

**Item 1 – Cover Page**

**Part 2A of Form ADV Brochure for:**

**PRESIDIO INVESTORS LLC**

**515 Congress Ave, Suite 1985  
Austin, TX 78701  
[www.presidioinvestors.com](http://www.presidioinvestors.com)**

**March 2024**

**This Part 2A of Form ADV (the “Brochure” provides information about the qualifications and business practices of Presidio Investors LLC (“Presidio Investors” or the “Manager”) (CRD #160841). If you have any questions about the contents of this brochure, please contact us at (512) 772-1725. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Presidio Investors LLC is a registered investment adviser with the SEC. Registration of an Investment Adviser does not imply any certain level of skill or training.**

**Additional information about Presidio Investors LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

Presidio Investors are amending its Brochure to reflect updates since the date of its last annual amendment on March 21, 2023. There are no material changes to report since the last amendment; however, this reviewed ADV Part 2 contains certain routine annual updates and enhanced disclosures. Recipients of the Brochure are encouraged to read the Brochure carefully in its entirety.

Presidio Investors will send clients either an updated Brochure or a summary of any material changes to this and subsequent Brochures on at least an annual basis. Clients are encouraged to read the Brochure in detail and contact Presidio Investors with any questions. The latest version of the Brochure can be accessed via the SEC Website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), by requesting a copy by calling Presidio Investors at (512) 772-1725.

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## **Item 4 – Advisory Business**

Presidio Investors is an investment management firm and is formed as a Delaware limited liability company. Karl Schade, Christian Puscasiu, and Victor Masaya are the owners and Managing Members of Presidio Investors.

Presidio Investors serves as the investment manager with discretionary trading authority to private pooled investment vehicles (each a “Fund” and collectively, the “Funds”) that are offered to investors on a private placement basis. Each general partner of a Fund that is structured as a limited partnership is an affiliate of Presidio Investors (the “General Partners”).

As used herein, the term “client” generally refers to each Fund. The advice Presidio Partners provides to its clients is tailored according to the investment objectives, guidelines and requirements set forth (i) with respect to each Fund, in its respective Offering Memorandum, Private Placement Memorandum or other Offering Circular, Limited Partnership Agreement or other relevant governing documents (collectively, “Governing Documents”).

Presidio Investors’ investment objective is to capitalize on opportunities to invest in privately held companies. The Manager will also pursue control buyouts and co-investments in collaboration with other investment advisory firms, where appropriate. Presidio Investors’ strategies and the risks involved are described in response to Item 8, below. Presidio Investors may organize additional private funds in the future which utilize similar or different investment strategies than the Funds.

Presidio Investors does not participate or offer wrap fee programs.

As of December 31, 2023, Presidio Investors had regulatory assets under management of approximately \$778 million, which are managed on a discretionary basis.

## **Item 5 – Fees and Compensation**

Management Fees may vary with each client and are explained more fully in each client’s Governing Documents. Presidio Investors is generally paid a management fee semi-annually in advance, up to 2.0% per annum of the aggregate commitments of the interests of each Fund held by investors, commencing as of the initial draw down. After the fifth anniversary of the initial draw down date, the Management Fee payment shall step down to 2.0% per annum of invested capital and shall be adjusted as appropriate on a quarterly basis.

As noted in Item 6, Presidio Investors and/or a General Partner will only receive performance-based compensation if the receipt of such compensation is in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

As more fully described in each Fund’s Governing Documents, Presidio Investors will pay out of the Management Fee the ordinary operating expenses of each Fund (including compensation of its employees, rent, utilities, office expenses, etc.). Each Fund will bear all other expenses, including all expenses incurred in the investigation, holding, purchase, sale or exchange of investments, legal, accounting, investment banking, research, brokerage, finders’, custody, transfer, registration, interest, insurance, taxes and extraordinary expenses, and other similar fees and expenses. Expenses incurred in connection with investments not consummated by each Fund shall be borne by each Fund.

Each Fund will bear the organizational and startup expenses of the Fund and the General Partner, including legal, accounting, consulting, filing, marketing, out-of-pocket expenses of any third-party placement agents in connection with fundraising for the Fund, and other related expenses, in an

amount not to exceed \$1 million.

The management fees and performance allocation (see Item 6, below) and expenses are deducted from Client assets.

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

In addition to the Management Fees described in response to Item 5, Presidio Investors and/or the applicable General Partner generally receives performance-based compensation of up to 20% known as “Carried Interest”. The General Partner has waived all or any part of the Carried Interest payable to it in respect of investors in certain Funds in accordance with each Fund’s applicable governing documents in its sole and absolute discretion.

Such distributions will be made, in cash or in kind, at the sole discretion of each Fund’s General Partner; provided, that cash proceeds shall be distributed as soon as reasonably practicable subject to reasonable reserves established by the General Partner.

Funds may make distributions to the General Partner in an amount sufficient to permit the payment of the tax obligations of the General Partner and its owners in respect of allocations of income to the General Partner to the extent not previously taken into account for such purpose or distributed to the General Partner. Any such distributions shall be taken into account in making subsequent distributions to the Investors.

**The foregoing responses to Items 5 and 6 represent Presidio Investors’ basic compensation arrangements. The management fees and performance-based allocations described above are structured to comply with Rule 205-3 under the Investment Advisers Act of 1940. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor have in the past and may in the future vary. Although Presidio Investors believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

### **Item 7 – Types of Clients**

As described in Item 4, Presidio Investors currently provides investment advice to the Funds as described above. It may provide investment advisory services to additional clients in the future. Presidio Investors is under no obligation to accept any client and may decline acceptance of a client in its sole discretion.

Interests in the Funds are offered on a private placement basis, and where applicable, in reliance on Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “Company Act”), or on another applicable exclusion from the definition of an “investment company” under the Company Act, to persons who generally are “accredited investors” as defined under the Securities Act of 1933, as amended (the “Securities Act”), and “qualified purchasers” as defined under the Company Act, and who are subject to certain other conditions, which are fully set forth in the offering documents of such Funds. Each Fund’s Governing Documents impose a minimum contribution for investment, which varies from Fund to Fund, and is subject to Presidio Investors’ sole discretion to accept contributions in lesser amounts. Presidio Investors may waive the minimum investment or contribution with respect to any Fund in its sole discretion.

In order to invest in a Fund that is subject to a performance fee, an investor must be a “qualified client” as defined by Section 205 of the Advisers Act, and Rule 205-3 thereunder.

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

Presidio Investors' investment objective is to generate returns for its investors through selective investments in privately held companies. The Manager will also pursue control buyouts and co-investments in collaboration with other private equity firms, where appropriate.

Presidio Investors focuses on value creation and value capture in the lower middle market, with an intimate focus on operations. The Manager aims to leverage its operating experience and resources to develop portfolio companies into niche market leaders. Presidio Investors targets investments in the lower middle market, which it defines generally as companies with revenues of between approximately \$10 and \$200 million, and EBITDA of less than \$20 million. These companies are generally less well served by capital providers and have significant potential to rapidly create shareholder value through growth. Furthermore, sales processes for companies in this market segment are generally less efficient than for larger companies, resulting in more favorable valuations at lower purchase price multiples.

The Manager will continue to primarily focus on three sectors: technology, media services and financial services. Deals typically include businesses that show one or more of the following characteristics:

- Firms with a defensible niche market leadership and the ability to effect change with technology
- Businesses poised for technology change (e.g., transition from brick-and-mortar stores to an online/mobile driven sales model)
- Companies with an opportunity to transition to a scalable business model (e.g., shift from a services-oriented, individually customized solution to a product oriented, software or licensing model)
- Potential for multiple expansion through M&A (e.g., acquisition of companies with valuation discounts based on size in order to grow the business and achieve a higher exit multiple due to size)

Target companies generally exhibit high growth potential, attractive entry valuations and offer strong downside protection with \$10-200 million in revenue and up to \$20 million in EBITDA.

While the investment focus is primarily in North America, Presidio Investors will pursue international investments if certain heightened investment standards are met.

With respect to management, the Funds will invest with strong, entrepreneurial management teams with a demonstrated ability to execute on growth initiatives. In addition, given the backgrounds of the investment team, the Funds will target investments with significant operational upside and serve as complementary support to these management teams, as needed.

Presidio Investors will focus on structured control buyouts, including buyouts of private companies, spin-outs of divisions or subsidiaries of larger private or public companies, growth investments and going private transactions.

### **Material Risks**

*An investment in the Funds involves a substantial degree of risk and should be regarded as*

*speculative. As a result, the acquisition of an interest in the Funds should be considered only by persons who can reasonably afford a loss of their entire investment. Prospective investors should carefully consider the following non-exhaustive list of risk factors relating to this investment:*

**General.** All securities investments risk the loss of capital. No guarantee or representation is made that the Funds will achieve their investment objectives or avoid substantial losses. An investment with Presidio Investors is speculative and involves certain considerations and risk factors which prospective investors should consider before investing. A prospective investor should consult its own legal, tax and/or financial advisors prior to investing.

**Business Risks.** The Funds' investment portfolios will 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 that can result in substantial losses. Privately held securities are subject to the risks associated with each portfolio company's business, including market conditions, changes in regulatory requirements, reliance on management of each portfolio company, interest rate and currency fluctuations, general economic conditions, domestic or foreign political developments, capital market conditions and other factors. There can be no assurance that the future performance of the portfolio companies will be positive or that investments will result in rates of return that are consistent with prior performance. The Funds will not generally be able to participate in the management and control of the portfolio companies.

**Competitive Market.** The market for private equity investing is competitive and involves a high degree of uncertainty. Substantial amounts of capital and a large number of funds have been dedicated to making investments in the private sector and additional funds with similar investment objectives and/or sourcing methodologies may be formed in the future by other unrelated parties. As a result, there can be no assurances that Presidio Investors will succeed in consistently locating and securing an adequate number of attractive investment opportunities.

**No Assurance of Returns.** There can be no assurance that Investors will receive distributions from the Funds in an amount equal to their investment in the Funds. In considering the prior performance of other investment funds managed by Presidio Investors, prospective investors should bear in mind that past performance is not indicative of future results.

**Future and Past Performance.** The performance of the prior investments is not necessarily indicative of the future results. While Presidio Investors intends for the Funds 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. In addition, the rates of return reflect unrealized gains as of the applicable measurement date that may never be realized, which would result in a lower internal rate of return, or IRR, and the returns have previously benefited from investment opportunities and general market conditions that may not repeat themselves, and there can be no assurance that the Funds will be able to avail itself of profitable investment opportunities.

**Investment in Junior Securities.** The securities in which the Funds has invested in the past and may in the future be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

**Non-Controlling Investments.** The Funds may hold a non-controlling interest in each portfolio company and, therefore, may have a limited ability to protect its position in such portfolio company, although in some cases, it is expected that appropriate shareholder rights may be sought to protect the Funds' interests.

**Concentration of Investments.** The Funds will participate in a limited number of investments and often seeks to make several investments in one industry or one industry segment. As a result, the Funds' investment portfolios could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds s may invest in fewer portfolio companies and thus be less diversified.

**Lack of Sufficient Investment Opportunities.** It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, Investors will be required to pay annual management fees based on the entire amount of their capital commitments.

**Illiquidity; Lack of Current Distributions.** An investment in the Funds should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments maybe realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the annual management fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Funds' capital.

**Leveraged Investments.** The Funds make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company. Leverage generally magnifies both the Funds' opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast. During times when credit markets are tight, it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Funds or appreciation of investments. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and at a certain level of leverage will impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Funds. Furthermore, should the credit markets be tight at the time the Funds determine that it is desirable to sell all or a part of a portfolio company, the Funds will likely not achieve an exit multiple or enterprise valuation consistent with its forecasts.

**Limited Transferability of Fund Interests.** There will be no public market for the Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of Funds interests under each applicable Funds Governing Documents and applicable securities laws. In general, withdrawals of interests are not permitted. In addition, interests are not redeemable.

**Restricted Nature of Investment Positions.** Generally, there will be no readily available market for a substantial number of the Fund's investments, and hence, most of the Fund's investments will be difficult to value. Sales are also limited by financial market conditions, which may be unfavorable for sales of securities of particular issues or issues in particular markets. The lack of liquidity of each



portfolio company's securities will preclude or delay any disposition of such investments or reduce the proceeds to the Fund that might otherwise be realized from any such disposition. Certain investments may be distributed in kind to the Partners.

**Contingent Liabilities on Disposition of Investments.** Many of the investments will be in private securities. In connection with the disposition of an investment in private securities, the Funds have in the past and may in the future be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Funds have in the past and may in the future be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may incur contingent liabilities for which the General Partner has in the past and may in the future establish reserves and escrows. In that regard, distributions would likely be delayed or withheld until such reserve is no longer needed or the escrow period expires. In addition, these arrangements may ultimately yield funding obligations that must be satisfied by the Investors subject to certain limitations.

**Reliance on the General Partner and Portfolio Company Management.** The Funds have no operating history and will be entirely dependent on the General Partner. Control over the operation of the Funds will be vested entirely with the General Partner, and the Funds' future profitability will depend largely upon the business and investment acumen of the investment team. The loss of service of one or more of the investment team members or Karl Schade's obligations as Chief Executive Officer of the Manager could have an adverse effect on the Funds' ability to realize its investment objectives. Investors generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend entirely on the actions of the General Partner. Although the General Partner will monitor the performance of each Partnership investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the existing management of such companies will continue to operate a company successfully. The Investors will not have the right to participate in the management, control, or operation of the Funds.

**Unspecified Use of Proceeds.** Investors will not have an opportunity to evaluate for itself the relevant economic, financial, and other information regarding the investments to be made by the Funds and, accordingly, will be dependent upon the judgment and ability of the General Partner in investing and managing the capital of the Funds. No assurance can be given that the Funds will be successful in obtaining suitable investments or that, if such investments are made, the objectives of the Funds will be achieved.

**Director Liability.** The Funds will often obtain the right to appoint a representative to the board of directors of the companies in which it invests. Serving on the board of directors of a portfolio company exposes the Funds' representatives, and ultimately the Funds, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

**Third Party Litigation.** Litigation can and does occur in the ordinary course of the management of an investment portfolio of securities. The Funds may be engaged in litigation both as a plaintiff and as a defendant. The Funds' investment activities subject it to relatively increased third-party litigation risk in those instances in which the Funds exercise control or significant influence over a portfolio investment. Such litigation can arise as a result of portfolio company defaults, portfolio company bankruptcies and/or other reasons. In certain cases, such portfolio companies or their constituents may bring claims and/or counterclaims against the Funds, the General Partner, and/or their respective

principals and affiliates alleging violations of securities laws and corporate, contractual, and other typical claims and counterclaims seeking significant damages. To the extent that (i) the Funds have not been able to protect themselves through insurance, indemnification or other rights against the portfolio companies, (ii) the Funds are not entitled to such protections, or (iii) the portfolio company is not solvent, the expense of defending against claims made against the Funds by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Funds and reduce net assets. In connection with such actions, the Funds would be obligated to bear defense, settlement and other costs, the General Partner and others would generally be entitled to indemnification by the Funds, subject to certain conditions. Such costs and indemnification could adversely affect the Funds' rate of return.

**Projections.** Projected operating results of a company in which the Funds invest normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results are often significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

**Conflicting Investor Interests.** Investors often have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one Investor than another, especially with respect to tax matters. In structuring, acquiring, and disposing of investments, the General Partner generally will consider the investment and tax objectives of the Funds and its Investors as a whole, not the investment, tax, or other objectives of any Investor individually.

**Need for Follow-On Investments.** Following its initial investment in a given portfolio company, the Funds have in the past and may decide in the future to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a portfolio company. There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by the Funds not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment or may result in a lost opportunity for the Funds to increase its participation in a successful operation.

**Non-U.S. Investments.** The Funds have in the past and may in the future invest in portfolio companies that are organized or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments are often subject to certain additional risk 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 Funds), 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 Funds and/or the Investors with respect to the Funds' income, and possible non-U.S. tax return filing requirements for the Funds and/or the Investors. Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies are subject to different accounting, auditing and financial reporting standards, practices, and requirements comparable to those that apply to U.S. companies.

**Foreign Exchange Risks.** Contributions to the Funds and distributions from the Funds will be denominated in U.S. dollars. Investments may be denominated in U.S. dollars, Euros, Pounds Sterling

or, if deemed advisable by the General Partner, in other currencies. As a result, the profits or losses of the Funds on any investment, as measured in U.S. dollars, will be affected by fluctuations in currency exchange rates and exchange control regulations as well as by the success of the investment itself. In addition, the Funds will likely incur costs in connection with conversions between various currencies. The Funds do not presently intend to seek to reduce currency risks through “hedging” or other methods.

**Difficulty in Valuing Portfolio Investments.** Generally, there will be no readily available market for a substantial number of the Funds’ investments and hence, most of the Funds’ investments will be difficult to value. Despite the General Partner’s efforts to acquire sufficient information to monitor certain of the Funds’ investments and make well-informed valuation and pricing determinations, the General Partner will only be able to obtain limited information at certain times. It is possible that General Partner may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of the Funds’ investments, and therefore may have to make valuation determinations without the benefit of an adequate amount of relevant information. Potential investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by the General Partner may not represent the fair market value of the securities acquired by the Funds.

**Unpredictability of Distributions.** Return of capital and realization of gains, if any, on investments will generally occur only upon the disposition of portfolio company securities, which has in the past and may in the future not occur for several years after the Funds’ acquisition of an interest in a portfolio company. Neither the General Partner nor the Funds have or are likely to have in the future any influence over the timing of the distribution or disposition of portfolio company securities. Such distributions are likely to be unpredictable and has in the past occurred earlier than or later than anticipated by the General Partner. Investors should not expect significant returns for a period of years after their investment is made.

**General Partner’s Carried Interest.** The fact that the General Partner’s carried interest is based on a percentage of profits will create an incentive for the General Partner to cause the Funds to make riskier or more speculative investments than otherwise would be the case.

**Indemnification and Contingent Liabilities upon Disposition of Investments.** In connection with the disposition of an investment in a portfolio company, the Funds have in the past and may in the future be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business and indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires. In addition, the Funds may be obligated to fund such indemnity obligations to the extent escrow arrangements are insufficient to cover the indemnity obligations.

**Reserves.** As is customary in the industry, the General Partner has in the past and may in the future establish reserves for follow-on investments by the Funds in portfolio companies, operating expenses (including the Management Fee), Partnership liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to the Investors. If reserves are inadequate, the Funds will be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with “pay-to-play” or similar provisions. If reserves are excessive, the Funds may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

**Expedited Transactions.** Investment analyses and decisions by the General Partner have in the past and may in the future be undertaken on an expedited basis in order for the Funds to take advantage of investment opportunities. In such cases, the information available to the General Partner at the time of an investment decision will be limited as compared to non-expedited transactions, and the General Partner may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, the General Partner often relies upon independent consultants in connection with its evaluation of proposed investments. There can be no assurance that these consultants will accurately evaluate such investments.

**Changing Economic Conditions.** The success of the Funds' investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. General economic conditions, interest rates, and the availability of alternate sources of financing affect the Funds' results, including the value of its portfolio company investments and its ability to realize them for a profit. The securities of the type targeted by the Funds have in the past and may in the future be adversely affected by changes in governmental policies, taxation, other laws and regulations, consumer and business spending trends, new social trends and/or communication methods, general economic downturns, pandemics, domestic and foreign political situations, currency fluctuations and other factors.

**Uncertain Economic and Political Environment.** The current global economic and political climate is one of uncertainty. Prior acts of terrorism globally, the threat of additional terrorist strikes and recent market turmoil throughout the world, including the rapid collapse of several financial institutions' stock in the United States and other countries and the continued pressure on many other financial institutions' stocks, have exacerbated volatility in the financial markets and can cause consumer, corporate, and financial confidence to weaken, increasing the risk of a "self-reinforcing" economic downturn. The availability of credit for consumers, homeowners, and businesses, including credit used to acquire businesses, is currently restricted. This may have an adverse effect on the economy generally and on the ability of the Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities and increases the difficulty of modeling market conditions, reducing the accuracy of the financial projections. Furthermore, such uncertainty may have an adverse effect upon the portfolio companies in which the Funds make investments. The current political environment could also create additional regulatory burdens applicable to the Funds and their portfolio companies, which could have an adverse effect on the Funds.

**Possibility of Fraud or Other Misconduct of Employees and Service Providers.** Misconduct by employees of the General Partner, service providers to the Funds and/or their respective affiliates could cause significant losses to the Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, the improper use or disclosure of confidential information, which could result in litigation or serious financial harm, including limiting the Funds' business prospects or future marketing activities, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to the Funds. No assurances can be given that the General Partner will be able to identify or prevent such misconduct.

**Side Letters.** The General Partner has in the past and may in the future enter into a side letter or other similar agreement with a particular Investor in connection with its admission to the Funds without the approval of any other Investor, which would have the effect of establishing rights under or supplementing the terms of the Funds' governing documents with respect to such Investor in a manner more favorable to such Investor than those applicable to other Investors.

**Investments Longer than Term.** The Funds may make investments which may not be advantageously disposed of prior to the date the Funds are dissolved, either by expiration of the Funds' term or otherwise. Although the General Partner expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the General Partner has a limited ability to extend the term of the Funds, the Funds may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, there can be no assurances with respect to the time frame in which the winding-up and the final distribution of proceeds to the Investors will occur.

**Enhanced Scrutiny and Regulations of the Private Equity Industry.** As private equity firms and other alternative asset managers have become more influential participants in the U.S. and global financial markets and economy generally, and as the private funds industry and the reach of transactions consummated by its participants has continued to grow, the private funds industry has become subject to enhanced political, governmental, and regulatory scrutiny around the globe. This increased scrutiny was particularly acute during the recent global financial crisis, over the course of which the business practices and economic incentives of private industry participants were viewed by certain political, governmental, and regulatory commentators as contributing to the market and economic volatility that ultimately resulted in the crisis. This enhanced scrutiny has prompted governmental and public action with respect to the private funds industry and its practices. This enhanced oversight and regulation, and the need for significant additional rulemaking by various governmental bodies, has created uncertainty in the financial markets and, in particular, the private funds industry. Many of the regulators to which the Funds, the General Partner or their respective affiliates are expected to be subject globally, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against the Funds, the General Partner or their respective affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Funds, the General Partner or their respective affiliates' reputations which may adversely affect the Funds' investment performance by hindering its ability to obtain favorable financing or consummate a potentially profitable investment. There is also a material risk that regulatory agencies in the United States and beyond will continue to adopt burdensome new laws or regulations (including tax laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations, as the U.S. and the global economy continues to struggle to improve. Any such events or changes could occur during the Funds' term and may adversely affect the Funds and its ability to operate and/or pursue its investment strategies. Such risks are often difficult or impossible to predict, avoid or mitigate in advance. Regulation generally as well as regulation more specifically addressed to the private funds industry, including tax laws and regulation, could increase the cost of acquiring, holding, or divesting of investments in portfolio companies, the profitability of enterprises and the cost of operating the Funds. There can be no assurance that any such enhanced scrutiny will not have an adverse impact on the Funds or not otherwise impede the Funds' activities.

**Disclosure of Information.** The Funds, the General Partner or their respective affiliates and investors may be subject to public records or similar laws that may compel public disclosure of confidential information regarding the Fund, its investments or one or more Investors. There can be no assurance that such information will not be disclosed either publicly or to regulators or law enforcement or otherwise, including to comply with regulations or policies to which these entities may be or become subject.

**Anti-Pay-to-Play Laws, Regulations and Policies.** In light of recent scandals involving money managers, a number of states and municipal pension plans have adopted so-called "pay-to-play" laws,

regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. If the General Partner, its employees or affiliates or any service providers acting on its behalf, including, without limitation, a placement agent, fails to comply with such pay to play laws, regulations or policies such non-compliance could have an adverse effect on the Funds by, for example, providing the basis for the withdrawal of the affected public pension fund investor.

**Investment Company Act.** The Funds will not be registered as investment companies under the Investment Company Act of 1940 (the “Investment Company Act”). As a result, certain protections of the Investment Company Act (which, among other matters, requires a portion of an investment company’s directors to be disinterested, requires securities to be held in custody at a bank or trust company, regulates the relationship between the investment company and its advisor and requires investor approval before fundamental investment policies can be changed) will not be afforded to the Funds or the Investors.

**Failure to Make Capital Contributions.** If an Investor fails to pay when due installments of its commitment to the Funds, and the contributions made by non-defaulting Investors and borrowings by the Funds are inadequate to cover the defaulted capital contribution, the Funds may be unable to pay its obligations when due and may not be able to structure or consummate investments. As a result, the Funds may be subjected to significant penalties that could materially and adversely affect the returns to the Investors (including non-defaulting Investors). If an Investor defaults, it may be subject to various remedies as provided in each Partnership’s governing documents.

**Conflict of Interest.** Each Partnership’s General Partner is an affiliate of Presidio Investors, and Presidio Investors has an ownership interest in the General Partner that entitles it to a portion of the carried interest distributions received by the General Partner. As an investment adviser, Presidio Investors’ advisory activities with one Partnership could result in conflicts of interest between the Partnership, on one hand, and certain other Funds, on the other hand. Presidio Investors will pursue all appropriate investment opportunities exclusively through each Partnership, subject to certain limited exceptions. The significant investment of Presidio Investors in each Partnership, as well as the Presidio Investors’ interest in the carried interest, operate to align, to some extent, the interest of Presidio Investors with the interest of the Investors, although Presidio Investors has economic interests in such other Funds and investments as well and receive management fees and carried interests relating to these interests.

## **Item 9 – Disciplinary Information**

Neither Presidio Investors nor any of its management persons has any reportable disciplinary events.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Presidio Investors is not registered, and does not have an application pending to register, as a securities broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser or an associated person thereof.

As discussed above, an affiliate of Presidio Investors serves as the General Partners of the Funds, as applicable. These affiliated advisers are under common control and subject to Presidio Investors’ Code of Ethics and Advisers Act compliance program pursuant to the requirements of the Advisers Act.

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

Presidio Investors has adopted a Code of Ethics (“Code”) that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated with Presidio Investors, and establishes procedures intended to prevent Presidio Investors, and its personnel and certain of their relatives, from inappropriately benefiting from Presidio Investors’ relationships with its Funds. The Code provides:

- Presidio Investors’ Funds’ interests come before Presidio Investors’ or employees’ interests;
- Presidio Investors must disclose to Funds all material facts about conflicts of which it is aware between Presidio Investors’ and its employees’ interests on the one hand and Funds’ interests on the other;
- employees must operate on Presidio Investors’ and their own behalf consistently with Presidio Investors’ disclosures to and arrangements with Funds regarding conflicts and its efforts to manage the impacts of those conflicts;
- Presidio Investors and its employees must not take inappropriate advantage of Presidio Investors’ Funds or their positions of trust with or responsibility to Funds; and
- Presidio Investors and its employees must comply with all applicable securities laws. The Code requires employees to report personal securities holdings on a periodic basis.

In addition, Presidio Investors monitors all employees’ securities transactions. The Code includes procedures for and restrictions on employee trading intended to prevent employees from benefiting from, or appearing to benefit from, any price movement caused by Fund transactions. The Code also contains restrictions on and procedures to prevent inappropriate trading while Presidio Investors is in possession of material nonpublic information.

Presidio Investors will provide a copy of its Code of Ethics to any Fund or prospective Fund upon request. A request may be made by submitting a written request to Presidio Investors at the address on the cover page to this brochure.

### **Participation or Interest in Client Transactions.**

Neither Presidio Investors nor its officers, partners, directors, or employees may recommend to Clients, or buy or sell for Client accounts, securities in which they have a material financial interest (this includes, among other things, buying securities from or selling securities to clients; soliciting client investments in a partnership in which they act as general partner; or acting as an investment adviser to an investment company or other pooled investment vehicle that they recommend to clients). This involves a conflict of interest. As such, Presidio Investors prohibits its employees and related persons from engaging in these types of transactions.

### **Personal Securities Transactions.**

Presidio Investors, its officers, partners, directors, and employees are required to preapprove personal securities transactions in personal brokerage accounts (including household accounts). Personal securities transactions involve a conflict of interest because they will have an incentive to prefer their own interests to those of the Clients’. Presidio Investors addresses these conflicts by establishing policies and procedures to monitor and resolve conflicts of interest and will

endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

## **Item 12 – Brokerage Practices**

### **Brokerage Transactions**

Due to the nature of the Manager's business and the investments made by the Funds, Presidio Investors rarely executes a brokerage transaction for a Fund and related co-investment vehicles.

### **Soft Dollar Arrangements**

Presidio Investors does not have any soft dollar arrangements.

### **Client Referrals**

In the private equity context, client referrals are not relevant to Presidio Investors' selection or recommendation of broker-dealers.

### **Directed Brokerage**

Presidio Investors does not have directed brokerage arrangements.

### **Trade Aggregation**

If a Fund did transact in a publicly held security, it generally would not be practicable to aggregate transactions with another Fund because of the investment periods of the Funds and exclusivity provisions.

### **Trade Errors**

Presidio Investors does not expect to engage in trading of public securities on behalf of the Funds, except as set forth below, neither Presidio Investors nor any of its affiliates, will be liable to any Fund or investor in such Fund for any acts or omissions arising out of, or in connection with, a Fund, any investment made or held by a Fund or any governing agreement, unless such action or inaction was performed or omitted made in fraud, willful misconduct or gross negligence. As a result, any negative or positive results of trading errors generally will be borne by the Funds, rather than by Presidio Investors or an affiliate, so long as Presidio Investors or such affiliate adheres to the foregoing standard of care.

## **Item 13 – Review of Accounts**

Presidio Investors performs various monthly, quarterly, and periodic reviews of the Funds' portfolios. Such reviews are conducted by Presidio Investors' investment team.

Funds are audited on an annual basis by an independent public accounting firm. Presidio Investors general provides Fund investors with (i) audited financial reports, and (ii) unaudited quarterly financial reports.

In addition to the information provided to all investors, Presidio Investors may provide certain investors with additional information or more frequent reports that other investors will not receive, possibly enabling such investor to better assess the prospects and performance of the Funds. In addition, investors may be provided with information about Presidio Investors and the Funds in response to questions and requests, and/or in connection with due diligence meetings and other communications, but such information will not be distributed to other investors and prospective investors who do not request such information. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by Presidio Investors is sufficient for its needs.



## **Item 14 – Client Referrals and Other Compensation**

Presidio Investors does not compensate any third parties for client referrals. However, Presidio Investors and its affiliates may enter into placement agent agreements whereby third-party placement agents may introduce investors to the Funds. Placement agents collect fees from Presidio Investors, directly or through an offset of the management fee payable by the General Partner of the applicable Fund. No Fund will be subjected to any increased or additional fees or charges due to the use of third-party placement agents.

## **Item 15 – Custody**

Except as described below, Presidio Investors does not maintain physical possession over any Funds' funds or securities.

Presidio Investors uses third party unaffiliated qualified custodians to hold the funds and securities (other than privately offered uncertificated securities). The Funds are subject to a year-end audit by an independent public accounting firm that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, and audited financial statements of each Fund will be provided to the investors of such Fund within 120 days of the end of the fiscal year.

**From time to time, Presidio Investors maintains physical possession of, and safeguards privately offered, certificated securities for its Funds. Such certificates can only be used to effect a transfer or to otherwise facilitate a change in beneficial ownership of the security with the prior consent of the issuer or holders of the outstanding securities of the issuer, and the certificates contain a legend disclosing such restriction on transfer. In addition, the ownership of these privately offered securities is recorded on the books of the applicable issuer or transfer agent in the name of the relevant Fund, and the certificates can be replaced upon loss or destruction.**

## **Item 16 – Investment Discretion**

Presidio Investors manages each of its Fund's portfolios on a discretionary basis. Discretionary authority allows Presidio Investors to select the Funds' securities to be purchased or sold, including the amount, time and price at which securities are to be purchase and sold for each Fund. Presidio Investors is authorized to exercise discretion by the applicable Governing Documents.

## **Item 17 – Voting Client Securities**

Presidio Investors invests in the securities of privately held companies and does not have occasion, but retains the right, to vote proxy ballots for any Fund securities. In the event Presidio Investors invests the assets of its Funds in publicly traded equities, it will adopt proxy voting policies and procedures designed to vote proxies received in a manner consistent with the best interests of the Funds.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. Presidio Investors has no financial condition that impairs its ability to meet contractual and fiduciary commitments to its Funds, and has not been the subject of a bankruptcy proceeding.