

Form ADV Part 2A: Firm Brochure



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March 29, 2024

This brochure provides information about the qualifications and business practices of Compass Group Management, LLC (“Compass” or the “Firm”, or “we”, “us” or “our”). If you have any questions about the contents of this brochure, please contact Katie Cason, Compass’ Chief Compliance Officer (“CCO”) at katiec@cgep.com or (314) 384-1117. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Compass is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

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

ITEM 2 – MATERIAL CHANGES

While there have been no material changes since Compass' previous Form ADV filing in March 2023, this Brochure has been revised to more accurately reflect our business practices and operations and more closely align with our governing fund documents.

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ITEM 4 – ADVISORY BUSINESS

Compass Group Management, LLC (“**Compass**,” the “**Firm**,” “**we**,” “**us**” or “**our**”), a Missouri Limited Liability Company, was organized in 2015 and is headquartered in St. Louis, MO. Compass is a wholly owned subsidiary of Compass Group Holdings, LP (“**Compass Group Holdings**”), which is ultimately owned by Mr. John Huhn and Mr. Chris Gibson through entities under their control. Messrs. John Huhn and Chris Gibson control and are the principals of Compass and Compass Group Holdings. Compass invests in lower middle-market companies, bringing to management a mix of capital, hands-on support, and value-add expertise to accelerate growth, exceed historical performance and add value to a business.

Compass provides investment advisory services to privately pooled private equity funds exempt from registration under the Investment Company Act of 1940 (“Investment Company Act”) (each, a “**Fund**” and collectively, the “**Funds**”). Compass also provides discretionary investment advisory services to co-investment special purpose funds established to invest alongside a fund in a single portfolio company (each, a “**Co-Investment Fund**” and collectively with the Funds, the “**Funds**” unless the context otherwise requires). In limited circumstances, as more fully described in Item 7 below, the Firm permits certain investors and third parties to co-invest alongside a Fund directly into a portfolio company. Unlike the Co-Investment Funds mentioned above, such direct co-investments are not considered Funds or clients of Compass.

Each Fund is affiliated with a general partner (each, a “**General Partner**” and collectively, the “**General Partners**”). The General Partners have ultimate responsibility for decisions relating to management and operations made on behalf of the Funds and have ultimate responsibility for the investment decisions made on behalf of the Funds. Each General Partner has delegated investment management and advisory responsibilities for the Funds to Compass. For purposes of this Brochure, references to Compass shall include the General Partners, unless the context otherwise requires.

The Funds invest through privately negotiated transactions in operating companies, generally referred to as “portfolio companies”. Each portfolio company has its own independent management team responsible for managing its day-to-day operations, although (i) members of Compass or representatives appointed by the Firm are expected to serve on the boards of, or otherwise act to influence control of the management of, such portfolio companies and will therefore have a significant impact on the long-term direction of the company, including at times the selection of management team members and (ii) in some cases, Compass will more directly influence the day-to-day management of a portfolio company by recruiting and installing certain individuals in various leadership roles, such as chief executive officer, chief operating officer, chief financial officer or other roles. Compass’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions of such investments. Investments are made predominantly in lower middle market nonpublic companies.

Compass will manage the Funds pursuant to investment guidelines set forth in the relevant governing and offering documents of each Fund, including any Limited Partnership Agreement, Investment Management Agreement, Private Placement Memorandum and/or Subscription

Agreement (each, an “**Offering Document**,” and collectively, the “**Offering Documents**”). The Offering Documents contain more detailed information about the Funds, including a description of the investment objective and strategy or strategies employed by the Funds and related restrictions that serve as a limitation on Compass’ advice or management.

Compass will not tailor its advisory services to the individual investors in a particular Fund (each an “**Investor**” or “**Limited Partner**” and collectively the “**Investors**” or “**Limited Partners**”), or provide Investors with the right to specify, or restrict a Fund’s investment objectives or any investment decisions.

Investors in the Funds participate in the overall investment strategy for the applicable Fund and generally cannot be excused from a particular investment except in certain circumstances pursuant to the terms of the applicable Offering Documents. In accordance with industry common practice, Compass has entered into side letters or similar agreements with certain Investors including those who make substantial commitments of capital or were early-stage Investors in the Funds, or for other reasons in the sole discretion of Compass, in each case that have the effect of establishing rights under, or altering or supplementing, a Fund’s Offering Documents. Examples of side letters entered into include provisions whereby Investors have expressed an interest in participating in co-investment opportunities, Limited Partner advisory committee representation, certain fee arrangements, notification provisions, opt-out rights, reporting requirements and “most favored nations” provisions, among others. These rights, benefits or privileges are not always made available to all Investors, consistent with the Offering Documents and general market practice. Commencing in March 2025, Compass will make required disclosure of certain side letters to all Investors (and in certain cases, to prospective Investors) in accordance with the new Private Fund Rule. Side letters are negotiated at the time of the relevant Investor’s capital commitment, and once invested in a Fund, Investors generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more Investors will not in certain cases disadvantage other Investors.

Compass does not participate in wrap fee programs.

As of December 31, 2023, Compass managed \$430,211,313 in regulatory assets under management (“**RAUM**”), all on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Management Fee

As an investment adviser to the Funds, and as further described in each Fund’s Offering Documents, Compass will be entitled to receive an annual management fee (the “**Management Fee**”) from the Funds, calculated and payable quarterly in advance. Until the earlier of the end of the Investment Period (which will generally be five years from the date of the initial closing of each Fund) or the date on which Compass becomes entitled to a management fee from a successor fund (the “**Stepdown Date**”), the Management Fee for each Limited Partner will generally equal 2% of such Limited Partner’s commitment. Subsequent to that date, the Management Fee for each

Limited Partner will generally equal 2% of such Limited Partner's Capital Contributions with respect to investments that have not been disposed of or permanently written down. The amount of Management Fees generally will not correspond with fluctuations in a Fund's net asset value, including following the Stepdown Date, and will not be reduced in connection with any write-downs, except in the case of investments that have been permanently written down. Permanent write-down determinations are made at the discretion of the valuation committee in accordance with the relevant Offering Documents and the Firm's valuation policy.

Compass is permitted, at any time and in its sole and absolute discretion to defer all or any portion of the aggregate Management Fee payable by a Fund, and may defer, waive, reduce or calculate differently all or any portion of the Management Fee with respect to any Limited Partner. Affiliates of Compass that are also a Limited Partner, including but not limited to, principals, members, and/or employees, will not pay any Management Fee.

The Management Fee can be paid from drawdowns of capital commitments, from borrowings incurred by a Fund, or from proceeds that would otherwise have been distributable by, or other available assets of, a Fund. All Management Fees were negotiated with Investors during the fundraising period of the applicable Fund and are not subject to negotiation thereafter. Generally, Investors participating in a subsequent closing after the initial closing of a Fund are responsible for paying the Management Fee as of the date of the initial closing of such Fund, plus interest, as applicable. In addition, Management Fees are payable during term extensions unless otherwise notified to Investors.

In connection with the Funds and its investments, a General Partner or Compass may receive transaction, management, investment banking, monitoring, closing, topping, break-up, and other similar fees ("**Offset Fees**"). If any, 100% of such Offset Fees will be applied to reduce the Management Fee for the following quarterly period (net of any unrecouped expenses which Compass or a General Partner has elected to pay on behalf of the Funds), provided, that Offset Fees shall not encompass any fees or other compensation paid (whether in cash or in-kind) received by (x) a General Partner, Compass or any Compass affiliate as reimbursement for expenses directly related to a portfolio company or by (y) any Operating Professional (i) as reimbursement for expenses directly related to a portfolio company, (ii) as payment for services provided to any portfolio company in the ordinary course of such portfolio company's business; (iii) as compensation for services provided to any portfolio company as an employee of such portfolio company or in a similar capacity for such portfolio company or (iv) as Operating Professional compensation for services rendered by a Compass Guide or other Operating Professional.

To the extent such offsets would reduce the Management Fee for a given quarterly period below zero, such offsets will be carried forward and reduce future installments of the Management Fee. If upon termination of a Fund there remains any unapplied balance of the management fee offset, Compass will promptly refund to each Investor in such Fund(s) a cash amount equal to the Investor's prorated share of the unapplied balance of the Management Fee offset, based on the share of the Management Fee funded by capital contributions by such Investor or otherwise attributable to such Investor. For the avoidance of doubt, any fees paid to a Fund(s) in connection

with investments will not be included in Other Fees, but rather will be considered as investment proceeds that are subject to the distribution provisions, as prescribed in the Offering Documents.

Transaction and Other Fees

The Management Fee from each Fund will be reduced by an amount equal to (i) 100% of Transaction Fees actually collected by Compass and (ii) Monitoring Fees actually collected by Compass or any other affiliate of Compass.

“Transaction Fees” include 100% of any: (i) directors’ fees, financing fees or advisory fees paid to Compass with respect to any Fund investment; (ii) Transaction Fees paid to Compass with respect to any Fund investment; and (iii) break-up fees with respect to Fund transactions not completed that are paid to Compass, in each case net of certain expenses (including those described below) as set forth in the Limited Partnership Agreement of each Fund; but not including, in any event, any amount received by Compass, Operating Professionals or other person from a portfolio company (A) as reimbursement for expenses directly related to such portfolio company, (B) as payment for services provided to any portfolio company in the ordinary course of such portfolio company’s business, including payment for services provided by employees of Compass or its affiliates who provide services related to their functional expertise to a portfolio company (e.g., information technology, human resources, legal, etc.), (C) as compensation for services provided by Compass or other person as an employee of or in a similar capacity for such portfolio company or (D) as Operating Professional compensation for services rendered by Operating Professionals. Management Fee reductions will be carried forward if necessary.

“Monitoring Fees” include 100% of any monitoring fee, consulting fee, advisory fee or similar fee paid by a portfolio company to Compass or any other affiliate for services provided to such portfolio company in a capacity other than as an employee of such portfolio company.

Various costs and expenses will reduce Transaction Fees and Monitoring Fees (and therefore such amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by Compass in connection with any consummated or unconsummated transaction or in connection with generating any such Transaction Fees or Monitoring Fees.

Carried Interest

Each Fund’s General Partner is entitled to be allocated carried interest (“Carried Interest”) with respect to the Funds, which is generally equal to 20% of all realized profits net of all expenses in excess of an 8% compounded preferred return and catch-up provisions. Each Fund’s Carried Interest arrangement differs and is further described in full detail in the relevant Fund’s Offering Documents and more briefly in Item 6, below.

Organizational Expenses of the Fund

The Funds will bear or reimburse Compass and its affiliates for the Funds' reasonable organizational and offering expenses, including legal, accounting, filing, capital raising (other than placement fees payable to a placement agent), printing, travel, and other organizational expenses (such as organizational and offering expenses, "Organizational Expenses") in an amount as specified in each Fund's Offering Documents.

Organizational Expenses in excess of this amount will be borne by the Funds and reduce the Management Fee. Compass will bear the cost (through an offset against the Management Fee or otherwise) of all Organizational Expenses in excess of the stated cap, if any, and of any placement fees and expenses ("**Placement Fees**") payable to any placement agent in connection with the formation of the Funds and offering of Interests.

Compass Expenses

Compass will be responsible for all ordinary administrative and overhead expenses incurred in connection with maintaining and operating its office, including employees' salaries (excluding Operating Professionals, as further described below), rent, utilities and equipment expenses, except as set forth below under Fund Expenses or as otherwise provided in the Limited Partnership Agreement of each Fund.

Fund Expenses

The Funds will pay for, or reimburse Compass, a General Partner and/or their affiliates for their pro rata share of all costs, expenses, liabilities and obligations relating to a Fund's operations, activities, investments and business (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including, without limitation, all fees, costs, expenses, relating or attributable to:

- activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, all or any portion of any actual or potential portfolio investment (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful;
- the maintenance of the Funds' books and records;
- the preparation and delivery to the Limited Partners of checks, financial reports;

- any annual Limited Partner meeting or other periodic, if any, meetings of the Limited Partners, and any other conference or meeting with any one or more Limited Partners and any reporting to or communications with the Fund Limited Partners or otherwise related to the Funds' administration and operation;
- expenses incurred in connection with the dissolution and liquidation of a Fund;
- the Management Fee;
- all Organizational Expenses; provided, that the Management Fee shall be reduced by the excess of all Organizational Expenses (other than Placement Fees) by an amount as specified in each Fund's Offering Documents;
- legal, tax, accounting, and advice of industry executives and other consultants and experts on behalf of the Funds (including, without limitation, (A) expenses of search firms used to identify and engage such industry executives and (B) compensation paid to Operating Professionals);
- the registration, qualification, or exemption of the Funds or any other investment entity under any applicable federal, state or non-U.S. laws;
- out-of-pocket expenses incurred in connection with the collection of amounts due to the Funds;
- amendments to, and waivers, consents or approvals pursuant to, the Partnership Agreement and any other constituent documents of the Funds and any alternative investment vehicle of the Funds, including the preparation, distribution and implementation thereof;
- any taxes imposed on the Funds, including any taxes imposed on the Funds, the General Partners or Compass in the capacity of withholding agent with respect to a Limited Partner (and any interest, penalties or expenses relating to any such taxes), and any expenses incurred in connection with tax proceedings that are characterized as Fund expenses;
- all expenses attributable to any actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith;
- any indemnification obligation of and any other indemnity, contribution, or reimbursement obligations of the Funds with respect to any person, whether payable in connection with any litigation or other proceeding involving a Fund or otherwise, including any fees, costs and expenses incurred in connection with indemnifying any partner or other person and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant the Offering Documents;

- indebtedness of, or guarantees made by, a Fund, a General Partner or any Compass affiliate on behalf of the Funds (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee;
- financing, commitment, origination, syndication and similar fees and expenses;
- broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, placement agent fees, sales commissions, investment banker, finder and similar services (provided, that Placement Fees will offset the Management Fee otherwise payable by a Fund);
- legal, accounting, research (including third-party diligence software and services), auditing, administration (including fees and expenses associated with the Funds' third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to consultants performing investment initiatives and other similar consultants), tax and other professional services;
- reverse breakup, termination and other similar fees;
- directors and officers liability, errors and omissions liability, crime coverage, cyber and general partnership liability premiums and other insurance and regulatory expenses;
- filing, title, transfer, registration and other similar fees and expenses;
- printing, communications, marketing and publicity expenses;
- the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports related to the assets or activities of the Funds (including Form PF, if applicable), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing;
- developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Funds or the Limited Partners;
- any activities with respect to protecting the confidential or non-public nature of any information or data, including Fund information, and expenses incurred in connection with Freedom of Information Act requests and compliance with state, federal and international privacy laws and regulations;
- activities or proceedings of the advisory committees (including any reasonable out-of-pocket costs and expenses incurred by representatives of a General Partner, the advisory

committee members, permitted observers and other persons in attending or otherwise participating in meetings of an advisory committee);

- except as otherwise determined by Compass in its sole discretion, any fee, cost, expense, liability or obligation relating to any investment entity or subsidiary investment vehicle or its activities, business, or actual or potential portfolio investments (to the extent not borne or reimbursed by a portfolio company of such investment entity or subsidiary investment vehicle) that would be a Fund expense or Organizational Expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder funds to the extent not paid by the Investors investing in such entities;
- defaults by partners in the payment of any capital contributions;
- complying with any law or regulation related to the activities of the Funds (including regulatory expenses of the General Partners and/or Compass incurred in connection with the operation of the Fund and legal fees and expenses with respect thereto);
- unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a Limited Partner;
- any taxes, fees and other governmental charges levied against the Funds and all expenses incurred in connection with any tax audit, investigation settlement or review of the Funds (except to the extent that a Fund is reimbursed therefor by a partner or such tax, fee or charge is treated as having been distributed to the partners);
- distributions to the partners and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses;
- compliance or regulatory matters related to the Funds, except as set forth in the Offering Documents;
- a Fund's share (as determined by Compass in good faith) of any fees, costs and expenses of the types described incurred in connection with forming, managing, maintaining and disposing of any Co-Investment Fund or vehicle, including fees, costs and expenses that the Fund would otherwise not have borne but for the participation of the co-investors (by way of example only and without limitation, the incremental aggregator-level auditing and reporting, accounting and other administrative expenses);
- any travel, lodging, meals or entertainment relating to any of the foregoing, whether in connection with consummated and unconsummated investment and disposition opportunities or other activities of Compass and/or a General Partner related to the business of the Funds and their investments (provided that travel expenses related to airfare shall not exceed the cost of first class commercial airfare); and
- any other fees, costs, expenses, liabilities or obligations approved by an advisory committee;

- to the extent not reimbursed by portfolio companies or prospective portfolio companies, reasonable and documented expenses of Operating Professionals; and
- all Placement Fees, which shall offset the Management Fee on a dollar-for-dollar basis.

The recipients of this Brochure should refer to the Offering Documents of each Fund for a specific and a detailed description relating to expenses that may be borne by each Fund.

Operating Professionals

Compass utilizes certain industry executives and other similar persons serving in consulting roles with the Firm for the benefit of the Funds and portfolio companies (each a “**Compass Guide**”) and other operational advisory professionals, consultants, including consulting firms and/or persons employed or retained by Compass (collectively, together with the Compass Guides, the “**Operating Professionals**”).

Operating Professionals may receive compensation, which can include, without limitation, salary, benefits, reimbursements, an annual fee or retainer, a finder’s fee, transaction fees, a discretionary bonus or a success fee (in the form of cash or equity) based on pre-determined targets or milestones, directors’ fees, board fees, co-investment rights (including in portfolio companies in which they are not involved), equity allocations (including stock), a profits interest, options in a portfolio company or a percentage of the carried interest in either a portfolio company or a Fund.

Fees or compensation payable to Compass Guides for their shared usage across the Compass portfolio are generally paid directly by Compass. For these services, Compass charges portfolio companies a fixed monthly retainer fee, which takes into account a variety of factors but will ultimately be at the discretion of Compass and/or the portfolio company, as applicable. Fees paid to Compass Guides or other Operating Professionals that are associated with a particular transaction will typically be included in transaction deal costs or paid by the applicable portfolio company. Compass may also receive a fee at transaction time for the involvement of Compass Guides in the diligence process. Work performed by Compass Guides or other Operating Professionals for unconsummated transactions is borne by the Fund(s) that was to have participated in such transaction as part of broken deal expenses. Under these arrangements, there can be no assurance that the amount paid by a portfolio company in a particular year will be proportional to the number of hours worked or the amount of work generated by the Compass Guides.

Other fees, such as board fees, are paid by a portfolio company to Operating Professionals separate from the Compass Guides program. In the event an Operating Professional provides work directly to a portfolio company in addition to board service, any such fees may be paid by the portfolio company directly to the Operating Professional or paid by Compass and reimbursed by the portfolio company.

Operating Professionals typically incur expenses while working with Compass portfolio companies or potential portfolio companies, including but not limited to, the cost of travel to portfolio companies and other out-of-pocket costs, and such expenses are paid or reimbursed by either

Compass (generally in the case of work performed for the management company), the relevant portfolio company (generally in the case of consummated transactions) or the relevant Fund (generally in the case of unconsummated transactions). Some Operating Professionals may become Investors in the Compass Funds and participate as direct Investors and/or receive equity grants in portfolio companies in which they are involved.

Compensation paid to Compass for the usage of Operating Professionals will not be considered Directors' Fees, Monitoring Fees or Transaction Fees, and therefore will not be offset against the Management Fee.

Co-Investment Fees and Expenses

As described in Item 4 above, in certain circumstances, Compass permits certain Investors to co-invest directly into a portfolio company, subject to Compass' related policies and procedures, the relevant Offering Documents and/or side letter(s) or similar arrangements. Expenses incurred for direct co-investments are borne directly at the portfolio company.

In the event a proposed co-investment transaction is not consummated, the full amount of any fees and expenses generated in the course of evaluating such investment, including any broken deal expenses, would generally be borne by the Fund(s) selected as proposed Investors for such proposed transaction and not by any prospective co-investors that were to have participated in such transaction. As a result, the Fund(s) selected as proposed investors for such proposed transaction will bear more than what would otherwise have been its share of such broken deal expenses. Conversely, co-investors who commit to a transaction after a Fund signs a definitive purchase agreement will lower the risk of broken deal or similar expenses incurred by such Fund (and indirectly, by such Fund's Investors) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest. However, to the extent that such co-investors have already invested in a co-investment in connection with such transaction (such as for a follow-on investment), such proposed co-investor is expected to bear its share of such broken deal expenses (which is typically recorded at the portfolio company).

Allocation of Expenses

In good faith and in its fair and reasonable discretion, Compass determines on a case-by-case basis whether an expense should be borne by the Firm, a Fund, multiple Funds or a portfolio company. Some expenses are incurred on an aggregate basis for the benefit of multiple Funds and/or Compass. To the extent that the Offering Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, Compass will typically allocate common expenses among multiple Funds on a pro rata basis and in accordance with its policies and procedures on expense allocation, unless another method is more equitable. The aggregate cost of such expenses are allocated in a fair and reasonable manner and at Compass' sole discretion. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Offering Documents, the portion of the expense attributable to such Fund(s) will be borne by Compass.

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

The General Partners of the Funds are entitled to “carried interest” (“Carried Interest”) equal to a percentage of the return on capital distributed by each Fund after a preferred rate of return calculated based on proceeds received from the investments of each Fund. The Carried Interest payable to the General Partners of the Funds is detailed in the Offering Documents of each Fund and is based upon the following distribution waterfall:

- Return of all capital contributions for investments;
- Expenses, borrowings, guarantees, and management fees to Investors;
- Preferred Return of 8% thereon to Investors;
- 100% “catch up” to the General Partner generally equal to 20% of all amounts distributed pursuant to this and the prior clause; and
- Thereafter, generally 20% as Carried Interest to the General Partner and generally 80% to Investors.

The General Partners are permitted, at any time and in their sole and absolute discretion, to waive, reduce or calculate differently all or any portion of the Carried Interest distributions with respect to any Limited Partner. The General Partners are also permitted to elect, in respect of any portion of their Carried Interest distributions with respect to a Limited Partner, to defer receipt of such distributions in respect of such Limited Partner and receive distributions at a later date equal to the amount deferred. For the avoidance of doubt, no Affiliate Limited Partner will bear any Carried Interest distributions.

The existence of performance-based distributions may create an incentive for Compass and/or the General Partners to make investments on behalf of the Funds or a portfolio company that are riskier than would be the case if a General Partner were not entitled to receive such performance-based distributions. Compass generally considers performance-based compensation to better align its interests with those of its Investors, particularly in instances where the Offering Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund’s life or at certain interim intervals.

Compass manages multiple Funds with similar investment strategies on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to Compass’ allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. Although Compass generally makes new investments for a Fund with the same investment objectives only after a predecessor Fund is substantially invested or committed as more fully described in the applicable Fund’s Offering Documents, management of side-by-side Funds can create an incentive for the Firm or its personnel to favor a Fund in which Compass or an affiliate has a greater financial interest. To the extent that Compass manages Funds with varying Carried Interest terms (including amount, timing waterfall conditions or other terms) and/or Compass personnel are assigned different percentages of Carried Interest in different Funds, Compass and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying

investment opportunities as appropriate for a Fund from which they are entitled to receive a higher Carried Interest percentage.

To help minimize such conflicts of interest, Compass allocates investment opportunities which satisfy the investment parameters of more than one Fund in accordance with Compass' policies and procedures regarding investment allocation and the applicable Offering Documents and taking into consideration certain factors, as determined in the Firm's sole discretion, which include, but are not limited to: the amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity; legal, tax and regulatory considerations; and any other factors deemed relevant by Compass. Compass' procedures are designed to ensure that all investment decisions are made in accordance with Compass' fiduciary duties to its Funds and without consideration of Compass' (or its affiliates' or employees') pecuniary interest. Compass will not allocate investment opportunities based in whole or in part on the relative fee structure or amount of fees paid by any Fund or the profitability of any Fund. Investment allocation decisions are determined by the investment committee.

ITEM 7 – TYPES OF CLIENTS

Compass provides discretionary investment advisory services to the Funds, and not individually to the Limited Partners in the Funds.

The Funds limit their Limited Partners to (i) "accredited investors", as defined in the Securities Act of 1933 and (ii) either a "qualified purchaser", as defined in the Investment Company Act, or a "knowledgeable employee", as defined under Rule 3c-5 of the Investment Company Act. Limited Partners in the Funds must also meet certain other suitability qualifications prior to making an investment in a Fund.

Each Fund's minimum capital commitment is detailed in the relevant Fund's Offering Documents. The minimum capital commitment can be waived by Compass in its sole discretion.

On occasion, Compass offers co-investment opportunities for certain investors to invest alongside a Fund in certain Fund portfolio companies. As referenced in Item 4 above, co-investments have been structured either as (i) a separate Co-Investment Fund or (ii) a direct investment by certain investors into a portfolio company or its holding or operating company. When structured as a Co-Investment Fund, Compass considers the investment to be a Fund client, identifies the Fund in its Form ADV Part I, Schedule D, Section 7.B.(1), obtains an audit for the Fund, reserves the option to assess a Management Fee and Carried Interest on such Fund and includes the amount of assets of such Fund in the Firm's regulatory assets under management. In the case of direct co-investments, Compass does not consider the investment to be a Fund or a client, does not act as the investment manager to the co-investment portion of the investment, does not charge Management Fees or Carried Interest to the investment, does not have custody of the investment or include the amount of assets of the co-investment in the Firm's regulatory assets under management. In such direct co-investment opportunities, Compass will perform management, advisory and other services for the portfolio companies in which these co-investors invest,

generally at no cost to such co-investors except portfolio company fees and expenses (which such fees and expenses are recorded at the portfolio company).

Opportunities to participate in co-investment transactions arise when Compass has the opportunity for an investment in an existing or prospective portfolio company and Compass determines that (i) an investment requires additional capital, (ii) all or a portion of the applicable opportunity is not required to be offered to a Fund, (iii) the full investment opportunity is not appropriate for a Fund, whether due to concentration restrictions contained in the Fund's Offering Documents or otherwise or (iv) Compass believes the Fund will benefit from the participation of the co-investor(s). Such determinations are based on the provisions of the applicable Offering Documents, side letter agreements, agreements with lenders and such other factors as Compass will consider in its sole discretion, including those specified in its policies on investment allocation and co-investments. Subject to any restrictions contained in the Offering Documents of the relevant Fund or any side letter or other terms negotiated with respect to such Fund, in general no investor has a right to participate in any co-investment opportunity. Compass' exercise of discretion in allocating co-investment opportunities will not always result in proportional allocations among co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. When co-investment opportunities are permitted, it is possible that the size of the investment opportunity otherwise available to the Fund will be less than it would otherwise have been without the inclusion of such co-investors.

Compass will select the investors that are permitted to co-invest in a particular portfolio company in its sole discretion based on various factors, including those detailed in its Offering Documents and as outlined in its internal policies and procedures. While one or more Investors in the Funds are on occasion invited to co-invest in a Fund's portfolio companies, Compass is authorized in its sole discretion to offer any or all of a co-investment opportunity to investors that are not investors in the Funds. Co-investment opportunities are made available to select Fund Investors and third parties, including, without limitation, management or founders of the applicable portfolio company, co-sponsors, strategic investors, lenders, investment bankers, deal sources (including finders and consultants), other sponsors (including other private equity or venture capital firms), service providers, Operating Professionals, sector experts, strategic advisors, other persons or entities affiliated, associated or otherwise known to Compass or its personnel. Certain service providers, including lenders and individuals who source transactions, have in the past and are expected in the future to negotiate co-investment rights or co-investment priority rights as a component of their compensation in connection with the services provided.

Compass can cause some co-investors in a Co-Investment Fund to bear a Management Fee, Carried Interest or other fees while not imposing a Management Fee and/or Carried Interest (or imposing a different Management Fee or Carried Interest) on other co-investors. In certain cases, co-investment opportunities can include opportunities to invest in Fund portfolio companies at a time when there is not a corresponding Fund investment or on different terms than a Fund investment. Some co-investors can be provided a board seat or observer rights at a Compass portfolio company. Such positions provide such persons with voting rights, access to information and potentially the ability to influence the operations and decision-making of the portfolio company that are not necessarily available to other investors.

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms (although co-investors are generally subject to different economic terms) as a Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or Co-Investment Fund purchases a portion of an investment from a Fund after such Fund has consummated its investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or Co-Investment Fund generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment; however, in certain instances, a post-closing sell-down or transfer could occur well after the Fund's initial purchase. When co-investors purchase their interest from a Fund after the Fund has consummated the investment, the price paid by co-investors is typically determined by the Fund's General Partner in its sole discretion. Where appropriate, and in Compass' sole discretion, Compass reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund. The price may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the portfolio company (if applicable) or the risk borne by the Fund in connection with purchasing and warehousing the investment. The Funds will bear the risk that any co-investors acquiring an interest in an investment after the closing of such investment will acquire such interest on terms that do not reflect the then-current value of such investment.

In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a Fund is throughout the investment process. In addition, to the extent that Compass engages in a secondary liquidity transaction in connection with an investment, co-investors will not necessarily receive the same liquidity options as Investors in a Fund and may therefore be compelled to receive cash or continue to hold an interest in the investment, depending on the particular facts of the transaction.

In the event Compass is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, it is possible that a Fund will consequently hold a greater concentration and have greater exposure in the related investment opportunity than was originally intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto and would result in a greater concentration of risk as a result. To mitigate such risk, each investment is subject to concentration limits as described in the relevant Fund Offering Documents. Despite these concentration limits, it is possible an investment that is not syndicated to co-investors as originally anticipated could result in a significant impact to a Fund's overall investment returns.

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

Investment Objective

In advising the Funds, Compass intends to continue executing on its established strategy of thematic investing in the lower-middle market through investments in historically successful, free cash flow companies with strong macro trends that could benefit from the Compass *Playbook* value creation plan. Compass believes in thematic investing whereby M&A is not the strategy, but rather the strategy is an investment thesis in a specific industry sub-sector and M&A is the tactic upon which to execute that strategy. As discussed in Item 4 herein, Compass is led by John Huhn and Chris Gibson (the “**Principals**”), who have eight years of shared working history at Compass. The Principals have a successful history of working together, and they bring over 45 years of combined experience in sourcing, deal execution, and managing control equity investments in the U.S. lower-middle market (focused on EBITDA at entry between \$2 million and \$15 million).

Investment Strategy

Compass will seek to acquire entrepreneur- and family-owned companies where the Funds will represent the first institutional capital invested in the business. Compass believes this will allow the Funds to leverage the Firm’s diversified team to provide operational, strategic, and financial expertise to its portfolio companies. Compass will seek to acquire companies which meet specific investment thesis criteria in the lower-middle market that have reached a point of inflection or ownership transition and will partner with Compass to capitalize on their market position, achieve significant growth and increase enterprise value.

Compass intends to invest the assets of the Funds in platform investments in the amount of \$10 million to \$50 million per investment (not including potential co-investment opportunities), where the company has an enterprise value between \$20 and \$200 million, and EBITDA between approximately \$2 million to \$15 million at entry, whereby these companies meet the Funds’ active investment theses in two sectors: (i) niche manufacturing and distribution and (ii) business and consumer services.

Compass believes this prudent approach will allow the team to focus its time, energy, and effort on sourcing unique opportunities and being “hands on” during the value creation stage of its portfolio companies.

Compass has a specific investment strategy centered around five pillars:

1. **Geographic Focus:** Mid-America “Between the Mountains” lower-middle market businesses with whom Compass is culturally aligned. Compass believes its headquarters in St. Louis, MO provides a significant competitive advantage when sourcing and investing in tier 2 through tier 4 cities (e.g., cities with smaller population sizes in less established major metro areas) in the middle part of the country.

- II. **Sector Focus:** Compass invests where its team has decades of investment experience. As mentioned, thematic investing in sub-sectors within two areas: (i) niche manufacturing and distribution and (ii) business and consumer services.
- III. **Growth Oriented:** Thematic investing focused on attractive sub-sectors with potential for growth. Defined Compass *Playbook* for value creation activities; repeatable strategy in each portfolio company.
- IV. **Operational Value:** Full-time operating partners provide hands-on strategic direction and on-site operational support. Compass also employs a team of Compass Guides to bring additional functional expertise and strategic partnership to investment management teams.
- V. **First-time Institutional Capital:** Compass intends to partner with sellers motivated to reach the “2nd bite of the apple” of success. Compass expects sellers to roll minority equity and continue to maintain involvement in the business; deals are structured such that the sellers will realize additional investment returns upon a successful Compass exit via seller equity roll.

Compass will make investments in businesses that (i) are historically successful with positive cash flow, (ii) have a strong employee base capable of being augmented with additional senior management talent, (iii) strong market position with loyal customers, and (iv) have the potential for organic growth and add-on acquisitions to increase addressable market and profitability of the overall company. Lower-middle market companies often ignore growth opportunities or do not execute because the owner of a private business is not willing to take on additional risk, does not have the team to help capitalize on the opportunity and/or does not know the *Playbook* to plan and execute a professionalization and growth strategy.

Four-Pillar Approach to Business Development

Compass takes a four-pillar approach to be aggressive on sourcing opportunities: (i) full-time, in-house business development resources, (ii) the entire investment team has sourcing responsibilities within specific thematic pursuits, (iii) constant relationship development within the operating and industry advisor community and (iv) engagement of buy-side search firms to conduct specific and targeted outreach based upon current investment theses for which Compass has serious conviction. Compass uses these four pillars of business development for high impact, targeted outreach, and an energetic pursuit of lower-middle market investment opportunities. Compass has pursued this approach since inception, evidenced by seven of eight platform investments completed outside of a broad investment bank auction process. Compass has been successful with this approach due to a combination of (i) a dedicated Business Development team, including a Director and Associate, (ii) investment team’s extensive personal and professional network of operators and industry advisors and (iii) the entire team’s ability to bond with sellers on a personal level during a thematic pursuit (e.g., based on cultural alignment of Midwestern values, strong industry understanding from thesis development and access to experienced Compass Operating

Professionals, including the Compass Guides). Developing relationships and sourcing deal flow is core to the Firm's culture.

Operational and Strategic Support

Compass has full time Operating Professionals, and Compass believes operational and strategic support provided to portfolio companies are key mechanisms to increase enterprise value. The Firm's portfolio companies seek out Compass' assistance with management and operational challenges. Compass' deep expertise ranges from high-level strategic support to expertise and resources in human resources, data analytics, information technology, finance, legal and other business functions. Compass believes it provides the most value to its portfolio companies when it is "hands on" with portfolio company management teams. The Firm has regularly scheduled weekly, monthly, and quarterly meetings with portfolio company management teams. Compass' mission is to help its portfolio companies achieve a mutual understanding of success. Examples of help provided include supporting a business owner's plan to expand into a new geographic region or enabling a Compass Operating Professional to take a hands-on role in a fast-growing company. Compass seeks to always be focused on improving results for its stakeholders.

Risk Factors

An investment in the Funds involves a high degree of risk, including the risk of a partial or total loss of capital, and investors must be prepared to bear capital losses which might result from investments. The following list of risk factors does not purport to be a complete disclosure of all risks that may be relevant to a decision to purchase an interest in a Fund. Prospective Investors of a Fund should carefully consider the following investment risks and considerations in evaluating Compass, the Funds and its business before deciding to purchase an interest in a Fund. Investors should also refer to a Fund's Offering Documents for a description of the risk factors specific to their Fund. As a result of these considerations, as well as other risks inherent in any investment, there can be no assurance that Compass or the Funds will meet its investment objectives or otherwise be able to successfully carry out its investment programs, or that an Investor in a Fund will receive a return of capital.

General. Private equity type investing involves a high degree of business and financial risk that may result in substantial losses. In order for the Funds to succeed, Compass must be able to accurately identify potentially successful enterprises, a process that is difficult even for those with extensive relevant experience. Portfolio companies may be operating at a loss or with substantial variations in operating results from period to period and may need substantial amounts of additional capital to support expansion or to achieve or maintain a competitive position. An investment in a Fund is highly speculative, involves a high degree of risk and could result in the loss of part or all of an Investor's capital contribution. Therefore, prospective Investors should not invest unless they can bear such a loss. Moreover, there can be no assurance that a Fund's investment objectives will be achieved, and investment results may vary materially from one reporting period to the next. Consequently, an investment in a Fund is suitable only for

sophisticated investors who are capable of making an informed and independent decision as to the risks involved in an investment in a Fund.

No Assurance of Investment Return. Compass cannot provide assurance that it will be able to choose, make, and realize investments in any particular opportunity. There can be no assurance that the Funds will be able to generate returns for its Investors or that the returns will be commensurate with the risks of investing in the type of transactions described herein. There can be no assurance that any Investor will receive any distribution from the Funds. Accordingly, an investment in a Fund should only be considered by persons who can afford a loss of their entire investment. There can be no assurance that Compass will be successful in executing the Funds' strategies, and notwithstanding prior experience of Compass, past performance is not indicative of future results.

No Assurance of Investment Return; Past Performance. The past investment performance of Compass should not be relied on as an indicator of the Funds' future performance or success. There can be no assurance that the Funds will achieve comparable results. Past performance may include the positive or negative impact of general industry, economic and other factors, over which neither Compass nor the Compass investment team had any control. Neither Compass nor the General Partners can provide assurance that they will be able to make and/or realize investments in any particular company or portfolio of companies. There is no assurance that the Funds will be able to generate returns for its Investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. An investment in a Fund should only be considered by persons who can afford a loss of their entire investment.

Investment Time Horizon. Each Fund's investment capital is expected to have a relatively long investment horizon. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. Accordingly, investors should view their investments in a Fund as long term. The expenses of operating a Fund (including the Management Fee) may exceed its income, thereby requiring that the difference be paid from a Fund's capital.

Competition for Investments. The Funds may compete for investments with a large number of banks, finance companies, investors, and other funds, some of which may have substantially greater resources than the Funds. Competition for investments could reduce the Funds' opportunity for profit by reducing the variety and opportunity for investments by the Funds.

Difficulty Locating Suitable Investments. An Investor in a Fund must rely upon the ability of the Compass to identify, structure and implement portfolio investments consistent with each Fund's investment objectives and policies. Investors in a Fund will not have the opportunity to evaluate the business, financial and other information that will be used by Compass in its analysis, selection, and monitoring of portfolio company investments for the Funds. There can be no assurance that Compass will be able to identify a sufficient number of attractive investment opportunities to invest fully the Funds' committed capital in

opportunities that satisfy each Fund's investment objectives, or that such investment opportunities will lead to completed investments by the Funds. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate.

Illiquid Nature of Portfolio Company Investments. The Funds will make investments in securities that have limited liquidity. It is anticipated there will be a significant period of time before the Funds have completed its investments in portfolio companies. Such investments may typically take from two to seven years from the date of initial investment to reach a state of maturity when partial or complete realization of the investment can be achieved. Transaction structures typically will not provide for liquidity of the Funds' investment prior to that time. Generally, there will be no readily available market for a substantial amount of the Funds' portfolio investments. Most investments held by the Funds may not be able to be sold except pursuant to a registration statement filed under the Securities Act or in accordance with Rule 144, Regulation D or another exemption under the Securities Act. The market prices, if any, of such investments tend to be volatile, and the Funds may not be able to sell such investments when it desires, or, upon sale, to realize what it perceives to be their fair value. Further, companies whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements applicable to publicly traded companies. In light of the foregoing, it is likely that no return from the disposition of the Funds' investments will occur until a significant period of time has passed. Furthermore, disposition of such investments may result in distributions in-kind to Investors.

Lower Middle-Market Companies. The Funds intend to invest in lower-middle market companies. While investments in lower-middle market companies may present greater opportunities for growth, such investments may also entail larger risks than are customarily associated with investments in larger companies. For instance, companies in the lower-middle market may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets, technology or personnel. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there may be a more limited marketplace for a sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and what may be a somewhat greater illiquidity of small-to-mid sized companies, could make it difficult for the Funds to react quickly to negative economic or political developments.

Lack of Diversification. The Funds intend to participate in a limited number of investments and may seek to make numerous investments in one industry segment. Accordingly, it is possible the Funds could hold few investments relative to their total capital. If this were the case, any loss with respect to a single investment (or a few investments) could have a materially adverse impact on a Fund's profitability. Furthermore, to the extent that the capital raised is less than expected, a Fund may hold fewer investments and thus be less diversified.

Restrictions on Transfer and Withdrawal; Illiquid Nature of Interests. An investment in a Fund requires the financial ability and willingness to accept significant risk and illiquidity. An investment in a Fund requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to Limited Partners. The Limited Partner interests have not been registered under the Securities Act or any other applicable securities laws. There is no public market for the Limited Partner interests, and none is expected to develop. In addition, the interests are not transferable except with the consent of the relevant General Partner, which generally may be withheld by the General Partner in its sole discretion and is subject to the terms and conditions of the Limited Partnership Agreement of each Fund. Limited Partners generally may not withdraw capital from the Funds. Consequently, Limited Partners may not be able to liquidate their investments prior to the end of each Fund's term.

No Right to Control the Funds' Operations. Limited Partners will have no right or powers to take part in the management of the Funds or any of their investments and will not receive detailed financial information issued by portfolio companies. In order to safeguard their limited liability from the liabilities and obligations of the Funds, Investors must rely entirely on Compass and the relevant General Partner to conduct and manage the affairs of the Funds. Accordingly, no person should invest in a Fund unless such person is willing to entrust all aspects of the management of the Funds to Compass and the General Partner.

Reliance on General Partner/Key Persons. Decisions with respect to the management of the Funds will be made by Compass and the relevant General Partner. An Investor in a Fund must rely upon the ability of Compass and the relevant General Partner in identifying, structuring, and implementing investments consistent with each Fund's investment objective and policies. The success of the Funds will depend on the ability of Compass to identify and consummate suitable investments, to improve the operating performance of portfolio companies and to dispose of investments of the Funds at a profit. The success of the Funds depends in substantial part upon the leadership, skill and expertise of Compass. The loss of one or more of the individuals that work at Compass could have a material adverse effect on the performance of the Funds.

Reliance on Portfolio Company Management. Although Compass will monitor the performance of each Fund's investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. There can be no assurance that the existing or new management of such companies will be able to operate the companies successfully.

Use of Leverage by Portfolio Company. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. The Funds' investments may involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Moreover, rising interest rates may increase portfolio company interest expense. If a portfolio

company cannot generate adequate cash flow to meet debt service, then the Funds may suffer a partial or total loss of capital invested in the portfolio company. The use of leverage will have the effect of increasing the volatility of the Funds' investments. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions (e.g., due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) may materially impair the Funds' ability to consummate portfolio investments, to make leveraged distributions or to sell investments to buyers who utilize similar leverage strategies.

Control Investments and Directorships. The Funds will generally acquire control positions in the companies in which it invests. Additionally, officers and employees of Compass or their affiliates may serve as directors of portfolio companies in which the Funds invests. The exercise of control over a company through a control position, or the service of an officer or employee of Compass or their affiliate as a director of such company, could (i) expose the assets of the Funds to claims by such company, its security holders and creditors or (ii) impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which general limited liability protections are ignored. If these liabilities were to occur, then the Funds, directly, and each Fund's Investors, indirectly, would likely suffer losses with respect to their investments.

Prospective investors should also be aware that it is possible a member of one advisory committee could also be a member of the advisory committee for one or more of the Funds involved in the applicable transaction or relationship giving rise to an actual or potential conflict of interest. Accordingly, such member's interests are likely to be different from the interests of another Limited Partner with a member on the advisory committee only and such interests could influence such person's decisions as a member of the respective advisory committees. Under the Partnership Agreement, no member of the advisory committee owes any fiduciary duty to a Fund or any Limited Partner in connection with the activities of the advisory committee, and no member of the advisory committee, nor any Limited Partner appointing any such member, will be obligated to act in the interests of a Fund, any other Limited Partner or the Limited Partners as a group, other than to act in good faith.

Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to Compass in connection with services provided by the Firm and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the partnership agreement's offset provision, are in addition to the Management Fee or Carried Interest. Compass' authority to appoint or influence the appointment of portfolio company board members who will potentially be involved in approving compensation payable to the Firm subjects Compass and any such portfolio company board appointees to potential conflicts of interest.

ESG Considerations. Compass considers ESG factors in the sourcing, investigating, identifying, researching, evaluating, developing, initiating, negotiating, structuring, making, acquiring, closing, consummating, holding, monitoring, maintaining, financing, refinancing,

pledging, restructuring and disposing of portfolio investments. Although compliance with such factors could result in higher ESG compliance fees, expenses or costs or the forgoing of certain opportunities, Compass believes that responsible ESG investing enhances the long-term value of portfolio companies and is an important element of responsible investing. There are not universally accepted ESG standards and not all Limited Partners agree on the appropriate ESG standards to apply in a particular situation. Compass will apply ESG standards and considerations in its sole discretion. In either case, an adverse impact on the results of the Funds' portfolio investments cannot be excluded.

Value of Portfolio Investments. Most of the investments made by Compass on behalf of the Funds will be difficult to value because of the focus on relatively early-stage portfolio company investments and there will generally be no market for such investments. Compass' valuations of such investments may vary from similar valuations performed by other investors or independent third parties for the same or similar types of securities or assets, and there can be no assurance that the valuations of such securities reflect true fair market value. Recently, some companies have executed initial public offerings or have been acquired at valuations below those established by prior private investment rounds. In other cases, companies that remain private have experienced reduced valuations after high valuations in prior private financing rounds. The value of the investments made by Compass may also be affected by changes in accounting standards, policies, or practices. In particular, when making a determination of whether an investment has been written-off or otherwise permanently impaired, Compass may have an incentive to make determinations that result in the continued payment of the, or a higher, Management Fee. In situations where the Management Fee is calculated based on committed capital, contributed capital or the cost basis of investments, the Management Fee generally will not be reduced based on reductions in investment value. Absent bad faith or manifest error, valuation determinations in accordance with Compass' valuation policy will be conclusive and binding. Moreover, because Compass will determine in its discretion the value of any such assets, Compass will have an apparent conflict of interest in making that determination, given the potential impact of such valuations on a Fund's performance results.

Unlisted Securities. It is Compass' intention is to invest in companies that may not now and may never be publicly traded or listed on a securities exchange. Companies whose securities are unlisted are not subject to the same requirements, notably disclosure and other investor protection requirements, that are required to be disclosed by reporting companies. These investments may be difficult to value and to sell or otherwise liquidate, and the risk of investing in such companies is generally much greater than the risk of investing in listed or publicly traded companies.

Regulated Industries. Certain portfolio companies in which the Funds invest will be part of regulated industries. Changes in regulations applicable to such companies could have a negative impact on their business and operations. Such companies could also be subject to enforcement actions for non-compliance with applicable regulations, which could negatively affect such companies from a financial and reputational standpoint and affect the Funds' investment in those companies. In certain cases, the investment in a regulated business may be structured differently to reduce the potential impact of the applicable regulatory requirements on the Funds, Compass

and their affiliates and personnel (e.g., holding non-voting stock, limiting percentage ownership or eliminating board representation). Further, investments by the Funds in portfolio companies that are in regulated industries may require disclosure (to regulators or the public or both) of information regarding Compass, a General Partner, a Fund and/or its Limited Partners. In order to satisfy such requirements, the Limited Partners may need to supply such information to Compass or a General Partner.

Market Fluctuations. General fluctuations in the market prices of securities may affect the value of the investments held by the Funds. Instability in the securities markets may also increase the risks inherent in the Funds' investments. The ability of portfolio companies to refinance debt securities may depend upon the public high-yield debt market which can be volatile. The condition of the global credit markets may make it difficult for Compass to obtain favorable financing for investments. Compass' ability to generate attractive investment returns for its Limited Partners in the Funds may be adversely affected to the extent Compass is unable to obtain favorable financing terms for the Funds' investments. Market conditions may have an adverse impact on the availability of credit to businesses generally and could impact the U.S. and global economies. Market conditions can also affect the Funds' ability to sell or liquidate investments at favorable times or for favorable prices.

Failure to Make Capital Contributions. If a Limited Partner in a Fund fails to pay installments of its commitment when due, and the contributions made by non-defaulting Limited Partners, and borrowings by the Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, a Fund may be subjected to significant penalties that could materially adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners). If a Limited Partner defaults, it may be subject to various remedies as provided in each Fund's Limited Partnership Agreement and Offering Documents, including, without limitation, reductions in its Limited Partner capital account balance.

Investments Longer than Term. Compass may invest the Funds' assets in investments that may not be advantageously disposed of prior to the date that the Fund(s) will be dissolved, either by expiration of a Fund's term or otherwise. Although Compass expects that investments made by the Funds will either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, it is possible that the Funds may dispose of investments as a result of dissolution at a disadvantageous time.

General Tax Risks. A prospective Investor should consider the tax consequences of an investment in a Fund, including the possibility that a Fund may generate taxable income to the Limited Partners in amount greater than cash available for distribution.

The Funds or the Limited Partners of the Funds may be subject to income or other tax in the jurisdictions in which investments are made. Additionally, withholding tax or branch tax may be imposed on earnings of the Funds from investments in such jurisdictions. Local and other tax incurred in non-U.S. jurisdictions by the Funds or vehicles through which it invests may not be creditable to or deductible by a Limited Partner under the tax laws of the jurisdiction where such Limited Partner resides, including the U.S.

Banking Uncertainty and Custody Risk. The Firm is required to maintain certain Fund assets with a qualified custodian, such as a bank, broker-dealer, or other financial institution. There are risks involved in dealing with the custodians who hold the Funds' and/or portfolio companies' investments and assets, including the potential loss of securities and cash held in custody in the event of a custodian's insolvency, negligence, fraud, poor administration, inadequate recordkeeping or other events which could impair the custodian's ability to conduct business. Although the Firm monitors the custodians, there is no guarantee that any uninsured depositors, including the Funds and/or its portfolio companies, of a custodian that experiences impairment will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order such as not to impair or injure the performance of the Funds and/or any portfolio company. There is no certainty that, in the event of the failure of a bank or other qualified custodian that has custody of Fund and/or its portfolio companies' assets, that the Funds and/or its portfolio companies would not incur losses due to those assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both. Consequently, the Funds and/or the portfolio companies may be delayed or prevented from accessing money, making any required payments under their own debt or other contractual obligations or pursuing key strategic initiatives, and Limited Partners may be impacted in their ability to honor capital calls and/or receive distributions. In addition, some banks acting as qualified custodians, in particular smaller regional banks, have been subject to concerns that depositors at these institutions have withdrawn, or may withdraw in the future, significant sums from their accounts and have also experienced volatile stock prices and significant losses in their equity value. Such circumstances could impact the operations of those custodians and potentially lead to their insolvency, bankruptcy or other events that could subject the Funds' and/or its portfolio companies' assets to a risk of loss.

Cybersecurity. Cybersecurity risks for investment funds have increased significantly in recent years because of, among other things: the proliferation of the internet and telecommunications technologies to conduct financial transactions; the increased dependence of portfolio companies on internet-connected technologies that are susceptible to disruption from cybersecurity threats; the degree to which investment managers collect and maintain proprietary data, nonpublic data and data compilations; and the increased sophistication and activities of organized crime, hackers, terrorists, and other external parties, including foreign state actors. Accordingly, the Funds, the General Partners, Compass and portfolio companies will face cybersecurity threats to gain unauthorized access to sensitive information and systems, including, without limitation, information regarding the Limited Partners and the Funds' investment activities, or to render data or systems unusable, which could result in significant losses. If such events materialize, they could lead to losses of sensitive information or capabilities essential to the Funds', the General Partners', Compass' and portfolio companies' operations and could have a material adverse effect on their reputations, financial positions, results of operations or cash flows, and could lead to financial losses from remedial actions, loss of business, potential liability, or the disclosure of the Limited Partners' personal information. Similarly, the public perception that the Funds, the General Partners, Compass or portfolio investments have been the target of a cybersecurity threat,

whether successful or not, could have a material adverse effect on their reputations and could lead to financial losses from loss of business, depending on the nature and severity of the threat.

Cybersecurity attacks are evolving and include, but are not limited to, computer viruses, malicious or destructive code, phishing attacks, denial of service or information, attempts to gain unauthorized access to data, improper access by employees or vendors or other electronic security breaches that could lead to: disruptions in network access or business operations; unauthorized collection, monitoring, use or release of confidential or otherwise protected information; or loss, destruction or corruption of data. Compass' or a portfolio company's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems could arise in both Compass' or a portfolio company's internally developed systems and the systems of third-party service providers, upon which Compass or a portfolio company rely. Given the variety and potential severity of cybersecurity threats, Compass, the portfolio companies and the third-party service providers upon which they rely may not have adequate insurance coverage to compensate against all losses.

Pandemic Risks and Global Health Events. An epidemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses and could adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. The Firm has policies and procedures to address known situations, but because a large epidemic may create significant market and business uncertainties and disruptions, not all events that could affect the Firm's business and/or the markets can be determined and addressed in advance. The Firm could also be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation other public health crises, including any outbreak of coronavirus, SARS, H1N1/09 influenza, avian influenza, Ebola or other existing or new epidemic diseases, or the threat thereof.

Conflicts of Interest

Investors should be aware that there will be situations where Compass and its respective affiliates may encounter potential conflicts of interest in connection with the Funds' investment activities. The following discussion details certain potential conflicts of interest which should be carefully considered before making an investment in a Fund. Compass can give no assurance that conflicts of interest will be resolved in favor of the Funds' Limited Partners. By acquiring an interest in a Fund, each Limited Partner will be deemed to have acknowledged the existence of such actual and potential conflicts of interest, and to have consented thereto, and to have waived any claim in respect of the existence of any such conflict of interest.

Operating Professionals. The Funds and each portfolio company are permitted, in their sole discretion, to retain the services of one or more operating professionals. Operating Professionals could be former, existing or prospective executives of portfolio companies or portfolio companies, industry executives or advisors, research consultants, sourcing consultants, members of expert networks, operating executives, subject matter, industry or regulatory experts or other

individuals acting in a similar capacity, and the scope of the services to be provided by any Operating Professional could include advice with respect to existing portfolio investments and/or potential portfolio investments. Furthermore, the Funds and each portfolio company are permitted to engage, retain or employ Operating Professionals in any manner they deem reasonable or desirable under the circumstances, including either as independent contractors or employees for U.S. federal income tax, labor or other purposes, and such engagements, retainers or employment can be with Compass or with any portfolio company. The employer of an Operating Professional is permitted to terminate the engagement, retainer or employment of such Operating Professional at any time and for any reason, in its sole and absolute discretion. Such employer is also permitted to determine the nature, form and amount of compensation of Operating Professional Compensation. Unless otherwise determined by the applicable employer in its sole discretion, all Operating Professional compensation will be borne by the Funds or by the portfolio companies to which the Operating Professional provide services, as applicable, and not by Compass.

Because Operating Professional compensation is not necessarily borne by Compass, the Firm may have an incentive to engage a prospective employee as an Operating Professional, rather than as an employee of Compass. This incentive is heightened by the flexibility afforded to Compass in connection with how to structure any such engagement, retainer or employment, which will include permitting such executive to exhibit indicia similar or comparable to that of a Compass employee (by way of example only, but without limitation, by virtue of possession of business cards containing the name or logo of Compass; possession or use of computer hardware, a mobile device, a dedicated telephone number (or extension), or an electronic mail address similar to one used by other such employees; access to (and use of) office space or office files (including electronic files); attendance at periodic employee meetings (such as weekly transaction “pipeline” meetings); and attendance before or at investment committee meetings). Such indicia will have no bearing on such Operating Professional’s treatment as such for purposes of the Partnership Agreement.

Although Compass intends to make all Operating Professional engagement, retainer or employment decisions in good faith and only to the extent that any such Operating Professional possesses substantial, significant or otherwise relevant experience or expertise to serve in the capacities for which she, he or it is engaged, it may not always be readily apparent that such decisions were necessarily made in such fashion.

Enhanced Relationships with Certain Limited Partners. In some cases, Limited Partners will directly or indirectly (through an affiliate) provide financing, insurance, advisory or other services to the Funds or one or more of their respective portfolio companies. To the extent Compass, the Funds or any such portfolio company is seeking a provider of such services, they will be incentivized to procure such services from a Limited Partner (or one of its affiliates) on a basis other than best execution, best price or other similar basis. Such Limited Partners will also be aligned with Compass, the Funds or one or more of their portfolio companies in a manner that could give rise to conflicts of interest to the extent such Limited Partners are represented on the advisory committee. Prospective investors should expect that certain Limited Partners will have such enhanced relationships with Compass, the Funds or one or more of their portfolio

companies and that such relationships will give rise to both known and unknown conflicts of interest for both Compass and such Limited Partners. It may not be possible to mitigate such conflicts of interest and the Funds or one or more of their portfolio companies could be harmed as a result.

Conflicts Related to the Interpretation of Offering Documents and Other Legal Requirements. The Offering Documents of each Fund and related documents are detailed agreements that establish complex arrangements among Compass, the Investors, the Fund, the General Partner and other entities and individuals. Questions can arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While Compass will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations Compass adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their Investors.

ITEM 9 – DISCIPLINARY INFORMATION

Compass does not have any legal or other disciplinary events to report that are material to a current or prospective Investor's evaluation of the Firm's advisory business or the integrity of its management.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Compass nor the General Partners are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Compass nor the General Partners 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.

As described above in Item 4, Compass is affiliated with each Fund's General Partner, which is deemed registered with the SEC under the Advisers Act pursuant to Compass' registration.

Compass is also affiliated with Compass Group Equity Partners, LLC ("**CGEP**"), an affiliated adviser through common ownership, which advises on investments not deemed to be securities under the Investment Company Act. Certain employees of Compass will also provide services to CGEP.

Compass does not recommend or select other investment advisers for the Funds.

ITEM 11 – CODE OF ETHICS, PARTICIPATION/INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), Compass has adopted a Code of Ethics (the “**Code**”) that establishes various procedures with respect to investment transactions in accounts (“**Covered Accounts**”) in which any of Compass’ employees have discretionary investment authority or exercise effective influence or control.

Compass’ Code was adopted to avoid possible conflicts of interest, avoid the inappropriate use of material, non-public information and ensure the propriety of its employees’ and its principals’ trading activity.

The foundation of the Code is based on the underlying principles that:

- Employees must at all times place the interests of the client first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code; and
- Employees should not take inappropriate advantage of their position.

Covered Account transactions in certain types of securities require pre-approval by the CCO. Employees must also obtain pre-approval from the CCO before participating in an initial public offering or private placement.

Covered Account transactions are subject to review by Compass’ CCO. These records are used to monitor compliance with the foregoing policies.

Compass will provide a copy of its Code of Ethics to any existing or prospective Investor upon request to Compass’ Chief Compliance Officer, Katie Cason, at (314) 384-1117 or via email at katiec@cgep.com.

Participation or Interest in Client Transactions

Certain Compass employees and their family members have invested in the Funds either through a General Partner and/or as Fund Investors. As mentioned in Item 5 and Item 6 above, Compass generally reduces all or a portion of the Management Fee and Carried Interest related to investments held by such persons. Compass does not believe this arrangement presents any material conflict of interest since the General Partners’ interests are aligned with the interests of Limited Partners in such Funds.

In the event Compass were to recommend a principal transaction or cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating clients; (ii) the transaction is permitted by the relevant Offering Documents; (iii) proper disclosure

is given to the relevant General Partner, advisory committee or Investors, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

Conflicts of Interest

If any matter arises that Compass determines in its good faith constitutes an actual conflict of interest, Compass will take such actions as are necessary or appropriate, and as permitted by any applicable Fund's Offering Documents, to address the conflict. The Offering Documents of each Fund include a description of what Compass believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.

ITEM 12 – BROKERAGE PRACTICES

While Compass generally focuses on securities transactions in private companies and purchases and sells such companies through privately negotiated transactions, the Funds are permitted to engage broker-dealers and investment bankers to perform various services for the Funds and portfolio companies, such as assisting in the purchase or sale of a private portfolio company, assisting in the purchase or sale of shares of securities of a public portfolio company or purchasing or selling publicly traded securities. Compass has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker-dealer or investment banker, if any, to be used to effect transactions for the Funds. In executing transactions, Compass will seek best execution of the transaction. Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer or investment banker's services and is satisfied by obtaining the most advantageous overall terms for the Fund(s) when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates.

Whether for private or public securities transactions, Compass selects a broker-dealer or investment banker based on Compass' judgment regarding a variety of factors, including but not limited to: Compass' prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer or investment banker's responsiveness to the Firm; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; the type and size of the transaction involved; the value of any research services providers; and the commission rates, among other factors.

Although Compass generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions, or their equivalents, than would be the case with other transactions requiring more routine services.

Compass does not receive research or other soft dollar benefits in connection with securities transactions for the Funds, does not receive investor referrals in connection with selecting or recommending broker-dealers for the Funds and does not engage in directed brokerage. In the event Compass were to aggregate the purchase or sale of securities for client accounts, it would do so on a pro rata basis.

ITEM 13 – REVIEW OF ACCOUNTS

Compass will review the Funds' investments on a regular basis with a view to evaluating, among other things, economic developments, industry outlook and other issues related to the investments. A team of investment professionals assigned to the portfolio company monitor performance through regular management meetings, as well as detailed reviews that occur as needed. The team includes principals and other investment professionals of Compass at differing levels of seniority.

Compass posts the following reports utilizing a secure investor portal through the Funds' third-party fund administrator: (i) audited annual financial statements and accompanying notes; (ii) quarterly unaudited financial statements and performance updates; (iii) quarterly partner capital account statements; (iv) quarterly management letters and (iv) annual tax information necessary to complete any applicable tax returns.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

As described in Item 5 above, Compass receives supplemental fees from the portfolio companies held by the Funds. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain consulting services that Compass believes will ultimately enhance the value of the companies and benefit the Funds and their Investors.

These types of fee arrangements present potential conflicts of interest and provide Compass with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict of interest, such benefits received by Compass or its employees (but not Operating Professionals) in connection with services rendered to portfolio companies or transactions of the Funds are offset against Management Fees payable by the Funds, to the extent described above in Item 5 and as detailed in each Fund's Offering Documents.

Compass has engaged a third-party placement agent to introduce prospective Investors to the Funds. Fees payable to such placement agents generally will be borne by Compass indirectly through an offset against the Management Fee or may be paid directly by Compass, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s) as part of the Organizational Expenses of such Fund.

ITEM 15 – CUSTODY

Compass is deemed to have custody of the assets of the Funds. Therefore, in order to comply with Rule 206(4)-2 of the Advisers Act (the “**Custody Rule**”), Compass complies with the pooled vehicle annual audit provision. Annually, upon completion of the annual audit of the Funds, Compass shall seek to ensure that the audited financial statements are delivered to Investors in each Fund within 120 days of the Fund’s fiscal year end. The audited financial statements will be prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board (“**PCAOB**”), in accordance with U.S. Generally Accepted Accounting Principles (“**GAAP**”). Investors should carefully review these audited financial statements.

ITEM 16 – INVESTMENT DISCRETION

Compass, subject to the direction and control of the General Partner of each Fund, will have investment discretion in managing the investments of the Funds. The terms of these investments as well as the investment strategy and guidelines around the use of this discretion are described in detail in each Fund’s Offering Documents.

Compass will assume, subject to the direction and control of the General Partner of each Fund, investment discretion and day-to-day operations over the Funds by virtue of the execution of the Limited Partnership Agreement of each Fund by each Investor in the Funds. The Limited Partnership Agreements generally contain a power of attorney that grants Compass or the applicable Fund’s General Partner certain powers related to the orderly administration of the affairs of the Fund. Once an Investor executes these documents, with limited exceptions, Compass is not required to contact such Investor prior to transacting business in a Fund.

ITEM 17 – VOTING CLIENT SECURITIES

By virtue of the applicable Offering Documents, Compass has the authority to vote proxy statements on behalf of the Funds. However, given the nature of Compass’ advisory business, the Funds seldom hold public securities; the majority of “proxies” received by Compass, are written shareholder consents or similar instruments for private companies owned by the Funds. Specifically, from time to time, portfolio companies request Compass (usually through the General Partner of the applicable Fund) to consent to certain issues pertaining to the portfolio company’s business and requiring equity owner approval. In these cases, Compass considers factors that could affect the value of the investment and will act in the manner that it believes maximizes the value of its long-term investment in portfolio companies.

Compass has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. Compass’ proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds with a goal towards maximizing overall value. Pursuant to its policy, Compass will generally vote in accordance with management’s recommendations unless Compass determines that voting in such a manner is in conflict with the best interests of the Fund’s Investors. Compass generally believe its interests are aligned with those of the Funds’ Investors through the principals’ beneficial

ownership interests in the Funds. However, in the event that there is a conflict of interest in voting proxies, Compass' proxy voting policy provides that the Firm can address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory committee on the proposed proxy vote, or through other alternatives as set forth in Compass' proxy voting policy. Investors in the Funds cannot direct how Compass votes proxies or shareholder consents, nor is Compass required to seek Investor approval or direction when voting proxies or when giving consent on any matter requiring the consent of shareholders.

Firm principals and affiliated or unaffiliated third parties appointed by Compass sit on the boards of portfolio companies to which Compass provides operational, management and consulting services and, as such, exercise authority with respect to various issues faced by the portfolio companies. Compass does not consider service on portfolio company boards by the aforementioned persons or their receipt of nominal board fees, if any, to create a material conflict of interest in voting proxies with respect to such companies.

Compass will provide a copy of its proxy voting policy to Investors upon request to Compass' Chief Compliance Officer, Katie Cason, at (314) 384-1117 or via email at katiec@cgep.com. Investors can also obtain information from the Firm, free of charge, about how Compass voted any previous proxies, if any.

ITEM 18 – FINANCIAL INFORMATION

Compass does not require prepayment six month in advance of more than \$1,200 in fees, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.