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January 2, 2024

FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of FlowStone Partners, LLC. If you have any questions about the contents of this brochure, contact us at 312-429-2419. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about FlowStone Partners, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

FlowStone Partners, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of 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.

This is FlowStone Partners, LLC's initial ADV 2A filing.

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Item 4 Advisory Business

Description of Firm

FlowStone Partners, LLC is a registered investment adviser primarily based in Avon, CT. It is organized as a limited liability company ("LLC") under the laws of the State of Delaware, and has been providing investment advisory services since 08/31/2019. It is primarily owned by FlowStone Investors, LLC.

FlowStone Partners, LLC is indirectly owned by Cresset Manager, LLC.

FlowStone Partners, LLC's clients consist of two pooled investment vehicles (1) a closed-end registered investment company (the FlowStone Opportunity Fund, a Delaware statutory trust that is registered under the U.S. Investment Company Act of 1940, as amended, as a non-diversified, closed-end management investment company) and (2) a private fund (FlowStone Opportunity Offshore Fund (Lux) SCSp, a Luxembourg special limited partnership (*société en commandite spéciale*)) ("Offshore Fund"). The Offshore Fund was formed to invest substantially all of its assets in the FlowStone Opportunity Fund: that is, the Offshore Fund was created for offshore investors who elect to invest in the FlowStone Opportunity Fund through an offshore feeder vehicle. (Further detail about FlowStone Partners, LLC's relationship with the FlowStone Opportunity Fund and the Offshore Fund is available in those funds' respective offering documents.)

The following paragraphs describe FlowStone Partners, LLC's services and fees. Refer to the description of each investment advisory service listed below for information on how FlowStone Partners, LLC tailors its advisory services to individual client needs. As used in this brochure, the words "we," "our," and "us" refer to FlowStone Partners, LLC and the words "you," "your," and "client" refer to a pooled investment vehicle as either a client or prospective client of our firm.

Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives.

If you participate in our discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions in your account. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

Types of Investments

We primarily offer advice on private equity. Refer to Item 8 *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

Assets Under Management

As of December 31, 2022, we provide continuous management services for \$522,928,312 in client assets on a discretionary basis.

Item 5 Fees and Compensation

Currently, we charge 1.25% on an annualized basis of the client's NAV for the FlowStone Opportunity Fund. We additionally receive an Incentive Fee equal to 10% of the excess, if any, of (i) the net profits of the FlowStone Opportunity Fund for the relevant period over (ii) the then balance, if any, of a Loss Recovery Account. (See the FlowStone Opportunity prospectus for further details.) The FlowStone Opportunity Fund pays and forwards the fee to us quarterly after verifying the amount's calculation.

The Offshore Fund, which is a feeder fund, does not pay a separate investment management fee.

In addition to our investment management fees, as pooled investment vehicles, clients also incur other expenses (e.g., custodian fees, administration fees, transaction costs, etc.), which are detailed in their respective offering documents.

Clients invest in private-equity direct co-investment, primary fund investments, and secondary fund investments: therefore, holding publicly traded securities and trading through broker/dealers is negligible. However, when such situations arise, clients incur brokerage and other transaction costs. (See Item 12 *Brokerage Practices*.)

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

We charge performance-based fees, as explained in Item 5 *Fees and Compensation*. However, we do engage in "side-by side management" (i.e., manage accounts with similar objectives without a performance fee).

Item 7 Types of Clients

We offer investment advisory services to investment companies and other pooled investment vehicles (other than investment companies).

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

Methods of Analysis and Investment Strategies

Methods of Analysis

Portfolio Planning

The investment process begins with portfolio planning, which is designed to provide a framework for

long-term diversification across various dimensions of the global private equity market, such as: (i) direct, secondary, and primary; (ii) buyout, venture capital, mezzanine, energy, infrastructure, distressed investments and other special situations; and (iii) investments focused in North America, Western Europe, and Foreign or Emerging Markets.

Relative Value Analysis

The second step of the investment process is to analyze changing market conditions and their effect on the relative attractiveness of different segments within the overall private equity and/or credit markets. This relative value analysis is based on general economic developments, such as business cycles, credit spreads, equity multiples, interest rates, IPO opportunities, deregulation, and changes in tax or securities law. In addition, variables specific to particular industry sectors and the overall private and/or credit markets are typically evaluated. Based on the outcome of this review, we will attempt to identify the market segments that we believe offer the most attractive investment opportunities at the relevant time.

Our relative value analysis is intended to serve as a guide for tactical capital allocation decisions within the framework of the portfolio plan. Due to the long-term nature and illiquidity of private equity and credit investments, it is generally not practical to dramatically re-allocate a portfolio over a short period of time. Accordingly, the actual allocation of client investments may deviate significantly from our general relative value views at a particular point in time.

Investment Selection

In the final step of the investment process, we seek to invest the client's capital allocated to each segment in the highest quality investments available at the relevant time. Opportunities are typically sourced through a network of existing relationships with private equity sponsors, private lenders, and other investors across the globe, and then individually evaluated by us and our affiliates' investment professionals using a structured selection process. As investment opportunities are analyzed, our investment professionals seek to evaluate them in relation to historical benchmarks, current information from us and our affiliates' existing private equity portfolios, and against each other. This comparative analysis can provide insight into the specific investments that offer the greatest value at different points in time in the various segments of the private equity market.

Investment Strategies

We use one or more of the following methods of analysis or investment strategies when providing investment advice to clients.

Portfolio construction will consist of: (i) secondary investments in portfolio funds (i.e., private equity funds managed by third-party managers) ("Secondary Investments"); (ii) primary investments in portfolio funds ("Primary Investments"); and (iii) direct co-investments in private-equity-backed operating companies ("Direct Investments"). In addition, we may invest clients in other alternative investment strategies that we expect to exhibit cash flow, risk, and returns profiles similar to traditional private equity investments.

Secondary Investments are expected to comprise 70% to 100% of the client's portfolio. Secondary Investments are interests in existing private equity funds that are acquired in privately negotiated transactions, typically after the end of the private equity fund's fundraising period. Typically, these funds have portfolios of existing investments, as well as capital available for new or follow-on investments. We will acquire interests in private equity limited partnerships that are mature (typically four to eight years old at the time of purchase) and that are in or approaching the harvest phase.

The “harvest phase” is the stage in a private equity fund’s life cycle when the fund’s manager begins to liquidate the fund’s assets through the public and/or private capital markets. This stage typically begins in years 4-6 of a fund’s life, as the investments have matured, and the investment manager has built value above cost in the individual company investments.

We will endeavor to construct a Secondary Investment portfolio highly diversified by investment strategy, global geography, vintage year, industry sector, and fund manager. Vintage year refers to the year in which a private equity fund was established. This date is typically the year in which a private equity fund holds the final closing on its fundraising activities. For example, a fund that held its final closing in December 2018, after an 18-month fundraising period would be deemed a 2018 Vintage Year Fund. Secondary Investments in which a client may invest include, but are not limited to, portfolio funds with the following investment strategies.

- *Buyout.* Control investments in established, cash flow positive companies are generally classified as buyouts. Buyout investments may focus on small-, mid- or large-capitalization companies, and such investments collectively represent a majority of the capital deployed in the overall private equity market. The use of debt financings, or leverage, is prevalent in buyout transactions — particularly in the large-cap segment.
- *Venture capital.* Investments in new and emerging companies are usually classified as venture capital. Such investments are often in technology and healthcare related industries. Companies financed by venture capital are generally not cash flow positive at the time of investment and may require several rounds of financing before the company can be sold privately or taken public. Venture capital investors may finance companies along the full path of development or focus on certain sub-stages in partnership with other investors.
- *Mezzanine.* Mezzanine is a private-equity industry term referring to subordinated debt investments made directly in operating companies. Investee companies are often private-equity-backed. Mezzanine debt is junior to most forms of debt and liabilities in the capital structure but is senior to all forms of equity. In compensation for the risk profile, mezzanine debt generally requires a higher level of interest payment to the investor, typically in some combination of cash and in-kind payments. Often, the mezzanine investor will also require equity warrants to be associated with the debt security.
- *Infrastructure.* Infrastructure is a private-equity industry term that refers to investments made directly in infrastructure projects, such as energy production plants, dams, pipelines, bridges, or other income producing facilities. These investments may be made in the form of equity, debt, revenue or profit-sharing participations, or in some combination.
- *Natural resources.* Natural resources is a private-equity industry term that refers to investments made directly in assets such as oil and gas exploration and production, oil and gas distribution,

or timber. These investments may be made in the form of equity, debt, revenue or profit-sharing participations, or some combination.

Secondary Investments in portfolio funds in the leveraged buyout private equity asset class are expected to comprise up to 90% of the client's portfolio. Secondary Investments in other private equity asset classes may comprise up to 30% of the client's portfolio. In evaluating Secondary Investments, we will focus on acquiring what we consider to be high-quality assets that are undervalued relative to our estimate of intrinsic value and/or have significant value creation potential. In addition, we will prioritize opportunities involving distressed sellers seeking liquidity, non- or less-competitive opportunities, and situations where innovative transaction structures may be applied. Through the application of this strategy, Secondary Investments may mitigate or avoid the traditional private equity J-curve (the "J-curve" is a value development pattern in which the NAV of a private-equity fund typically declines moderately during the early years of the private-equity fund's life as investment related fees and expenses are incurred before investment gains have been realized. As the fund matures and portfolio companies (i.e., client direct and indirect investments in various companies, ventures and businesses) are sold, the pattern typically reverses with increasing NAV and distributions. We will employ an investment selection process that involves detailed, bottom-up due diligence and valuation methodologies, as well as discounted cash-flow modeling to determine transaction pricing. These methodologies will generally include, but not be limited to: conversations with prospective portfolio fund managers; a review of available information on portfolio fund managers, portfolio funds, and the portfolio funds' underlying assets; comparable company analysis; capital structure analysis; and forward-looking financial performance analysis. Primary Investments are investments in newly established private equity partnerships where the underlying portfolio companies are not known as of the time of investment. Primary Investments are characterized by a gradual deployment of capital. Primary Investments in portfolio funds are expected to comprise 0% to 25% of the client's portfolio. In identifying and selecting Primary Investments, we will seek to invest in portfolio funds run by high-quality portfolio fund managers with a track record of consistent value creation and top-tier risk-adjusted rates of return. Primary Investments will be invested across all private-equity asset types, consistent with the client's Secondary Investment objective. In addition, we will employ targeted portfolio construction to build a portfolio diversified by global geography, manager, vintage year exposure, and industry sector. We will utilize top-down due-diligence processes to evaluate each fund and its manager, including, but not limited to, conversations with the manager, detailed historical track record evaluation, peer and investor references, and other quantitative and qualitative analyses, as available.

Direct Investments are private investments made directly into the equity or debt of selected operating companies in parallel with a portfolio fund and/or portfolio fund manager, often together with the management of the company. Direct Investments are expected to comprise 0% to 20% of the client's portfolio. We intend to co-invest in high-quality, private-equity-backed companies in parallel with top-tier private equity fund managers. We will prioritize Direct Investments in small and mid-cap companies with strong growth potential, reasonable valuations, market leading positions, strong margins and cash flow generation, experienced management teams, conservative and sustainable capital structures, and clearly identified follow-on investment milestones. We intend to leverage the due-diligence process and transactional expertise of other private equity fund managers and will also conduct our own due diligence before making an investment decision. Direct Investments are expected to be completed on an unpromoted basis, which may result in lower overall costs to the client versus the cost of investing through a traditional private equity fund structure. We expect that co-investing with other private equity fund managers will generate appropriate risk-adjusted returns that are accretive to the client's Secondary Investments and Primary Investments.

Other alternative investment strategies in which the client may invest include structured purchases of private equity investment managers. These purchases may include secondary purchases of existing

securities or new securities in such managers. In general, we will look for atypical private investment opportunities that provide the excess return potential of traditional private equity investments with a risk profile that reduces the overall risk when introduced into the client portfolio. These non-standard private investments are expected to comprise 0% to 20% of the client's portfolio.

Non-U.S. investments are expected to reside primarily in the United Kingdom and Western Europe and, to a lesser extent, Asia. It is expected that little to no portfolio exposure will reside in developing or emerging markets. It is expected that no more than 20% of the client's portfolio will be comprised of non-U.S. investments.

No guarantee or representation is made that the client's investment program will be successful, that the various portfolio funds selected will produce positive returns, or that the client will achieve its investment objective.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

Competition for Investment Opportunities

Clients will compete for investments with other investment funds. A significant increase in the number and/or the size of the clients' competitors in this target market could force the client to accept less attractive investment terms. Furthermore, many of client competitors are not subject to the source-of-income, asset diversification and distribution requirements registered investment company ("RIC") clients must satisfy to maintain their qualification as RICs.

Valuation for Investment-Company Investments Uncertain

Under the Investment Company Act, a RIC client is required to carry its investments at market value or, if there is no readily available market value, at fair value as determined by us, in accordance with the client's valuation procedures which have been approved by its Board of Trustees ("Board"). There is not a public market or active secondary market for many of the securities of the privately held companies in which clients intend to invest. As a result, the client will value these securities at fair value as determined in good faith by us in accordance with the valuation procedures that have been approved by the client's Board.

Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, the client's determinations of fair value may differ materially from the values that would have been used if a ready market for these non-traded securities existed. Due to this uncertainty, the client's fair value determinations may cause its NAV on a given date to materially understate or overstate the value that the client may ultimately realize upon the sale of one or more of its investments.

Limited Operating History of Client Investments

Client investments may have limited operating histories and the information the client will obtain

about such investments may be limited. As such, our ability to evaluate past performance or to validate the investment strategies of such investment will be limited. Moreover, even to the extent an investment has a longer operating history, the past investment performance of any of the investments should not be construed as an indication of the future results of such investments or the client, particularly as the investment professionals responsible for the performance of such investments may change over time. This risk is related to, and enhanced by, the risks created by the fact that we rely upon information provided to us by the issuer of the securities that is not, and cannot be, independently verified. Further, the results of other funds or accounts managed by us, which have or have had an investment objective similar to or different from that of a particular client, may not be indicative of the results that that particular client achieves.

Nature of Portfolio Companies

Client investments may include portfolio companies in the early phases of development, which can be highly risky due to the lack of a significant operating history, fully developed product lines, experienced management, or a proven market for their products. Client investments may also include portfolio companies that are in a state of distress, or which have a poor record, and which are undergoing restructuring or changes in management, and there can be no assurances that such restructuring or changes will be successful. The management of such portfolio companies may depend on one or two key individuals, and the loss of the services of any of such individuals may adversely affect the performance of such portfolio companies.

Mezzanine Investments

Clients may invest in mezzanine debt instruments, which are expected to be unsecured and made in companies with capital structures having significant indebtedness ranking ahead of the investments, all or a significant portion of which may be secured. While the investments may benefit from the same or similar financial and other covenants as those applicable to the indebtedness ranking ahead of the investments and may benefit from cross-default provisions and security over the company's assets, some or all of such terms may not be part of particular investments and the mezzanine debt will be subordinated in recovery to senior classes of debt in the event of a default. Mezzanine investments generally are subject to various risks, including: (i) a subsequent characterization of an investment as a "fraudulent conveyance;" (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing; (iii) equitable subordination claims by other creditors; (iv) so-called "lender liability" claims of the issuer of the obligations; and (v) environmental liabilities that may arise with respect to any collateral securing the obligations.

Follow-On Investments

Clients may not have the funds or ability to make additional investments in portfolio companies. After the client's initial investment in a portfolio company, the client may be called upon from time to time to provide additional funds to such portfolio company or have the opportunity to increase its investment through the exercise of a warrant to purchase common stock. Any decisions not to make a follow-on investment or any inability on the client's part to make such an investment may have a negative impact on a portfolio company in need of such an investment, may result in a missed opportunity for the client to increase its participation in a successful operation or may reduce the expected return on the investment.

Commitment Strategy

Clients may maintain a sizeable cash position in anticipation of funding capital calls. The overall impact on performance due to holding a portion of the investment portfolio in cash or cash

equivalents could be negative.

If a client defaults on its unfunded commitments or fails to satisfy capital calls in a timely manner then, generally, it will be subject to significant penalties, including the complete forfeiture of the client's investment.

Leverage

The portfolio fund managers and (subject to applicable law) the client may employ leverage through borrowings or derivative instruments and are likely to directly or indirectly acquire interests in companies with highly leveraged capital structures. If income and appreciation on investments made with borrowed funds are less than the cost of the leverage, the value of the relevant portfolio or investment will decrease. Accordingly, any event that adversely affects the value of a client investment will be magnified to the extent leverage is employed. The cumulative effect of the use of leverage by the client or the portfolio funds in a market that moves adversely to the relevant investments could result in substantial losses, exceeding those that would have been incurred if leverage had not been employed.

Investments in the Portfolio Funds Generally; Dependence on the Portfolio Fund Managers

Because clients invest in portfolio funds, an investor's investment in the client will be affected by the investment policies and decisions of the portfolio fund manager of each portfolio fund in direct proportion to the amount of client assets that are invested in each portfolio fund. The client's NAV may fluctuate in response to, among other things, various market and economic factors related to the markets in which the portfolio funds invest and the financial condition and prospects of issuers in which the portfolio funds invest. The client's success depends upon the ability of the portfolio fund managers to develop and implement strategies that achieve their investment objectives.

Portfolio Funds' Securities are Generally Illiquid

The securities of the portfolio funds in which the client invests or plans to invest will generally be illiquid. Subscriptions to purchase the securities of portfolio funds are generally subject to restrictions or delays. Similarly, clients may not be able to dispose of portfolio fund interests that they have purchased in a timely manner and, if adverse market conditions were to develop during any period in which the client is unable to sell portfolio fund interests, the client might obtain a less favorable price than that which prevailed when it acquired or subscribed for such interests, and this may negatively impact the NAV of the client.

Portfolio Fund Operations Not Transparent

We do not control the investments or operations of the portfolio funds. A portfolio fund manager may employ investment strategies that differ from its past practices and are not fully disclosed to us and that involve risks that are not anticipated by us. Some portfolio fund managers may have a limited operating history, and some may have limited experience in executing one or more investment strategies to be employed for a portfolio fund. Furthermore, there is no guarantee that the information given to the client's administrator and reports given to us with respect to the client's investments will not be fraudulent, inaccurate or incomplete.

Valuation of the Client's Interests in Portfolio Funds

The valuation of the clients' investments in portfolio funds is ordinarily determined based upon valuations provided by the portfolio fund managers of such portfolio funds, which valuations are generally not audited. A majority of the securities in which the portfolio funds invest will not have a

readily ascertainable market price and will be valued by the portfolio fund managers. In this regard, a portfolio fund manager may face a conflict of interest in valuing the securities, as their value may affect the portfolio fund manager's compensation or its ability to raise additional funds. As a result, valuations of the securities may be subjective and could prove in hindsight to have been wrong, potentially by significant amounts.

A portfolio fund manager's information could be inaccurate due to fraudulent activity, misvaluation or inadvertent error. In any case, the client may not uncover errors for a significant period of time. Even if we elect to cause the client to sell its interests in such a portfolio fund, the client may be unable to sell such interests quickly, if at all, and could therefore be obligated to continue to hold such interests for an extended period of time. In such a case, the portfolio fund manager's valuations of such interests could remain subject to such fraud or error, and we may, in our sole discretion, determine to discount the value of the interests or value them at zero.

Situations involving uncertainties as to the valuations by portfolio fund managers could have a material adverse effect on the client if the portfolio fund manager's or our judgments regarding valuations should prove incorrect.

General Risks of Secondary Investments

The overall performance of the clients' secondary investments will depend in large part on the acquisition price paid, which may be negotiated based on incomplete or imperfect information. Certain secondary investments may be purchased as a portfolio, and in such cases the client may not be able to exclude from such purchases those investments that we consider (for commercial, tax, legal or other reasons) less attractive. Where the client acquires a portfolio fund interest as a secondary investment, the client will generally not have the ability to modify or amend such portfolio fund's constituent documents (e.g., limited partnership agreements) or otherwise negotiate the economic terms of the interests being acquired. In addition, the costs and resources required to investigate the commercial, tax and legal issues relating to secondary investments may be greater than those relating to primary investments.

Contingent Liabilities Associated with Secondary Investments

Where the client acquires a portfolio fund interest as a secondary investment, the client may acquire contingent liabilities associated with such interest. Specifically, where the seller has received distributions from the relevant portfolio fund and, subsequently, that portfolio fund recalls any portion of such distributions, the client (as the purchaser of the interest to which such distributions are attributable) may be obligated to pay an amount equivalent to such distributions to such portfolio fund. While the client may be able, in turn, to make a claim against the seller of the interest for any monies so paid to the portfolio fund, there can be no assurance that the client would have such right or prevail in any such claim.

Risks Relating to Secondary Investments Involving Syndicates

The client may acquire secondary investments as a member of a purchasing syndicate, in which case the client may be exposed to additional risks including (among other things): (i) counterparty risk, (ii) reputation risk, (iii) breach of confidentiality by a syndicate member and (iv) execution risk.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required

disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with UMB, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

Affiliated Entities

We are affiliated with Cresset Asset Management, Cresset Partners LLC and True Capital Management LLC--all investment advisers--through common control and ownership. Cresset Partners LLC is also a sponsor of limited partnerships. Cresset Asset Management may recommend that its clients invest in our clients (i.e., pooled investment vehicles we manage).

These affiliations present potential conflicts of interest with our clients pertaining to: competition for investments; referral of investment opportunities; and clients of Cresset Asset Management investing in our clients. These conflicts are addressed through disclosure, waiver and other means: for further discussion of these items, please see the FlowStone Opportunity Fund and the Offshore Fund's respective offering documents.

We act as the investment adviser to a RIC. Certain of our personnel, including executive officers of our firm, may also serve in a control capacity for the RIC. The compensation of these personnel may be based, in part, upon the profitability and growth of the RIC.

We are involved in valuation of the RIC's assets, which presents a potential conflict of interest because we would benefit from higher valuations of the RIC's portfolio, since they would result in greater investment management fees payable to us. To mitigate this conflict, the RIC has established valuation procedures, which provide for, among other things, Board oversight of the valuation process.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, nonpublic information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client

transactions beyond the provision of investment advisory services as disclosed in this brochure.

Item 12 Brokerage Practices

Because of the private-equity focus of clients' investments, trading in publicly traded securities is infrequent--most likely being the result of an in-kind distribution from portfolio funds, which clients in turn sell promptly, with any associated trading costs being immaterial. When trading costs are material, we seek to recommend a broker that will execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- capability to buy and sell securities for your account itself or to facilitate such services;
- the likelihood that your trades will be executed;
- overall quality of services;
- competitiveness of price;
- reputation, financial strength, and stability; and
- existing relationship with our firm and our other clients.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Economic Benefits

We do not receive economic benefits from brokers beyond execution of client transactions.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We do not recommend, request, require or permit a client to direct transactions to a particular broker.

Aggregated Trades

We currently only trade securities for one client, the FlowStone Opportunity Fund. Therefore, we do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "aggregated trading").

Item 13 Review of Accounts

Our Investment Committee will monitor and review your accounts on an ongoing basis to ensure the advisory services provided to you are consistent with your investment needs and objectives. The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will provide you with quarterly written reports.

Item 14 Client Referrals and Other Compensation

We do not receive any economic benefits from third parties for providing advisory services to clients.

Nor do we compensate any third party for client referrals.

Item 15 Custody

We do not directly debit advisory fees from your account, and we do not exercise custody over your funds or securities, except for private investment companies as described in the sub-section immediately below. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities. If you have a question regarding your account statement or if you did not receive a statement from your custodian, contact your custodian directly.

Private Investment Companies

We serve as the investment adviser to the Offshore Fund, a private pooled investment vehicle in which our clients are not solicited to invest. The Offshore Fund is offered to certain sophisticated investors, who meet certain requirements under applicable securities laws. Investors to whom the Offshore Fund is offered will receive a private placement memorandum and other offering documents. While we do not charge separate advisory fees to the Offshore Fund, the Offshore Fund charges other fees. You should refer to the offering documents for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Offshore Fund.

In our capacity as investment adviser to the Offshore Fund, we will have access to its cash and securities, and therefore have custody over such cash and securities. We provide each investor in the Offshore Fund with audited annual financial statements. If you are an Offshore Fund investor and have questions regarding the financial statements or if you did not receive a copy, contact us directly at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign a discretionary management agreement and the appropriate trading authorization forms.

Item 17 Voting Client Securities

We will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for you. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we will not base votes on social considerations.

Except in the case of a conflict of interest as described below, we do not accept direction from you on voting a particular proxy.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and

nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

We keep certain records required by applicable law in connection with our proxy voting activities. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

Item 18 Financial Information

We have not filed a bankruptcy petition at any time in the past ten years.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser, and therefore, we are not required to respond to this item.

Item 20 Additional Information

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit, nor whether you are eligible to participate in class action settlements or litigation; nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.