

Form ADV Part 2A

The Catalyst Capital Group Inc.

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This Form ADV (the “**Brochure**”) provides information about the qualifications and business practices of The Catalyst Capital Group Inc. If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer, Douglas Jamieson, at (416) 945-3000. 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.

The Catalyst Capital Group Inc. (“**Catalyst**”) is a registered investment adviser. Registration of an investment adviser with the SEC does not imply any level of skill or training.

Additional information about Catalyst also is available on the SEC’s Investment Advisory Public Disclosure website at <http://www.adviserinfo.sec.gov>.

Item 2 – Material Changes

This Brochure serves as an annual update to the previous Brochure for Catalyst. There have been no material changes to this Brochure since the last update, dated September 5, 2023.

Catalyst routinely makes changes throughout its Brochure in an effort to improve and clarify the descriptions of its business practices, the business practice of its related persons, compliance policies and procedures, or in response to evolving industry and firm practices.

We encourage all recipients to read this Brochure carefully and in its entirety.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
A. Compensation	2
B. Payment of Fees	3
C. Additional Expenses	3
Item 6 – Performance-Based Fees and Side-By-Side Management	4
Item 7 – Types of Clients	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	4
A. Catalyst’s Investment Strategy	4
B. Risk Factors	6
C. Conflicts of Interest	9
Item 9 – Disciplinary Information.....	10
Item 10 – Other Financial Industry Activities and Affiliations	11
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	11
A. Code of Ethics and Personal Trading	11
B. Participation in Client Transactions	12
C. Other Conflicts of Interest	13
Item 12 – Brokerage Practices	13
Item 13 – Review of Accounts	14
Item 14 – Client Referrals and Other Compensation	14
Item 15 – Custody	14
Item 16 – Investment Discretion	15
Item 17 – Voting Client Securities	15
Item 18 – Financial Information	16

Item 4 – Advisory Business

The Catalyst Group Inc. (together with affiliated entities, “**Catalyst**,” “**Adviser**,” or the “**Firm**”) is a Toronto-based private equity investment management firm founded in 2002 that specializes in control and/or influence investments in distressed and under-valued Canadian related situations. The Firm serves as the investment adviser for and provides discretionary investment advisory services to private funds exempt from registration under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “**Investment Company Act**”). Catalyst is owned by its principals, Newton Glassman and Gabriel de Alba.

Catalyst currently manages Catalyst Fund Limited Partnership II, Catalyst Fund Limited Partnership III, Catalyst Fund Limited Partnership IV, Catalyst Fund Limited Partnership V, Catalyst Fund II Parallel Limited Partnership, Catalyst Fund IV Parallel Limited Partnership (the “**Funds**”). Each Fund is managed by an affiliated general partner which has the authority to make investment decisions on behalf of the Fund (the “**General Partner**”). The General Partner operates pursuant to Catalyst’s registration as an investment adviser under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “**Advisers Act**”) in accordance with guidance from the SEC’s staff. While the General Partner maintains ultimate authority over the Fund, Catalyst has been designated the role of investment manager of the Fund.

Catalyst provides investment advisory services as a private equity manager to the Funds. Interests in the Funds are privately offered to qualified investors in Canada, the United States and other countries. Catalyst’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments, and ultimately selling such investments. Investments are made predominantly in nonpublic companies and across the capital structure, although investments in public companies are permitted in certain cases. Senior principals, other Firm personnel and/or third parties appointed by Catalyst generally serve on the boards of directors of the portfolio companies or otherwise act to influence or control management of portfolio companies held by the Fund.

Catalyst does not tailor its advisory services to the individual needs of investors in its Funds; the Firm’s investment advice and authority for each Fund is tailored to the investment objectives of that Fund. These objectives are described in the private placement memorandum, limited partnership agreement, investment advisory agreements, side letters and other governing documents of the relevant Fund (collectively, the “**Governing Documents**”). The Firm does not seek or require investor approval regarding each investment decision.

Fund investors generally cannot impose restrictions on investing in certain securities or types of securities. Investors in the Fund participate in the overall investment program for the Fund and

generally cannot be excused from a particular investment except pursuant to the terms of the applicable Governing Documents.

Catalyst has entered into side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing, the Funds' Governing Documents. Rights or terms in any such side letter or other similar agreement may include, without limitation, (i) excuse, exclusion or withdrawal rights applicable to particular investments or certain Fund investors (which may increase the percentage interest of other Fund investors in, and contribution obligations of other Fund investors with respect to, certain investments); (ii) reporting obligations of the General Partner; (iii) waiver of certain confidentiality obligations; (iv) consent of the General Partner to certain transfers by such Fund investor; or (v) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such Fund investor. Side letters are negotiated when the relevant investor's subscription documents are executed and, once invested in the Fund, investors generally cannot impose additional investment guidelines or restrictions on the Fund.

Catalyst does not participate in wrap fee programs.

As of December 31, 2023, Catalyst managed approximately \$3.6 billion regulatory assets under management, all of which are managed on a discretionary basis. Catalyst does not manage any assets on a non-discretionary basis.

Item 5 – Fees and Compensation

A. Compensation

Compensation to Catalyst for investment advisory services is based on the percentage of assets managed by the Firm on behalf of a client and by receiving performance-based compensation. Compensation to the Firm for services provided to the Fund takes the form of management fees and carried interest. The Firm uses an “**European carried interest**” structure, which means that the Firm's compensation is tied to the performance delivered to limited partners (not deal-by-deal or fund-by-fund). To further ensure the proper alignment of interests, Catalyst has instituted a unique compensation structure that rewards both overall performance and deal-specific contribution. In addition, Catalyst has developed a number of rigorous internal controls:

- The Firm's profit participation is not distributed until investors receive 100% of their invested capital plus the Preferred Return (“**European carried interest**” structure);
- 100% of any income earned by the Firm (or any member thereof) directly or indirectly as a result of managing Catalyst Funds goes to that respective fund, not the Firm; and

- Each team member's equity in the Firm is designed to cliff vest over time to encourage a long-term commitment, and additional equity is matched to the introduction of new funds.

Subject to internal approval and dependent upon time commitments required, no Catalyst professional may sit on a board of directors of a for-profit entity other than that of a portfolio company and only one non-profit board.

B. Payment of Fees

Management fees paid by a Fund are based on the committed capital of the Fund (during the investment period) and based on the net asset value (plus commitments) after the investment period (but never more than the committed capital) and paid quarterly in advance. Incentive fees paid by a Fund are payable later in the Fund's life after investors have received a specified preferred return. Management fees and incentive fees paid by future Catalyst clients will be tailored for each such client.

The specific manner in which Catalyst or its related entities charges fees is established and described in greater detail in the Governing Documents of each Fund. Fund investors should refer to these Governing Documents for a complete understanding of how Catalyst is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.

C. Additional Expenses

The expenses paid by Catalyst's clients are set forth in detail in the Governing Documents of each relevant Fund. Fund investors and prospective Fund investors should therefore review the applicable advisory agreement or Governing Documents carefully because such documents, and not the summary in this brochure, describe more specifically the expenses such investor will bear. As a general matter and in addition to the management fee, a Fund will pay, or reimburse the General Partner for, all other fees, costs, expenses, liabilities and obligations relating to the Fund's activities, business, portfolio companies or actual or potential investments, to the extent not borne or reimbursed by a portfolio company, all as more fully described in the Governing Documents.

A description of the brokerage and other transaction costs (if any) that are expected to be borne by Firm clients is in Item 12 of this brochure.

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

The Firm uses an “**European carried interest**” structure described above. This performance fee arrangement has been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

The fact that the General Partner’s carried interest allocations are based on the performance of a Fund can create an incentive for the General Partner to make investments that are more speculative than would be the case in the absence of such distributions. The Firm believes this incentive is sufficiently mitigated, however, because the General Partner would lose the capital it has invested in the Fund. As more fully described in the Governing Documents of the Fund, any losses the Fund sustains will reduce the General Partner’s carried interest allocation, which is only earned after investors have received as distributions 100% of their capital contributions plus a preferred return.

Catalyst currently has only the Funds as clients. Until such time as Catalyst is permitted to raise a successor or new investment fund, the principals will pursue all appropriate investment opportunities that meet the investment criteria of each Fund, subject to certain exceptions set forth in the relevant Governing Documents. However, the principals manage several Catalyst funds and may direct certain relevant investment opportunities to those investment funds. *See* “**Conflicts of Interest**” section in Item 8 below.

Item 7 – Types of Clients

Catalyst currently provides portfolio management services to its private fund clients, the Funds. The Funds limits respective investors to investors who are “accredited investors” as defined under Regulation D of the Securities Act of 1933. With respect to each Fund, minimum subscription or investment amounts are disclosed in the Fund’s Governing Documents.

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

A. Catalyst’s Investment Strategy

Catalyst employs a highly disciplined investment process and focuses on established companies with strong market positions that are under-managed, under-valued and/or poorly capitalized. The Firm will pursue investment opportunities only where it believes it can add value through strategic and/or operational involvement.

Disciplined Asymmetric / Risk-adjusted Investing

Catalyst pursues investment opportunities in both senior secured debt and equity. Catalyst’s investment approach – including (i) the targeted portfolio composition of in excess of 35-40% of

portfolio positions in senior debt over the life of the Catalyst Fund that is, in turn, over-collateralized relative to cost and (ii) seeking to obtain a control or influence position – has been followed by Catalyst since the Firm’s inception in 2002. Catalyst’s investment process ensures each potential investment is fully, properly, and objectively analyzed before any position is acquired. This process allows the Firm to follow potential situations for extended periods of time before building a position and to efficiently allocate time to the most attractive opportunities. The Firm believes that this approach permits it to be patient, judicious and objective in its investment analysis. It also ensures that the Firm will be held fully accountable while ensuring the interests of investors remain the priority.

The Firm’s regimented investment approach results in it pursuing investments in which it believes there is an asymmetric risk/return profile characterized by limited downside (targeted collateral value relative to cost of 20-25% in excess of liquidation value in the case of senior secured debt, or of going concern value, in the case of subordinated debt) with significant upside potential. The key aspects of this investment approach include:

Source Distressed and Under-valued Opportunities through Catalyst’s Canadian Network.

Catalyst Principals were active in the Canadian distressed market for a number of years pre-dating the formation of the Firm, which has resulted in a unique understanding of the Canadian financial markets as well as a deep and strong referral network. This network includes various proprietary sources, investment and commercial banks, portfolio operations at each of the major banks and direct daily contact with advisors, lawyers and pension managers. Through a systematic and intensive cultivation of the Firm’s professional network, Catalyst has developed extensive personal and professional relationships with leading players in the Canadian distressed and under-valued market. Catalyst’s physical presence in Toronto and involvement in the Canadian community contribute significantly to its ability to generate deal flow in this manner.

Catalyst will often pursue distressed situations that are substantial businesses with operating, liquidity or capitalization issues. As such, the Firm sources opportunities through both the public and private domains and utilizes its Canadian network to obtain access to the desired security within the target business’ capital structure. Catalyst believes that, due to the limited competition in the Canadian distressed market, it enjoys superior access to deal flow.

Catalyst typically seeks to acquire companies that historically have had adequate revenues, but also that are experiencing operational, structural, strategic, managerial and/or capital structure impediments. These situations are typically undergoing or are likely to undergo reorganizations, sometimes formally under applicable insolvency and/or reorganization laws and at other times informally via out-of-court processes or on a consensual basis. Targeted companies are typically in need of debt restructuring, capital and/or organizational reconfiguration, sale of non-strategic

assets or spin-offs. They may also be facing a broad range of liquidity issues. These situations are often caused by one or more of the following:

- Strategic or execution missteps;
- A fundamental change in the competitive environment;
- Excessive debt relative to the company's assets or relative to the comfort level of the company's lenders;
- Lack of access to capital markets;
- Existence and misunderstanding of complex capital and/or legal structures;
- Lack of reliable external information and data;
- Inability to value the entity due to the inaccessibility of required information;
- Undue pessimism over an entity's business prospects or asset value due to an overreaction to an event or series of events;
- A need for managerial change or direction; and/or
- A lack of capital impeding a company with fundamentally good assets or business plan.

The Firm targets situations where it can ultimately acquire positions of control or influence in order to enhance its role of providing direct operational and/or strategic guidance. When control cannot be purchased outright, often a Catalyst Fund will acquire an initial position in order to improve the quality of available information and/or access to management. In appropriate situations, it will then increase a position to one of control or influence. Influence may include the acquisition of a tactical blocking position ("negative control") in order to force management and other creditors to consider its views, or outright majority control ("affirmative control").

Investors should also refer to the relevant Fund's Governing Documents for a more detailed description of the above.

B. Risk Factors

No investment is free of risk. Current and prospective Fund investors are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. Investors should also refer to the relevant Fund's Governing Documents for a description of the risk factors specific to the Fund. All investors should be aware of certain risk factors, which include, but are not limited to:

Business Risks: Each Fund's investment portfolios consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk, which can result in substantial loss.

Future and Past Performance: The performance of the members of the Catalyst team's prior investments is not necessarily indicative of any Fund's future results. While Catalyst intends for a Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Concentration of Investments: Each Fund will participate in a limited number of investments and intend to make most of its investments in one industry or one industry segment or within a short period of time. As a result, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry can substantially affect its aggregate return.

Lack of Sufficient Investment Opportunities: The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, investors are required to bear annual management fees during a Fund's investment period based on the entire amount of such partner's commitments and other expenses as set forth in the relevant Governing Documents. There also is likely to be increasing competition among private equity firms and investors for investments in the sectors in which the Fund targets its investments. Therefore, there can be no assurance that any Fund will make a sufficient number of attractive investments in order to deploy the Fund's committed capital completely or profitably.

Restricted Nature of Investment Positions: Generally, there will be no readily available market for a substantial number of the investment recommendations, and hence, most of the Fund's investments will be difficult to value. Certain investments are permitted to be distributed in kind to investors, subject to various side letters, and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors. After a distribution of securities is made to the investors, many investors may decide to liquidate such securities within a short period of time, which can have an adverse impact on the price of such securities. The price at which such securities are sold by such investors may be lower than the value of such securities determined pursuant to the relevant partnership agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

Borrowing by a Fund: To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. In addition, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and has the potential to make net IRR calculations higher than they otherwise would be without Fund-level borrowing, as these calculations generally depend on the

amount and timing of capital contributions. While the Fund will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by the General Partner by decreasing the amount of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. Although, as with all Fund expenses, such interest expense must be paid back to the investors prior to the General Partner receiving any carried interest thereby reducing the overall capital available to pay carried interest. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner has the potential to receive disproportionate benefits from such borrowings.

Need for Follow-On Investments. Following an initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow-on investments or its inability to make such investments can have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, the failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Investments in Countries Outside the United States. Subject to the restrictions set forth in its Governing Documents, a Fund may invest in portfolio companies that are organized or whose primary office is located outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the Fund's partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the Fund's partners. Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

C. Conflicts of Interest

Investment Allocation. Until such time as Catalyst is permitted to raise a successor or new investment fund, the principals will pursue all appropriate investment opportunities that meet the investment criteria of a Fund, subject to certain exceptions set forth in the relevant Governing Documents. However, the principals manage several Catalyst funds and may direct certain relevant investment opportunities to those investment funds (“**Other Catalyst Clients**”).

Catalyst may conduct the investment programs of certain Other Catalyst Clients in a manner that is similar to the investment program of any Fund. There may be investment opportunities that are suitable to a Fund and one or more Other Catalyst Clients. At such time, the Firm will make allocation decisions between or among a Fund and Other Catalyst Clients in its discretion, consistent with its fiduciary duties and contractual commitments, and taking into account the respective investment programs, current portfolios and available capital commitments of the Fund and Other Catalyst Clients (and any other factors it may deem relevant).

A Fund may in the future make an investment, from time to time, in a portfolio company in which one or more Other Catalyst Clients invests in a different part of the capital structure. There may be instances where such a portfolio company may become insolvent or bankrupt and where the Fund’s and the Other Catalyst Clients’ interests in such portfolio company may otherwise conflict. To the extent that a Fund holds securities in a portfolio company with rights, preferences and privileges that are different than those held by Other Catalyst Clients in the same portfolio company, the Firm and its affiliates are likely to be presented with decisions when the interests of the Fund and the Other Catalyst Clients are in conflict. It is possible that in a bankruptcy proceeding, a Fund’s interest may be subordinated or otherwise adversely affected by virtue of the Other Catalyst Clients’ involvement and actions relating to such investment.

Conflicts with Portfolio Companies. Where Catalyst investment professionals serve as directors of certain portfolio companies and, in that capacity, they will be required to make decisions that they consider to be in the best interests of the portfolio company. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of the portfolio company, actions that may be in the best interest of the portfolio company may not be in the best interests of the Fund, and vice versa. Accordingly, in these situations, there may be conflicts of interests between such individual’s duties as an officer or employee of the Firm and such individual’s duties as a director of the portfolio company.

Business with Portfolio Companies and Other Investors. A portfolio company of a Fund may from time to time provide services to another portfolio company of the Fund, or to the General Partner or its affiliates. Such arrangements are intended to be entered into on an arm’s length basis as the parties deem appropriate. In addition, the General Partner or its affiliates may from

time to time utilize the services of one or more Limited Partners and their affiliates on an arm's length basis, as the parties deem appropriate.

Co-Investment Opportunities. As described in greater detail in each Fund's Governing Documents, the General Partner may in its discretion offer certain opportunities to co-invest with the Fund ("**Co-Investment Opportunities**") to various third parties including, without limitation, certain of the Limited Partners and (in the future) Other Catalyst Clients. The allocation of any such Co-Investment Opportunities may or may not be in proportion to the commitments of such investors and may involve different terms and fee structures. In these cases, while the General Partner will seek to act in the best interest of the Fund, it could be argued that the Fund received a smaller allocation in the particular investment than it otherwise would have received if the General Partner had not provided the third party with the Co-Investment Opportunity. Any expenses attributable to a particular investment held by the Fund and any co-investment vehicle established by Catalyst will generally be allocated among the Fund and such co-investment vehicle pro rata in accordance with their respective aggregate invested capital in such investment. Any expenses associated with any proposed Fund investment that is ultimately not consummated (including any expenses that would have been allocable to co-investors had such proposed investments been consummated) will generally be borne by the Fund. Moreover, it is possible that certain terms and fee structures offered with respect to these Co-Investment Opportunities to third-party co-investors may be more favorable than those offered to Limited Partners.

Allocation of Fees and Expenses. Catalyst may be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Fund and (in the future) Other Catalyst Clients. Catalyst, in its sole discretion, will allocate fees and expenses in accordance with the applicable Governing Documents and in a manner that it believes in good faith is fair and equitable to the Fund and (in the future) Other Catalyst Clients under the circumstances and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size.

Item 9 – Disciplinary Information

Like other registered investment advisers, Catalyst is required to disclose all material facts regarding any legal or disciplinary events that would materially impact an investor's evaluation of Catalyst or the integrity of Catalyst's management. No events have occurred at Catalyst that are applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Registered investment advisers are required to disclose all other financial industry activities and affiliations in order to provide information about conflicts of interest arising from certain activities of the adviser and its affiliates.

Catalyst is not actively engaged in a business other than giving investment advice to the Funds and managing the portfolio companies owned by the Funds. Neither Catalyst nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity-trading adviser, or associated person of the foregoing.

A related person of Catalyst, Gabriel de Alba, owns and controls GDA Luma Capital Management, LP (CRD#: 314502/SEC#: 801-127929), an investment adviser that is registered with the U.S. Securities and Exchange Commission.

The employees of Catalyst and its affiliates expect to serve on the boards of directors of portfolio companies of Funds. Serving in such capacity will give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director conflict with the interests of a client. As the interests of the portfolio company and the Fund will generally be aligned, Catalyst does not believe that the activities of employees serving in such capacity will conflict with the activities of the applicable Funds.

Other than as discussed above, Catalyst has no other arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory business, the Funds or its investors.

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

A. Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, Catalyst has adopted a Code of Ethics for all employees of the Firm describing its high standard of business conduct and its responsibilities to its clients. All Catalyst supervised persons must acknowledge and agree to be bound by the terms of the Code of Ethics annually, or at such time the Code of Ethics is amended. Supervised persons of Catalyst who violate the Code of Ethics will be subject to remedial actions, including, but not limited to, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of Ethics of which they become aware.

The personal trading policy for all Catalyst supervised persons is set forth in Catalyst's Code of Ethics. The Code of Ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. Under the Code of Ethics, Catalyst supervised persons are required to file certain periodic reports with the Chief Compliance Officer, as required by Rule 204A-1 under Advisers Act.

Catalyst's supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding publicly traded securities or communicating material nonpublic information about such securities to others. Preclearance is required by supervised persons for certain personal securities transactions, including securities on the Firm's restricted list (if any), initial public offerings and certain limited offerings.

Investors can request a copy of the Firm's Code of Ethics by contacting its Chief Compliance Officer (*see* contact information on the cover page of this Brochure).

B. Participation in Client Transactions

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account knowingly buys from or sells a security to an advisory client. This also applies to any to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser). The SEC also views cross trades between Funds to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either Fund. An agency cross transaction occurs when an adviser or affiliate arranges a transaction (*i.e.*, acts as broker) between two or more different funds or accounts that are managed by the same adviser or an affiliate. Agency cross transactions can also occur where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Currently, Catalyst does not intend to enter into either a principal transaction or agency cross transaction on behalf of any Fund. In the event Catalyst were to recommend a principal transaction or agency cross transaction in the future, 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 Governing Documents; (iii) proper disclosure is given to the investors or advisory committee, as appropriate; (iv) if necessary, consent is obtained from the appropriate parties; and (v) the Firm seeks best execution for the transaction.

C. Other Conflicts of Interest

The Governing Documents of each Fund include a description of what Catalyst believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts were summarized previously (including but not limited to Item 8 above).

Investors should note that there could be occasions when Catalyst and its affiliates encounter potential conflicts of interest in connection with a Fund. If any matter arises that Catalyst determines in its good faith constitutes an actual conflict of interest, Catalyst will take such actions as necessary or appropriate, within the context of the Fund's Governing Documents, to ameliorate the conflict.

Item 12 – Brokerage Practices

Catalyst's investment focus is on securities transactions of private companies and take-private transactions of public companies, and generally purchases and sells such companies through privately negotiated transactions. In such privately negotiated transactions, Catalyst may engage the services of a broker-dealer or investment banker for either the purchase or sale of an investment. Selection of such broker-dealer or investment banker is based on a variety of factors, including: Catalyst's prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's reputation within the industry; and the cost, among other factors.

To the limited extent broker-dealers are used for selling positions in public securities that a Fund obtains through the sale or initial public offering of portfolio companies, Catalyst will determine the most appropriate broker-dealer to engage based on the specific circumstances of the transaction. Under such circumstances, best execution would not be determined by lowest possible commission costs, but rather by qualitative execution. In such cases, the Firm's effort to obtain the best commission prices and execution on any individual transaction depends on its judgment, experience and knowledge in evaluating the broker-dealer's reliability and capability, and is based on numerous factors, including previous and pending transactions effected by the broker-dealer for Catalyst; execution capability; liquidity; distribution channels; commission rates; counterparty risk; the value of research provided (if any); and responsiveness to the Firm.

The Firm does not currently receive, or expects to receive, "soft dollar" benefits from a broker-dealer or other third party in connection with client securities transactions and does not engage in directed brokerage. In the event that the Firm engages in active public company trading for client transactions and determines to utilize allocations of client commission dollars, Catalyst would do so solely to pay for products or services that qualify as "research and brokerage services" within the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Item 13 – Review of Accounts

The investment portfolios of each Fund are generally private, illiquid and long-term in nature and accordingly Catalyst's review of them is not directed toward a short-term decision to dispose of securities. Catalyst closely monitors the portfolio companies of its Funds and maintains an ongoing oversight position in such portfolio companies. A team of investment professionals reviews each Fund's portfolios on an on-going basis. These reviews include, without limitation, sales trends, margins, profitability, debt to equity ratios, material business developments, competitive landscape and management. The team generally includes principals and other investment professionals of Catalyst.

As described in each Fund's Governing Documents, Catalyst furnishes to investors on behalf of the Fund unaudited financial statements for the first three quarters of each fiscal year following each such quarter's close, and annual audited financial statements within 90 days of the fiscal year end.

Item 14 – Client Referrals and Other Compensation

As described in Item 5 above, to the extent that Catalyst receives out of pocket expense reimbursements in the form of fees from the portfolio companies held by the Funds, such amounts will be paid back to the Fund or offset against management fees. These fees are paid pursuant to separate agreements with the portfolio companies to provide certain services that Catalyst believes will ultimately enhance the value of the companies and benefit the Funds and their investors. Such fee arrangements can present potential conflicts of interest and provide Catalyst with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this conflict, an allocable portion of such benefits received by Catalyst or its employees are offset in part against the management fee paid by a Fund as further described (in detail) in the Fund's Governing Documents.

Item 15 – Custody

Catalyst is an SEC-registered "offshore adviser" and its only clients are "offshore funds"; therefore, it is not subject to Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"). Although Catalyst does not expect to have custody of its client's assets (which are typically custodied by the Fund's third-party custodian), the Firm may be deemed to have custody over the assets of certain of its clients according to the custody rule set forth in the Custody Rule. Catalyst intends to provide audited financial statements of each Fund to investors in such Fund client within 90 days of the end of the fiscal year. Investors in the Funds should carefully review such financial statements.

Item 16 – Investment Discretion

Catalyst and its General Partners have discretionary authority based on the Governing Documents with each Fund to buy and sell securities or other investments on behalf of the Fund and to determine the amount of such investments to be bought and sold. Investment advice is provided directly to the Fund, subject to the discretion and control of the General Partner, and not to investors in the Fund individually. The terms upon which Catalyst serves as an investment manager of each Fund are established at the time the Fund is established and are set out in the Governing Documents of the Fund.

To become an investor in a Fund, an investor must execute a subscription agreement and a limited partnership agreement with the Fund. Such documents contain a power of attorney that upon execution grants upon Catalyst or its General Partner certain powers related to the orderly administration of the affairs of the Fund, with limited exceptions, such as certain conflicts of interest as discussed elsewhere in this Brochure.

Generally, Catalyst's restrictions with respect to managing a Fund, such as the type of securities or assets in which the Fund may invest, will be contained in the Fund's Governing Documents.

Item 17 – Voting Client Securities

By virtue of each Fund's Governing Documents, Catalyst is the manager or general partner of its Funds and has the sole authority to vote client securities on any matter requiring a vote of the members or shareholders, or to give consent on any matter requiring the consent of members or shareholders, virtually all of which are written member or shareholder consents or similar instruments for private companies.

Given the nature of Catalyst's advisory services to the Funds, Catalyst does not generally make investments in publicly traded securities. In the event that Catalyst does transact in publicly traded securities on behalf of Clients and exercises authority to vote such Client securities, it shall follow the requirements set forth in Catalyst's proxy voting policy. Catalyst's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds, including where there are material conflicts of interest in voting proxies. Catalyst generally believes 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, Catalyst's 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 Catalyst's proxy voting policy. Investors in the Fund cannot direct how Catalyst votes proxies or shareholder consents nor is Catalyst required to seek investor approval or direction from investors when voting proxies or when giving consent on any matter requiring the consent of shareholders.

Catalyst will provide a copy of its proxy voting policy to any existing or prospective Fund investor by contacting its Chief Compliance Officer (*see* contact information on the cover page of this Brochure). Investors can also obtain information from the Firm, free of charge, about how Catalyst voted any previous public proxies, if any.

Item 18 – Financial Information

Not applicable.