Firm determines to utilize a broker or a dealer to transact on behalf of the Clients, the Firm shall evaluate such broker or dealer based on a range of factors, including without limitation commission price, willingness to commit capital, ability to execute the desired transaction and other factors. As a fiduciary, Harlan must execute securities transactions in such manner that each Client's total cost or proceeds in each transaction is the most favorable under the circumstances. The determinative factor is whether the transaction represents the best qualitative execution for the account and not whether the lowest possible commission cost was obtained. Thus, the Firm will consider the full range and quality of a broker's service in selecting or recommending brokers to meet best execution obligations, including the ability to access or otherwise execute large transactions in the public market. Harlan may not pay the lowest commission rate available. As a starting point, though, the primary consideration is the trade price and commission quoted by the broker-dealers.
- B. As noted above, the investment advisory services provided by the Firm to the Clients will generally be in relation to Partnership Investments, for which the aggregation of orders is not applicable.

ITEM 13. REVIEW OF ACCOUNTS

- A. The Clients' Partnership Investments are continually monitored and reviewed by the investment team. The investment committee will be responsible for, among other things, reviewing the Partnership Investments in the context of the Clients' stated objectives and monitoring for portfolio and risk management.
- B. More frequent reviews may be triggered by material changes in key variables that may affect the performance of the Partnership Investments, including, without limitation, changes in the financial markets, activity and trends in the political or economic environment, as well as the specific circumstances effecting the Clients.
- C. Audited financial statements are annually provided to Client investors.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

- A. Harlan does not receive an economic benefit from anyone, other than its Clients, for providing investment advice or other advisory services to the Clients. The Firm did receive an economic benefit as a finder for the Company, as further disclosed in Item 10.
- B. Harlan does not directly or indirectly compensate any person who is not its supervised person for Client (or investor) referrals.

ITEM 15. CUSTODY

Harlan is deemed to have custody of the assets of each Client because Harlan or an affiliate serves as each Client's General Partner. Harlan and/or such General Partner can withdraw a Client's cash and/or securities held with a custodian upon Harlan and/or such General Partner's instruction to the custodian. Therefore, Harlan is subject to the Custody Rule.

Harlan elects to use the audit provision to satisfy the Custody Rule. The CCO ensures that all privately offered securities, not held at a qualified custodian, do not violate the "Private Security Exemption" provided in the Custody Rule, so long as such securities are (i) acquired from the issuer in a transaction not involving any public offering, (ii) uncertificated (with ownership recorded only on the books of the issuer or its transfer agent in the name of each Client), and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer. The Firm is responsible for arranging for annual independent audits of the Clients' financial statements by an accounting firm, registered with and subject to inspection by the Public Company Accounting Oversight Board. These audited financial statements are prepared in accordance with Generally Accepted Accounting Principles and delivered to investors in accordance with the established regulatory deadlines per each type of Client following its fiscal year end (provided that the underlying investments successfully complete their own audits in a timely fashion).

ITEM 16. INVESTMENT DISCRETION

Harlan accepts discretionary authority to manage assets and securities on behalf of its Clients through the investment management agreement with the Clients. The investors generally do not have the ability to place any limits on Harlan's authority beyond the limitations set forth in the Offering Documents of the applicable Client.

ITEM 17. VOTING CLIENT SECURITIES

- A. While the securities evidencing the investments made by the Clients are not typically the subject of proxies, there could be certain circumstances where Harlan, having discretionary authority over the accounts of the Clients, may be asked to vote the securities of such Clients on restructuring or other corporate matters. Harlan has adopted a proxy voting policy as required by the Advisers Act. While unlikely, the Firm's investment strategy may involve the acquisition of publicly traded securities with voting authority, and as such, the Clients may be placed in a position of proxy voting authority. If Clients do come into possession of securities with proxy voting rights, the Firm has the authority to vote proxies and will do so in its sole judgement and in the best interest of its Clients. To the extent Harlan receives proxy voting authority, the Firm generally believes that company management is best suited to make the decisions that are essential to the ongoing operation of the company. Therefore, Harlan will generally vote proxies in line with company management. However, under circumstances where the Firm believes that company management's proposal will not maximize value for the Firm's Clients, Harlan will vote against company management. Harlan's proxy voting policy includes guidelines for voting against company proposals as well as guidance for situations where a proxy vote may present a conflict of interest to ensure that such conflict is resolved in the best interest of the Clients. Clients may obtain information about how proxies were voted or a copy of the Firm's proxy voting policies by contacting the CCO, Josh Harlan, at josh@harlancapital.com.
- B. Not Applicable

ITEM 18. FINANCIAL INFORMATION

- A. Harlan does not require or solicit prepayment of more than \$1,200 in fees per Fund, six months or more in advance and therefore has not included a balance sheet.
- B. Harlan does not believe that there are any conditions that are reasonably likely to impair its ability to meet contractual commitments to the Clients.
- C. Harlan has never been the subject of a bankruptcy petition.