

PART 2A OF FORM ADV: FIRM BROCHURE

**Guardian Capital Partners**  
**Investment Management, L.P.**

3.29.2024

**Guardian Capital Partners**  
**Investment Management, L.P.**  
**724 W. Lancaster Avenue, Suite 120**  
**Wayne, PA 19087**  
**Tel: 610.263.0100**  
**Fax: 610.465.8900**

Website: [www.guardiancp.com](http://www.guardiancp.com)

THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF GUARDIAN CAPITAL PARTNERS INVESTMENT MANAGEMENT, L.P. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 610-263-0100 OR JSTOTT@GUARDIANCP.COM. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT GUARDIAN CAPITAL PARTNERS INVESTMENT MANAGEMENT, L.P. IS ALSO AVAILABLE ON THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION'S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).

REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR NOTICE FILING WITH ANY STATE SECURITIES AUTHORITY DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING. THE ORAL AND WRITTEN COMMUNICATION OF ANY REGISTERED INVESTMENT ADVISOR IS INTENDED TO PROVIDE YOU WITH INFORMATION WHICH YOU MAY USE IN DETERMINING WHETHER TO HIRE OR RETAIN A REGISTERED INVESTMENT ADVISER.

## ITEM 2 MATERIAL CHANGES

Guardian Capital Partners Investment Management, L.P.'s ("Adviser") previous Brochure was dated March 30, 2023. There were no material changes made to this Brochure since the March 30, 2023 filing.

## Contents

ITEM 2 MATERIAL CHANGES .....	2
ITEM 4 ADVISORY BUSINESS .....	4
ITEM 5 FEES AND COMPENSATION.....	5
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	8
ITEM 7 TYPES OF CLIENTS.....	9
ITEM 8 METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	9
ITEM 9 DISCIPLINARY INFORMATION .....	13
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	13
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	14
ITEM 12 BROKERAGE PRACTICES .....	16
ITEM 13 REVIEW OF ACCOUNTS.....	16
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION .....	16
ITEM 15 CUSTODY .....	18
ITEM 16 INVESTMENT DISCRETION.....	18
ITEM 17 VOTING CLIENTS' SECURITIES .....	18
ITEM 18 FINANCIAL INFORMATION .....	18

#### ITEM 4 ADVISORY BUSINESS

**General Description and Principal Owners.** Guardian Capital Partners Investment Management, L.P. (the “Adviser”) is a private equity firm that provides investment advisory services to pooled investment vehicles (each a “Private Fund” or “Client”, and one or more collectively, the “Private Funds” or “Clients”) that are exempt from registration as an “investment company” under the Investment Company Act of 1940, as amended. The Adviser commenced business in 2013 and is owned and led by Peter Haabestad and Scott Evans, (together, the “Adviser Managing Members”). The Adviser is a Delaware limited partnership, the General Partner of which is Guardian Capital Partners II, LLC, a Delaware limited liability company, owned by the Adviser Managing Members. The Adviser was previously registered with the SEC as a relying adviser to Guardian Capital Partners Management Company, L.P., the filing adviser with the SEC, under an umbrella registration on behalf of both firms.

The Adviser Managing Members have been working together since 2008 and are supported by a team of investment professionals experienced in the advisory services offered by the Adviser. The respective Private Fund’s Private Placement Memorandum (“PPM”) and such Private Fund’s organizational documents (*e.g.*, a Private Fund’s limited partnership agreement) authorize a portfolio of investments comprised of control investments in lower middle market private securities in various non-public companies.

**Advisory services offered.** The Adviser and its affiliates provide investment advisory and administrative services exclusively to the Private Funds based on their respective investment objectives. Each Private Fund is a traditional closed-end pooled investment fund with unspecified investments. The Adviser, with each Private Fund’s General Partner (“General Partner”), identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of each Private Fund. The primary focus of the Adviser’s investment advisory activity is researching and advising on private equity investments in three specific sectors: consumer, niche manufacturing, and specialty business services. The Adviser will seek control investments in companies with targeted levels of earnings before interest taxes, depreciation and amortization (“EBITDA”) that have three value-creation attributes: strong partnership with management; sustainable competitive advantage; and meaningful growth and profitability opportunities that the Adviser can directly influence. Such investments take the form of privately negotiated investment instruments including unregistered equity and equity related investments from primarily U.S. issuers. The Private Funds may also invest in debt securities that have equity-like returns or an equity component or are related to its equity investments. Please refer to Item 8 for a more detailed description of the Adviser’s investment strategies as well as the securities and other instruments purchased by the Adviser on behalf of the Private Funds.

As of the date hereof, the Adviser provides administrative and/or investment management services to the following Private Funds: Guardian Capital Partners Fund II, L.P., and a parallel fund, Guardian Capital Partners Fund II (Q), L.P. (collectively referred to as “Fund II”); and Guardian Capital Partners Fund III, L.P., and two parallel funds, Guardian Capital Partners Fund III (Q), L.P. and Guardian Capital Partners Fund III (A), L.P. (collectively referred to as “Fund III”). The parallel funds referenced above generally will invest side by side with the corresponding main Private Funds in all portfolio investments pro rata based on committed capital and the parallel funds will be responsible for their pro rata share of expenses.

The Adviser provides investment advisory services solely to each Private Fund, and not to investors in the Private Funds (each an “Investor”, and collectively “Investors”). No investment advisory

relationship exists between the Advisor and any Investors in the Private Funds. To the extent any Investor in a Private Fund desires any advice regarding its individual investment decisions, it should engage financial, legal, tax, accounting and other advisers on its behalf. Each Investor and its engaged advisers are responsible for conducting an independent analysis and due diligence to the full extent they deem necessary, and based on such analysis, each Investor must make its own decisions regarding whether and when to invest any Private Funds.

**Tailoring to individual needs and investment restrictions.** The Adviser tailors its advisory services as described in the relevant PPM and such Private Fund's organizational documents and/or as set forth in the separate investment management agreement (each a "Management Agreement") with such Private Fund. Investment advice is provided by the Adviser directly to the Private Funds, subject to the direction and control of the affiliated General Partner of such Private Fund. Any restrictions on investments in certain types of securities or geographic areas are set forth in the offering and organizational documents of each Private Fund.

In addition, the Adviser has the right to enter and has entered into agreements, such as side letters, with certain Investors of the Private Funds that have and may in each case provide for investment terms that are more favorable to the terms provided to other Investors. Such terms include or may include, co-investment rights, the provision for additional information or reports, rights related to specific regulatory requests of certain clients, more favorable transfer and liquidity rights and the right to participate in a representative group of Investors for each relevant Private Fund, as defined in the organizational documents of each Private Fund (each a "Limited Partner Advisory Committee"). Once invested in a Private Fund, Investors generally cannot impose additional investment guidelines or restrictions on such Private Fund. Except in limited circumstances, Investors are not permitted to withdraw from a Private Fund prior to its dissolution.

Persons reviewing this Form ADV Part 2A should not construe this as an offering of any of the Private Funds described herein, which will only be made pursuant to the delivery of a PPM to prospective investors.

**Assets under management.** As of December 31, 2023, the Adviser managed total Client assets of approximately \$464.32 million, all of which is managed on a discretionary basis.

#### ITEM 5 FEES AND COMPENSATION

**How the Adviser is compensated.** The specific terms for the compensation of the Adviser by each Private Fund are dictated by each Private Fund's offering documents, limited partnership agreement and Management Agreement and are not negotiable. In general, each Private Fund pays a fee (a "Management Fee") of 2.0% per annum. During the commitment period (as defined in each Private Fund's limited partnership agreement), such fee is calculated as a percentage of total capital committed. During the period thereafter, such fee is calculated as a percentage of capital contributions that remain invested in the portfolio companies. The Management Fees are paid exclusively by the Investors and not the General Partners. As described below, the Management Fee has been and may be reduced in some circumstances, including but not limited to, by a percentage of break-up fees, transaction fees, directors' fees, management fees, monitoring fees and other similar fees received by the Adviser. Proceeds realized upon the disposition of assets are distributed in accordance with the terms of the PPM and organizational documents through a tiered schedule. The General Partners of the Funds can receive performance fees in the form of carried interest ("Carried Interest"), discussed in greater detail in Item 6

below. A complete description of all fees and compensation are contained within each Private Fund's PPM and organizational documents.

Per the terms of the Management Agreements, the Adviser's duties include the provision of discretionary investment advice and additional services to the Private Funds. Such additional services include originating and recommending investment opportunities, analyzing and investigating potential acquisitions and dispositions of investments, identifying potential acquirers and evaluating offers made by such potential acquirers, negotiating and structuring acquisitions and dispositions of investments and supervising the preparation and review of documents required in connection therewith, monitoring the performance of portfolio companies and, where appropriate, providing advice to the executives of portfolio companies during the life of an investment. Absent extraordinary circumstances, the Management Agreements remain in effect beyond the liquidation of the final equity investment until the Private Fund is wound down and fully dissolved.

**Payment of fees in advance.** Management Fees are generally paid quarterly in advance. In the event that a Private Fund's Management Agreement with the Adviser terminates prior to the final dissolution of a Private Fund during a period covered by Management Fees paid in advance, the Adviser would prorate such Management Fee and reimburse the respective Private Fund the portion of such Management Fee covering the remainder of the period (*i.e.*, from the date of termination to the end of the period). Under ordinary circumstances, the final Management Fee would be paid at the beginning of the quarter in which the final equity investment is liquidated. As such, no refund of Management Fees would be due at the time of the liquidation of the final equity investment because the Investment Management Agreement remains in effect until the final winding down and dissolution of the Private Fund occurs upon a future date.

**Deduction of fees from clients' assets.** Management Fees and Carried Interest are deducted directly from each Private Fund's respective Investor's capital account. If there are insufficient assets, the Adviser will issue a capital call notice to Investors. Except as described above, Management Fees are generally not refundable. The Adviser and/or its affiliates may waive all or part of any Management Fee and/or Carried Interest to which it may otherwise be entitled from any Client.

The Adviser waived the Management Fee for those Investors of Fund II who consented to the adoption of certain amendments to the respective Fund II Limited Partnership Agreements for the remaining life of the respective partnerships.

**Other types of fees or expenses.** Each Private Fund pays all offering and organizational expenses incurred in the formation of the Private Fund and the related entities up to a certain maximum limit set forth in the Private Funds' PPM and organizational documents. Each Private Fund may bear the following expenses to the extent not borne by its portfolio companies: fees, costs and expenses directly related to the sourcing, evaluation, purchase, holding, development, management, monitoring, refinancing and sale of investments; principal, interest, fees, expenses and other amounts payable in respect of borrowings, financings, and guarantees; fees, costs and expenses of other third-party services such as custody, legal, accounting, consulting and other professional costs; any insurance or indemnity expenses; all costs of the Private Fund's administration, including preparation of its financial statements and reports to Investors, the preparation of tax returns, and the fees and expenses of any third-party administrator; fees, costs and expenses of meetings of Investors; fees, costs and expenses relating to the Limited Partner Advisory Committee, including out-of-pocket expenses of its members, and fees and

expenses incurred in respect of counsel or other experts engaged in connection with the execution of its duties; any taxes, fees or other governmental charges levied against the Private Fund and not specifically chargeable to Investors; fees, costs and expenses related to structuring, organizing, operating and maintaining investment vehicles; fees, costs and expenses relating to temporary investments and un consummated transactions; costs of registration, qualification or exemption of the Private Fund under any applicable laws; and fees, costs and expenses related to the dissolution and liquidation of the Private Fund; fees, costs and expenses incurred in connection with any restructuring or amendments to the organizational documents of the Private Fund; fees, costs and expenses related to licensing, purchase, development, programming and operation of computer software in connection with the Private Fund; fees costs and expenses incurred for research or obtaining information for the Private Fund and information service subscriptions; expenses incurred in connection with the collection of amounts due to the Private Fund; fees, costs and expenses (and damages) related to compliance with applicable laws and regulations and any litigation, governmental inquiries, investigations or proceedings, in each case related to the Private Fund or its investments; and fees, costs and expenses incurred in connection with administering side letters entered into with Investors. Each Private Fund's PPM and organizational documents contain more detailed descriptions of fees and expenses.

The Adviser will typically perform management, advisory, transaction related services, financial advisory and other services for, and will receive fees ("Portfolio Transaction and Monitoring Fees") from, actual or prospective portfolio companies or other deal related investment vehicles of the Private Funds, including such fees in connection with transactions, directors', management, monitoring, consulting, break-up, and other similar fees. In accordance with each of the Private Fund's limited partnership agreements, the Adviser is permitted to retain a certain amount of these Portfolio Transaction and Monitoring Fees up to a specific dollar cap on an annual basis. Any Portfolio Transaction and Monitoring Fees received in excess of the stipulated cap are first used to reduce future Management Fees of the respective Private Fund or pay for Fund expenses, with the excess to be distributed as part of the final liquidation of each Private Fund.

Such reductions are credited to the Management Fee on a quarterly basis. To the extent any such credit would reduce the Management Fee for a given quarter below zero; such credit will be carried forward for future application. These Portfolio Transaction and Monitoring Fees are disclosed in the annual and quarterly financial statements of the Private Funds.

The Adviser has adopted internal control procedures that are designed to ensure that Fund expenses are properly calculated and allocated to the Private Funds, and that Management Fee offsets are correctly applied, all in accordance with the terms of the Private Funds' governing documents.

It is critical that Investors refer to the relevant PPM and organizational documents for a complete understanding of the types of fees and other compensation received by the Adviser for services provided to the Private Funds. The information contained herein is a summary only and is qualified in its entirety by such documents.

Neither the Adviser, its affiliates, nor any of its Supervised Persons accept compensation for the sales of securities or other investment products.

**Fees charged by affiliated service providers.** At the Adviser's discretion, the portfolio companies of the Private Funds may enter into consulting agreements with an affiliated entity, Guardian Operations and Advisory Company, LLC ("GOAC"), to receive operational consulting and other specialized

management advisory services (“Operational Services”) that would otherwise be performed by unaffiliated third parties. Any fees for such services will be no greater than rates that would be charged by unaffiliated third parties with substantially similar experience, unless otherwise approved by a Private Fund’s Limited Partner Advisory Committee. Fees charged for Operational Services to Fund III portfolio companies are not considered Portfolio Transaction and Monitoring Fees (as described above) and, therefore, will not be credited against the Management Fee. Fees charged for Operational Services to Fund II portfolio companies are considered Portfolio Transaction and Monitoring Fees (as described above) and will be credited against the Management Fee. The Operational Services fees, or a portion thereof, may be payable in the form of equity securities, options or other incentive equity awards of the portfolio company. The value of any such securities, options or awards will be consistent with the cost of the issuance of such securities, options or awards. For the avoidance of doubt, any equity securities, options or other incentive equity awards issued to GOAC or to GOAC executives who advise the Fund III portfolio companies are not subject to Management Fee offset. Additional information regarding GOAC is contained within Item 10 Other Financial Industry Activities and Affiliations.

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

**Performance Based Fees.** The General Partner of each Private Fund can receive Carried Interest based explicitly on the performance of a Private Fund. Each General Partner of a Private Fund is a related person of the Adviser. The Carried Interest allocation results in a portion of each Private Fund’s net investment profit being allocated to the capital account of its General Partner. The amount and timing of the Carried Interest allocation varies by Private Fund and is stipulated in the specific Private Fund’s PPM and organizational documents. Upon the termination of the Private Funds, if: (1) the respective General Partner received distributions of Carried Interest in excess of a specified percentage of the net gain of the respective Private Fund; or (2) the Investors have not received distributions equal to their investment plus any specified return as defined in the respective Private Fund’s PPM and organizational documents, the General Partner is required to restore funds to the respective Private Fund, but in no event will the General Partner be required to restore more than the cumulative Carried Interest distributions received, net of income taxes payable thereon. The existence of Carried Interest can create an incentive for the Adviser to cause a Private Fund to make riskier or more speculative investments than would be the case in the absence of Carried Interest. The existence of the Carried Interest also can incentivize the Adviser to hold investments for periods of time than otherwise may be appropriate in order to increase amounts distributable to the General Partner of the Private Fund in respect of the Carried Interest. The Adviser believes that this incentive is tempered by the capital commitment of the General Partners (and their affiliates) in each Private Fund and by the fact that losses will diminish the Private Funds’ performance and thus reduce the Carried Interest allocation to the General Partners. In addition, the Adviser’s compliance policies and procedures and Code of Ethics prohibit Supervised Persons from favoring one account over another or considering the Adviser’s financial interest when providing investment advice to Clients. Furthermore, Investors are provided with clear disclosure in the relevant PPM and organizational documents as to how performance-based compensation is charged with respect to a particular Private Fund and the risks associated with such performance-based compensation prior to making an investment. Please see Item 10 for more information on conflicts of interest.



#### ITEM 7 TYPES OF CLIENTS

The Adviser provides investment advisory services only to the Private Funds, which are privately offered pooled investment vehicles.

The PPM or organizational documents of each Private Fund may set minimum amounts for investment by prospective investors in such vehicles. These minimum amounts may be waived by the Adviser.

#### ITEM 8 METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

**Methods of Analysis and Investment Strategies.** The Adviser is focused on and has expertise in three specific sectors: consumer, niche manufacturing and specialty business services. The Adviser will target control investments in companies that have three value-creation attributes: strong partnership with management; sustainable competitive advantage; and meaningful growth and profitability opportunities that the Adviser can directly influence. Private Fund investment portfolios may differ based on whether the Adviser concentrates the Private Fund's investments in a single one of these strategies, all of the strategies, or fewer of the strategies. Private Fund investment portfolios may also differ based on geographical focus, liquidity needs and other considerations. The Adviser understands and has experience addressing issues unique to this market.

The Adviser has implemented a strict level of discipline, controls, strategic oversight, execution and focus on operational excellence with the companies included in the Private Funds' investment portfolios. The Adviser has a highly disciplined investment process to guide the origination and screening, due diligence and execution of the transaction, governance and realization of the Private Funds' investments. The method, culture and tools were developed by the investment team and have been embraced and refined over the Adviser's history. With each investment, members of the investment team are assigned to facilitate and govern the diligence and execution process. The investment team always controls the underwriting and conducts the business diligence, including operational and financial performance, management evaluations, market and industry trends, customer and supplier relationships and risks, and strategic growth and profitability opportunities. Qualified third-party industry specialists are often engaged from the Adviser's extensive network to provide valuable insights and assistance; these individuals have or may become an executive of the portfolio company or board member. In addition, the investment team oversees a number of third-party professionals for legal, accounting, tax, technology, insurance and environmental due diligence. During the post-letter of intent confirmatory due diligence phase, the investment team typically hosts and facilitates in-depth strategy sessions with the target management team. These strategy sessions ensure that the investment team and the executive management team are fully aligned with the post-closing strategy, opportunities and priorities. Each General Partner has an affiliated Executive Advisory Board to assist with a variety of aspects of the due diligence and investment process. The members of the Executive Advisory Board consist solely of select Investors, or their affiliated persons, in the relevant Private Fund. Members of the Executive Advisory Board are compensated through a portion of the Carried Interest earned by the General Partner for the relevant Private Fund, by virtue of a profits interest in the relevant General Partner.

Upon the conclusion of successful due diligence, the respective Private Funds' Investment Committee reviews the investment thesis, diligence materials, projected return information and specific market data for each potential investment. Decisions of the Investment Committee require a unanimous vote. Subsequently, the Adviser's Management Committee will ratify the Investment Committee's decision

in accordance with its charter.

The investment team works closely with portfolio company management through the lifecycle of ownership. The Adviser also uses its networks to place outside members onto the board who have skill sets specific and relevant to the portfolio company's key strategic growth initiatives. The Adviser expects to control the board of directors of each portfolio company and will typically hold periodic review meetings to discuss performance, annual operating plans and strategic plans. With each investment, the Adviser evaluates exit strategies during due diligence and throughout the Private Fund's holding period.

**Investment Risks.** Investing in securities involves a substantial degree of risk. The investments of each Private Fund may lose all or a substantial portion of their value. Investors in Private Funds must be prepared to bear the risk of loss of their investments therein. It is critical that potential investors refer to the relevant Private Fund's PPM and organizational documents, which include more comprehensive, detailed disclosure of the material risks of investing in a Private Fund, for a complete understanding. In addition, while certain risks may be more important for certain investment strategies, certain risks may overlap investment strategies. Among other risks described more fully in each Private Fund's offering documents, each Private Fund's investments entail the following risks:

**No Assurance of Investment Return.** Each Private Fund's task of identifying and evaluating investment opportunities, managing such investments and realizing a positive return for Investors is difficult. There is no assurance that a Private Fund will be able to invest its capital on attractive terms, generate positive returns or avoid losses over the long term.

**Illiquid / Long Term Nature of Investments.** An investment in a Private 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 Investors. Investments in most of the portfolio companies will be highly illiquid until such time as the investment is sold or a public market is created. In addition, in some cases, the Adviser may be prohibited by contract from selling certain securities on behalf of a Private Fund for a period of time.

**No Market for Interests; Restrictions on Transferability; No Withdrawal Rights.** The interests acquired by Investors in each Private Fund ("Interests") have not been registered under the Securities Act of 1933 ("the 1933 Act") or the securities laws of any state or other jurisdiction and cannot be resold unless they are subsequently registered under the 1933 Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the Interests under the 1933 Act or other securities laws will ever be affected. There is no public market for the Interests, and none is expected to develop. An Investor will also generally not be permitted to assign its Interests without the prior consent of the relevant General Partner, which may be withheld in its sole discretion. Investors may not, except in extraordinary circumstances, withdraw from the Private Fund in which they are invested. Consequently, Investors may not be able to liquidate their Interests prior to the expiration of the term applicable to such Private Fund and must be prepared to bear the risks of owning Interests for an extended period of time.

**Market Conditions.** Volatile market conditions at various times have had a dramatic effect on private investments. In addition, pandemics, terrorist attacks and other acts of violence or war may affect the operations and profitability of a Private Fund's investments. Such events could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy. Any of these occurrences could have a significant impact on the operating

results, and, in turn, on the return of a Private Fund's investments.

**Difficulty of Locating Suitable Investments.** The management buyout and private equity investment industry in which the Adviser is engaged on behalf of the Private Funds is highly competitive. There can be no assurance that the Adviser will be able to locate and complete investments which satisfy a Private Fund's investment or rate of return objectives or that the Adviser will be able to invest fully the committed capital of any Private Fund.

**Concentration.** Because a Private Fund has the ability to concentrate its investments by investing significant percentages of its capital commitments in a single portfolio company and substantial amounts of its assets in a single industry or geographic location, the overall adverse impact on a particular Private Fund of adverse movements in the value of the securities of a single issuer or in a single industry or geographic location will be considerably greater than if the Private Fund was not permitted to concentrate its investment to such an extent.

**Risk of Certain Investments.** In connection with the disposition of an investment in a portfolio company, the Private Funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. They may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities for the Private Funds.

**Credit Risk.** There is no minimum credit standard that is a prerequisite to a Private Fund's investment in any security. Securities in which a Private Fund may invest may rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of whose debt securities may be secured by substantially all of the issuer's assets. Moreover, a Private Fund may invest in securities that are not protected by financial covenants or limitations on additional indebtedness. A Private Fund may lose all or substantially all of its investment in any particular instance.

**Leverage.** Private Funds may invest in portfolio companies that may borrow without limitation and may utilize various lines of credit and other forms of leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although the Adviser seeks to use leverage in a prudent manner, the leveraged capital structure of such investments increases exposure to adverse economic factors such as downturns in the economy or deterioration in the condition of the company or its industry. Additionally, the securities acquired by the Adviser on behalf of the Private Funds will generally be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss. Therefore, while leverage presents opportunities for increasing a portfolio company's total return, it has the effect of potentially increasing losses as well and thereby affecting the value of the portfolio company's net assets. Accordingly, any event that adversely affects the value of an investment by a portfolio company would be magnified to the extent a portfolio company is leveraged.

**Legal, Tax and Regulatory Risks.** The regulatory considerations affecting the ability of the Adviser to achieve the investment objectives of any Private Fund are complicated and subject to change. In addition, other legal, tax and regulatory changes could occur during any Private Fund's term that may adversely affect such Private Fund, the companies in which it is invested or such Private Fund's Investors.

**Diverse Investor Group.** Investors may have conflicting investment, tax and other interests with respect to their investments in Private Funds. The conflicting interests of individual Investors may relate to or arise from, among other things, the nature of investments made by the Adviser on behalf of the Private Fund in which such Investors are invested, the structuring or the acquisition of such investments and the timing of disposition of such investments. In selecting and structuring investments appropriate for a Private Fund, the Adviser will consider the investment and tax objectives of the Private Fund as a whole, and not the investment, tax or other objectives of any of its Investors.

**Fair Valuation of Securities.** Due to the non-public nature of the investments in the Private Fund portfolios, fair valuation is the primary means by which the portfolio investments are valued. The Adviser assesses the fair market value of each security on a quarterly basis. The process uses each investment's financial statements, comparable public company multiples, private company transaction multiples, purchase price transaction multiples and a discounted cash flow analysis and each investment's distribution agreement to derive fair market value. For investments in the course of being sold or acquired, as the data becomes available throughout the sale process, the valuation process also includes the median of valuation estimates as obtained during investment bankers' interviews, the average of offers received via a letter of intent, and the ultimate purchase price. Both the Private Funds' Investment Committees and the Advisers' Management Committee review the estimated fair market values presented by the investment team and approve the valuations on a quarterly basis.

**Impact of Disease Pandemics.** The outbreak of an infectious disease in the United States or elsewhere, such as the novel coronavirus (*e.g.*, "COVID-19"), together with any resulting travel restrictions or quarantines, could result in disruptions to the Adviser and/or third-party service providers on which the Adviser relies. Given that the nature, timing, and severity of an outbreak is unknown, the extent to which a pandemic might impact the Adviser, its investments, or its advisory operations is uncertain. In addition to impacting the Adviser and its third-party providers, a pandemic may, and most likely will, have a negative impact on the economy and business activity in the United States and worldwide leading to potential significant disruption, volatility, and potential losses across financial markets. Investors must be prepared for such potential losses and while the Adviser has processes in place to ensure business continuity and to monitor the performance of its vendors and the Private Funds' portfolio company investments, the uncertainty around the nature, type, breadth, and duration of a pandemic and the overall potential impact to the Adviser's operations and Private Funds' investments is unclear.

**Cybersecurity and Other Technological Risks.** The Adviser is susceptible to operational, information security, and related technological risks. In general, "cyber" incidents can result from both deliberate attacks and unintentional events. Cyber incidents include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber incidents can cause disruptions and impair business operations, potentially resulting in the inability to transact business, financial losses, violations of applicable privacy and other laws, regulatory fines, penalties, or reputational damage. While the Adviser has established a business continuity plan and risk management systems intended to identify, prevent, and mitigate cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, Adviser cannot control the cybersecurity plans and systems put in place by third party service providers. As a result, Investors could be negatively impacted by technological risk.

**Commented [SJ1]:** Do we still need this? I saw something recently that suggested the SEC thought this was an outdated disclosure (maybe from someone selling services to help with ADV?)

#### ITEM 9 DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory business or the integrity of the Adviser's management by any present or prospective investor.

#### ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Adviser has relationships and arrangements that are material to the Adviser's advisory business with related persons identified below. The General Partner of each Private Fund is considered a related person of the Adviser.

The Adviser manages Private Funds and will continue to devote time to the management of each of the Private Funds. This may create conflicts in the allocation of management resources. The Adviser maintains sufficient staff to ensure that its Clients are not disadvantaged.

There is little potential for conflict in allocating investment opportunities amongst Clients, because generally only one pool is investing in platform opportunities at any point in time. As set forth in the specific organizational documents of the Private Funds, new Private Funds with the same investment strategy cannot be initiated until the commitment period, as defined in the limited partnership agreements, has ended or if at least 70% of the committed capital of the current Private Fund is invested in, committed to or reserved for investments or partnership expenses. There is one exception: the Adviser can form a new Private Fund with the same investment strategy at any time with the approval of the Limited Partner Advisory Committee of Fund III. The existence of the Carried Interest that the General Partners will receive under the limited partnership agreements can create an incentive for the General Partners to approve and cause the Private Fund to make more speculative investments than it would otherwise make in the absence of such performance-based compensation. This potential conflict is mitigated as each Investor acknowledges the existence of such actual or potential conflicts of interest, and consents thereto, and waives any claim with respect to the existence of any such conflicts of interest.

The Investors may have conflicting tax and other interests with respect to their Private Fund investments. In selecting and structuring investments appropriate for a Private Fund, the General Partner will consider the investment and tax objectives of the Private Fund as a whole, and not the investment, tax or other objectives of any Investor individually.

If a Supervised Person becomes aware of an opportunity to acquire, or receive personal gain or profit from, any business opportunity that comes to his or her attention as a result of his or her association with the Adviser and in which he or she knows that the Advisor or a Private Fund might be expected to participate or have an interest, the Supervised Person must disclose such opportunity in writing with all necessary facts to the Chief Compliance Officer or his or her designee, offer the particular opportunity to the Private Fund or have the Adviser make the determination that the Private Fund would not invest in the opportunity. Supervised Persons are not permitted to participate in such opportunities without obtaining written approval.

The limited partnership agreements (as well as side letters and other related agreements) of the Private Funds contain provisions governing when a co-investment opportunity may be offered and to whom. The Adviser may decide to offer co-investment opportunities in a portfolio company to certain persons to invest alongside a Private Fund. Some offers may be required pursuant to certain side letter agreements and some co-investment opportunities may be offered to other Investors. From time to time, the Chief Compliance Officer will review such co-investments to ensure compliance with the

limited partnership agreements and side letters of the Private Funds.

If Investors in a Private Fund are affiliated with a potential portfolio company, the conflict must be disclosed to and approved by the relevant Limited Partner Advisory Committee.

The General Partner of each of the Private Funds will seek to disclose to the Limited Partner Advisory Committee of each Private Fund any specific conflicts of interest that arise and that are considered by the General Partner to be material. The Limited Partner Advisory Committees of each of the Private Funds play an important role in resolving conflicts of interest by approving or disapproving the appropriateness of decisions that involve significant conflicts of interest if they arise.

In order to improve efficiency and reduce certain costs for the Private Funds and their portfolio companies, the Adviser formed GOAC, a wholly-owned subsidiary, to better coordinate, manage and oversee the operations consulting, commercial diligence and analytical services that are provided across each of the Private Funds by various operations executives, industry experts, consultants and outside firms. These consulting services are provided by GOAC staff and unaffiliated specialty consulting firms or executives to portfolio companies of the Private Funds and in certain instances to the Private Fund entities themselves. GOAC's consulting services are prescribed via consulting agreements with the applicable portfolio companies or Private Funds. Upon the execution of a consulting agreement, GOAC may receive consulting service fees in advance from the portfolio company to be used to pay for future GOAC services, related expenses, or other expenses as directed by the portfolio company. Upon the sale of the portfolio company or the termination of the consulting agreement, any prepaid consulting service fees that exceed the total cost of GOAC's services are returned to the portfolio company by GOAC. GOAC is an alternative to the outsourcing of such services to third parties, whereby GOAC's services are intended to be provided at or below market rates and on an arms-length basis. The Adviser believes that outsourcing would result in materially higher costs for the Private Funds and their portfolio companies.

In accordance with the terms of the applicable limited partnership agreements of the Private Funds, the costs and expenses for consulting services provided by GOAC on Private Fund-related matters are generally allocable to the Private Funds, while the costs of work performed by GOAC on behalf of the portfolio companies are passed on to the applicable portfolio companies. In all cases in which GOAC provides consulting and other specialized advisory services to the Private Funds or the portfolio companies, GOAC's costs and expenses are passed through at cost with no mark-up.

When making portfolio company investments, the Adviser will, at its discretion, appoint portfolio company board members who may be affiliated with the Private Funds, Adviser or its personnel. Such board members may be compensated by the portfolio company for their role in performing advisory board functions.

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

**Code of Ethics.** The Adviser's Code of Ethics is based upon the premise that all of the personnel of the Adviser and its affiliates have a fiduciary responsibility to render professional, continuous and unbiased investment advisory service. The Code of Ethics specifies and prohibits certain types of transactions and establishes general guidelines for the conduct of the personnel of the Adviser and its affiliates as well as clearance and/or reporting requirements and enforcement procedures. All access persons must

avoid actions or activities that allow a person to profit or benefit from their position with respect to the Private Funds or that otherwise improperly bring into question the person's independence or judgment. The Code of Ethics also contains general prohibitions against fraud, deceit and manipulation, as well as additional restrictions and requirements regarding gifts, entertainment and outside activities.

The Code of Ethics specifically requires all personnel of the Adviser and its affiliates to (1) comply with the spirit and letter of applicable laws and regulations; (2) maintain the highest ethical and professional standards; (3) observe all fiduciary duties and put Client's interests ahead of those of the Adviser; (4) observe the Adviser's personal trading policies so as to avoid misuse of insider information and other conflicts of interests between the Adviser and its Clients; (5) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by the Adviser and that personnel who violate the Code of Ethics are subject to sanctions by the Adviser, including termination. A copy of the Code of Ethics is available upon request to Clients or prospective Clients.

In furtherance of the Code of Ethics, the personnel of the Adviser and its affiliates are prohibited from all of the following:

- use of material non-public information about securities;
- engaging in any personal securities transactions in an initial public offering except with the prior written approval of the Chief Compliance Officer;
- participating in a limited offering without the prior written approval of the Chief Compliance Officer;
- trading in any securities on a list for which trading is prohibited, if any;
- communicating material non-public information concerning a security; or
- recommending the purchase of a security while in the possession of material non-public information.

No supervised person of the Adviser or its affiliates may use or divulge any confidential information, including confidential information about the Adviser, any Private Fund, any portfolio company, any potential, current or former Investors of the Private Funds, or investments or transactions, except in the course of performing the supervised person's duties on behalf of the Adviser or its affiliates, or as required by applicable law, rule or regulation.

In general, the personnel of the Adviser and its affiliates are required to submit to the Chief Compliance Officer an initial and annual report detailing their securities holdings as well as quarterly reports detailing securities transactions. Generally, personnel of the Adviser and its affiliates are permitted to invest in portfolio companies only through an ownership interest in the General Partner of that Private Fund; therefore, any potential conflicts of interest are avoided. Employees of GOAC, the Adviser's affiliate, and new employees of the Adviser who do not have an ownership interest in the General Partner of that Private Fund may be able to make a direct investment in a portfolio company, which is reviewed by the Chief Compliance Officer to avoid any potential conflicts of interest.

The Chief Compliance Officer is required to report all violations of the Code of Ethics to the Compliance Committee of the Adviser.

## ITEM 12 BROKERAGE PRACTICES

From time to time, the Adviser may choose the investment banks (*i.e.*, broker-dealers) to handle the sale of a portfolio company and negotiate the terms of the investment banks' engagement, including the fees to be paid to the investment bank. In determining which investment banks to engage, the Adviser typically takes into consideration the investment banks' financial condition, reputation, prior experience, industry expertise and contacts.

## ITEM 13 REVIEW OF ACCOUNTS

**Monitoring of accounts.** The portfolio investments of each Private Fund are continuously reviewed by a team of investment professionals, primarily through active dialogue with the portfolio company management teams and serving on the portfolio company board of directors. The team includes members of the Adviser's investment staff. The Adviser closely monitors the portfolio companies of the Private Funds and maintains oversight of each portfolio company on an ongoing basis.

**Review triggers.** The Adviser continually monitors each Private Fund's performance and investments. In addition, the Adviser performs various monthly, quarterly, annual and other periodic reviews of the Private Fund portfolios. Monthly reviews include portfolio financial performance. Quarterly reviews include portfolio valuation reviews by the Adviser's Management Committee. A review of a Client account may be triggered by an unusual activity or special circumstance.

**Reports to clients.** Investors in each Private Fund receive from the Adviser, typically in an electronic format, unaudited quarterly reports providing summary financial and other information on the Private Fund in which such Investor is invested. The Adviser may provide certain Investors with information on a more frequent and detailed basis if agreed to by the Adviser. In addition, the Adviser provides to Investors in each Private Fund, typically in an electronic format, audited financial statements concerning the Private Fund in which they are invested and tax information necessary for the completion of such Investor's tax return generally within 90 days of the end of the Client's fiscal year.

Investors are also provided with performance and other detailed information so that each Investor can monitor its investment in each relevant Private Fund. The Adviser holds an annual meeting of Investors for the Private Funds to review the status of the Private Funds. The Adviser welcomes inquiries from Investors in the event any Investor desires information not contained in the Adviser's Form ADV Part 1, Form ADV Part 2 or other relevant offering material or Client reports.

## ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser does not receive economic benefits from non-Clients for providing investment advice and other advisory services. The Adviser has not provided compensation with respect to referrals of Clients.

The Adviser or an affiliate may compensate third party placement agents or others to solicit investors in the Private Funds in accordance with an executed agreement. Such agreements will generally provide for the compensation of such person for their services at the Adviser's expense. The third-party placement agents are not endorsing the Private Funds through the use of general advertising. The agents agree to comply with all applicable laws and regulations of the jurisdictions in which the Interests are offered and/or sold and the jurisdictions in which the Fund and the Adviser otherwise conduct business and will not knowingly take any action (including through the making, acquisition or disposition of any portfolio investment) that would place the Adviser in violation of any such laws or regulations. The

**Commented [SJ2]:** Previously said Company - should it be Adviser



Adviser provides oversight of these arrangements including reviewing for the disqualification provisions prior to the execution of any agreements.

#### ITEM 15 CUSTODY

The Adviser is considered to have custody of Client assets because the security interests are primarily non-certificated private investments and as such are not required to be held by a Qualified Custodian. The Adviser additionally is considered to have custody due to the fact that the General Partners of the Private Funds are related persons. Lastly, the Adviser has custody due to the fact that it directly debits its fees from Client accounts. The Adviser seeks to satisfy the conditions of the audit exemption from certain requirements of Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended. Each Private Fund undergoes an annual audit by an independent accountant registered with the Public Company Accounting Oversight Board. Each such audited financial statement is prepared in accordance with Generally Accepted Accounting Principles and is distributed to all Investors within 120 days of each Private Fund's fiscal year end. Custody of Client funds is held by a Qualified Custodian.

#### ITEM 16 INVESTMENT DISCRETION

Under each Private Fund's Management Agreement and organizational documents, the Adviser provides investment advisory services to each Private Fund, subject to the direction and control of the General Partner of each Private Fund, who is always an affiliate of the Adviser.

The Adviser or its affiliates have full discretionary authority with respect to investment decisions, and its advice with respect to each Private Fund is made in accordance with the investment objectives and guidelines as set forth in such Private Fund's PPM, Management Agreement or other organizational document.

#### ITEM 17 VOTING CLIENTS' SECURITIES

Because the Adviser does not transact in publicly traded securities, it does not obtain proxy voting authority in a traditional sense. However, to the extent that the actions by the Adviser and/or its representatives on behalf of a portfolio company held within a Private Fund is deemed to be an exercise of "voting authority with respect to client securities" within the meaning of Rule 206(4)-6 under the Investment Advisers Act of 1940, the Adviser shall act in a manner consistent with such Client's best interests when executing such authority. In the event that votes or consent decisions are sought in relation to any private equity security in which the Funds are invested, the relevant Private Fund's Investment Committee and Adviser's Management Committee will be responsible for making that determination. It is anticipated that the alignment of interests between a Client and the interests in the portfolio companies held on its behalf will not raise conflicts of interest issues. If a potential conflict of interest does arise, the Chief Compliance Officer will review the relevant vote to ensure adherence to the Adviser's policies.

#### ITEM 18 FINANCIAL INFORMATION

The Adviser does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance, and therefore a balance sheet of the Adviser is not required to be disclosed. In addition, the Adviser is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients and has not been the subject of a bankruptcy petition at any time during the past ten years.