

Ancor Capital Partners Part 2A of Form ADV The Brochure

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This “Brochure” provides information about the qualifications and business practices of Ancor Holdings, LP, doing business as Ancor Capital Partners (“Ancor” or the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at 817-877-4458. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. References in this Brochure to Ancor as a “registered investment adviser” are not intended to imply a certain level of skill or training.

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

Item 2. Material Changes

This Brochure was updated on March 29, 2024. Since the last version of this Brochure dated March 31, 2023, this Brochure has been revised to add additional disclosures regarding the risks of investing into the Funds (as defined herein) (please see Item 8 below).

Please review this Brochure carefully and in its entirety.

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Item 4. Advisory Business

Ancor Holdings, LP dba Ancor Capital Partners (“Ancor”) is an investment advisory firm with its principal place of business in Southlake, Texas. Ancor is a limited partnership formed in 2000 and is organized under the laws of Delaware. Ancor is beneficially owned by Joseph Randall Keene and Timothy McKibben directly as limited partners and through Ancor Partners, Inc, its general partner.

In providing services to the private investment funds sponsored by Ancor and its affiliates (the “Funds”), Ancor formulates each Fund’s investment objectives, directs and manages the investment of each Fund’s assets. Investment advice is provided directly to the Funds and not individually to the limited partners of the Funds (the “Investors” or “Limited Partners”). As such, Ancor’s only advisory clients are the Funds. Ancor manages the assets of the Funds in accordance with the terms of each Fund’s applicable confidential offering and/or private placement memorandum, individual limited partnership agreement, individual limited liability company agreement or other governing documents applicable to each Fund (the “Governing Documents”).

For information about the investment strategy of Ancor, see the discussion under “Methods of Analysis, Investment Strategies and Risks of Loss”. Further, details regarding the investment objectives for the Funds can be found in the applicable Governing Documents for each Fund.

In certain circumstances, third parties may be offered the opportunity to co-invest alongside the Funds. These third parties (or “Co-Investors”) may include Investors and other entities affiliated with Ancor; employees or related persons of Ancor; service providers, Ancor or its affiliates; portfolio company management and others. Ancor applies its discretion when allocating such opportunities among potential Co-Investors, taking into account facts and circumstances which may include the nature of the transaction, speed of execution required, tax considerations, familiarity with and history of investing in the relevant industry, ability to provide strategic insights and other factors believed relevant by Ancor.

As of December 31, 2023, Ancor had approximately \$181,067,784 in assets under management, all on a discretionary basis

Item 5. Fees and Compensation

There are three types of revenue that are earned by Ancor as it relates to our portfolio management operations. These include 1) Transaction Fees earned at the acquisition of a portfolio company and, in some cases, “add on” or “tuck in” transaction fees for future acquisitions made for existing portfolio companies, 2) Management Services Fees earned for providing ongoing operational support during the hold period of a portfolio company, and 3) Carried Interest Distributions at the sale of a portfolio company.

Transaction Fees: On the successful closing of acquisition transactions, Ancor earns a transaction fee paid by the newly formed portfolio company. These fees are paid for Ancor’s efforts in pursuing, evaluating, and closing specific transactions in which the LLC member investors, through the Funds, have chosen to participate. There are no fees or expenses paid by any of the Funds or their members/investors for unsuccessful deal efforts – those which do not culminate in closed transactions. These transaction fees are also defined in each Management Services Agreements (“MSA”) between

Ancor and its portfolio companies and are generally approximately 2.0% of the transaction value.

Management Services Fees: In most instances, Ancor provides management services to the portfolio companies that our Funds are invested in. Each unique MSA spells out the terms of Ancor's engagement and fees. The fee earned by Ancor (when an MSA is in effect) approximates 5.0% of the individual portfolio Company's annual Normalized EBITDA as determined by the Portfolio Company's board of directors and is confirmed annually by its auditors.

The MSA provides for Ancor to receive payment for providing ongoing strategic planning, financial analysis, and other management support services to the portfolio companies. Where an MSA is in effect, Ancor is deeply involved in the portfolio company operational and strategic initiatives. At minimum, this generally includes engagement in monthly management meetings with each portfolio company's management team, engaging with board members to evaluate and acquire senior management talent and C-Suite leadership, and, when necessary, leading efforts to acquire additional equity investment and/or debt in support of the various portfolio company operations, when necessary, among other unique initiatives.

These management fees are performance based and are calculated by the appropriate accounting personnel within each portfolio company – typically, a Controller with oversight by the CFO. The calculations are then reviewed as part of each portfolio company's annual audit and are approved by each portfolio company's Board of Directors. Ancor participates in the review to ensure that the amounts earned under the MSAs are accurately calculated.

Carried Interest Distributions: Ancor also earns a carried interest, or promote, that is paid upon a portfolio company sale when specific return performance metrics are met. The payment calculations are defined within the various LLC agreements and memorialized by illustrative exhibits in these agreements. Typically, the promote is equal to 20.0% of the increase in equity value to the LLC. It is generally subject to preference payments to the money investors including distributions and preferred return hurdle rate on their invested capital. At the time of a portfolio company sale, a senior member of the Ancor team who is closely connected to the transaction in question calculates and confirms the promote payment earned. These payments are also subject to review in the audit process both by the Fund's auditor as well as by Ancor's independent auditor.

Adviser and Fund Expenses: Each Fund is responsible for and pays all expenses related to the organization of such Fund and such Fund's acquisition, ownership and operation of the applicable portfolio company. In addition, each Fund reimburses Ancor for all reasonable out-of-pocket expenses incurred by Ancor on behalf of such Fund relating to the Fund's acquisition, ownership and management of the applicable portfolio company and the operation of the Fund, all in accordance with the Funds Governing Documents.

Ancor is liable for its normal operating overhead and administrative expenses, including salaries, bonuses, and employee benefits, office facilities, back office support, accounting, management/finance functions.

Item 6. Performance Based Fees and Side-by-Side Management

As described under Item 5 “Fees and Compensation” Ancor and/or affiliates receive carried interest distributions based upon the performance of investments recommended by Ancor. There may be differences in the terms of the carried interest distributions among the Funds.

Ancor has adopted policies and procedures to operate in a manner whereby all of its Funds are treated fairly and equitably and to minimize the risk of any potential conflicts of interest. In doing so, Ancor and its personnel endeavor to ensure that all Funds are treated fairly overtime as to the investments purchased or sold for their accounts and in the allocation of investments (see Item 12 - “Brokerage Practices” below).

Item 7. Types of Clients

Ancor provides advisory services to the Funds, which operate as exempt investment pools under the Investment Company Act of 1940. The minimum capital commitment for an Investor to subscribe to a Fund typically ranges from \$5,000 to \$100,000 and is outlined in the respective Governing Documents. Ancor maintains discretion to accept less than the minimum investment threshold. In addition, the Funds may enter into separate agreements, commonly referred to as “side letters”, with certain Investors, to waive certain terms, or allow such Investors to invest on different terms than those specifically described in the Governing Documents. Under certain circumstances, these agreements could create preferences or priorities for such Investors with respect to others.

Investors in the Funds may include but are not limited to high-net-worth individuals, family offices, trusts, investment funds, and institutional investors.

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

Investment Strategy and Analysis

For additional details on Ancor’s methods of analysis and investment strategies, as well as risks of loss, current and prospective Investors should consult the Governing Documents applicable to each Fund.

Ancor is an investment firm that primarily invests in lower middle market private investments with a history of profitable operations and certain enterprise value parameters. While it is not limited to a specific sector, Ancor focuses on healthcare, industrial manufacturing, consumer staple and emerging industries.

Portfolio management process. Ancor analyzes potential target companies through an industry-specific evaluation process. Ancor’s investment team evaluates the growth potential of each target company and its sector, focusing on potential synergies and the overall talent of the management team of the target company, and performs an in-depth analysis of the benefits and potential risks of each such investment. After an investment has been made, Ancor pursues a hands-on, active monitoring process of such acquired portfolio company.

Potential investment opportunities follow a selection process under which target companies are initially screened for quantitative and qualitative criteria that help determine the merits of each

potential target.

If the potential target company meets Ancor's initial threshold requirements, then Ancor will proceed with a preliminary financial, operational, and commercial analysis of the target company. After the preliminary analysis is completed, and a decision is made by the Investment Committee to move forward, Ancor will expand on its initial due diligence and conduct a more in-depth analysis of financial, commercial, operational, legal, and systems matters, and may engage third parties to assist with due diligence to help validate the specific opportunity.

In providing services to the private investment funds sponsored by Ancor and its affiliates (the "Funds"), Ancor formulates each Fund's investment objectives, directs, and manages the investment of each Fund's assets. Investment advice is provided directly to the Funds and not individually to the members/investors in the Funds. As such, Ancor's only advisory clients are the Funds. Ancor manages the assets of the Funds in accordance with the terms of each Fund's applicable confidential offering and/or private placement memorandum, individual limited partnership agreement, individual limited liability company agreement or other governing documents applicable to each Fund (the "Governing Documents").

In many instances, third parties are offered the opportunity to co-invest alongside the Funds in the portfolio company acquisitions. These third parties (or "Co-Investors") generally consist of institutional investors such as funds or family offices of high-net-worth investors. Ancor applies its discretion when allocating such opportunities among potential Co-Investors, considering facts and circumstances which may include the nature of the transaction, speed of execution required, tax considerations, familiarity with and history of investing in the relevant industry, ability to provide strategic insights and other factors believed relevant by Ancor.

Ancor has adopted policies and procedures to operate in a manner whereby all of its Funds are treated fairly and equitably and to minimize the risk of any potential conflicts of interest. In doing so, Ancor and its personnel endeavor to ensure that all Funds are treated fairly over time as to the portfolio investments made and sold and in the allocation of opportunities to participants in investments.

Risk Inherent in Fund Investments

Acquiring an interest in a Fund involves several significant risks. It is designed for sophisticated investors who fully understand and can bear the risk of an investment in a Fund. No guarantee or representation can or will be made that a Fund will achieve its investment objective or that fund members or limited partners will receive a return of their capital. Prospective and existing Investors are advised to review the respective Fund Governing Documents for full details on each applicable Fund's investment, operational and other actual and potential risks and the conflicts of interests related thereto. The following list is not a complete list of all risks, conflicts of interest and other considerations involved in connection with an investment in a Fund.

Funds may not realize income or gains from its investments. Funds' investments may not appreciate in value and, in fact, may decline in value. Accordingly, Funds may not be able to realize income or gains from its investments. Any gains or income that Funds realizes may not be sufficient to offset any losses it experiences.

No assurance can be given of profit or distributions. Investment in Funds requires a long-term commitment, with no certainty of return. Most of Funds' investments will generally be in private,

illiquid securities. There is no assurance that the investments of Funds will be profitable or that any distribution will be made to the Investors. Proceeds received from Funds' investments, including proceeds of sale, may be used to pay fees or other fund expenses or may be reinvested to the extent allowed under the terms of the Governing Documents or may be held by the applicable Fund pending anticipated investment commitments. Any return on investment to the Investors will depend upon the success of the applicable Fund's investments. The marketability and value of Funds' investments will depend upon many factors beyond our control. Funds may not have sufficient cash available to make tax distributions, if any, to Investors. There is no assurance that Funds will be able to invest its capital on attractive terms or generate returns for its Investors.

Investors are dependent on Ancor. Funds will be dependent upon the activities of Ancor and its managers, partners, employees, members and affiliates. The loss of one or more of these individuals could have a significant adverse impact on the business of Funds. Funds will be particularly dependent upon its Managers. The loss of any such Partner could have a material, adverse effect on the business of Funds. In addition, Ancor is dependent upon the expertise of certain of its key employees in providing advisory services with respect to Funds' investments. The success of Funds will depend to a great extent, among other things, upon the ability of Ancor to identify, select, effect and realize appropriate investments. There is no guarantee that suitable investments will or can be acquired or that investments will be successful.

Long-term investment. An investment in the Funds is a long-term commitment, and there is no assurance of any distribution to the Investors prior to or upon liquidation of such Fund.

Middle-market companies may pose larger risks than large companies. Funds expects to concentrate its investments in lower-middle market companies. Investments in lower-middle market companies such as those that Funds invest in, while often presenting greater opportunities for growth, may also entail larger risks than are customarily associated with investments in large companies. Medium-sized companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms or at all when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small- and medium-sized companies, could make it difficult for Funds to react quickly to negative economic or political developments.

Government regulation could have a material adverse effect on operations. Governmental regulations could restrict the permissible scope of product claims made by one or more of our portfolio companies or the ability of one or more of our portfolio companies to manufacture or sell its products in the future.

From time to time, Congress or other federal, state, local, or foreign legislative and regulatory authorities may impose additional laws or regulations, repeal laws or regulations that may be favorable, or impose more stringent interpretations of current laws or regulations on our portfolio companies. We are not able to predict the nature of such future laws, regulations, repeals, or interpretations or to predict the effect that additional governmental regulation, when and if it occurs, would have on the business of our portfolio companies in the future. Our portfolio company operations could be harmed if new guidance or regulations require any of our portfolio companies

to reformulate products or effect new registrations, if regulatory authorities make determinations that any of their products do not comply with applicable regulatory requirements, if the cost of complying with regulatory requirements increases materially, or if they are not able to effect necessary changes to their products in a timely and efficient manner to respond to new regulations.

Any adverse actions against Funds or its portfolio companies by governmental authorities or private litigants could have a material adverse effect on the business, financial condition and results of operations of one or more of our portfolio companies and adversely impact Funds and the value of its investments.

Non-compliance with information privacy laws could harm our investments. The regulatory environment surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and changing requirements across businesses. The portfolio companies in which we may invest are required to comply with increasingly complex and changing data privacy regulations in the United States and in other countries in which they may operate that regulate the collection, use and transfer of personal data, including the transfer of personal data between or among countries. Some foreign data privacy regulations are more stringent than those in the United States and continue to change. For example, in May 2018, the General Data Protection Regulation imposed more stringent European Union data protection requirements, and provided for greater penalties for noncompliance. Complying with these and other changing requirements could cause the portfolio companies to incur substantial costs and require them to change their business practices in certain jurisdictions, any of which could materially adversely affect their business operations and operating results and, therefore, materially adversely affect Funds' investments. Such portfolio companies may also face audits or investigations by one or more domestic or foreign government agencies relating to their compliance with these regulations. Compliance with changes in privacy and information security laws and standards may result in significant expense due to increased investment in technology and the development of new operational processes. If our portfolio companies or those with whom they share information fail to comply with these laws and regulations or experience a data security breach, their and our reputation could be damaged, and they and we could be subject to additional litigation and regulatory risks. Our portfolio companies' security measures may be undermined due to the actions of outside parties, employee error, malfeasance, or otherwise, and, as a result, an unauthorized party may obtain access to their data systems and misappropriate business and personal information. Any such breach or unauthorized access could result in significant legal and financial exposure, damage to their and our reputation, and potentially have a material adverse effect on their business operations, financial condition and results of operations and, therefore, materially adversely affect Funds' investments.

Non-compliance with economic sanction and anti-corruption laws could harm our investments. Economic sanction laws in the United States and other jurisdictions may prohibit us and Funds from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treasury.gov/resource-center/sanctions/Pages/default.aspx. In addition, certain programs

administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may significantly restrict Funds' investment activities in certain emerging market countries.

Diverse investor group may lead to conflicts. The Investors may have conflicting investment, tax, and other interests with respect to their investments in Funds. The conflicting interests of individual Investors may relate to or arise from, among other things, the nature of investments made by Funds, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by Ancor, including with respect to the nature or structuring of investments that may be more beneficial for one Investor than for another Investor, particularly with respect to Investors' individual tax situations. In selecting and structuring investments appropriate for Funds, the Ancor will consider the investment and tax objectives of the applicable Fund and the Investors as a whole, not the investment, tax, or other objectives of any Investor individually.

Establishing appropriate levels of reserves is difficult and may adversely impact returns. In managing the Funds, the applicable Fund may seek to establish reserves for liabilities. Estimating a proper level of reserves is difficult. Inadequate or excessive reserves may adversely affect the investment returns of the Investors.

Side Letters with Investors may provide additional rights. The applicable Fund may enter into or may have entered into side letters or similar agreements with Investors (each a "Side Letter") pursuant to which such Fund may agree, among other things, to extend certain information rights or additional reporting to such Investor; or provide special rights to such Investor with respect to the activities of such Fund or any of their respective affiliates. In addition, the terms of any Side Letter will not be disclosed to other Investors unless another Side Letter so provides.

No assurance of additional financing for portfolio companies. A portfolio company may not be able to obtain additional financing to support its needs for working capital or expansion capital, which could materially and adversely affect the value of the portfolio company, and thus, the value of Funds.

Financial leverage exposes portfolio companies to financial risk. Portfolio companies in which we may invest may make use of financial leverage, utilizing debt from a number of sources including banks, investment banks and public debt markets. The use of debt at the portfolio company level may expose Funds' investments to financial risk, including their inability to meet debt obligations as they mature and possible bankruptcy. Such risks could be heightened in an environment of increasing interest rates or an overall decline in economic conditions within the United States and the global economy.

Risks in Effecting Operating Improvements.

In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of Ancor to effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. In addition, executing operational improvements may divert the attention of key personnel and disrupt normal business. There can be no assurance that Ancor will be able to successfully identify and implement such improvements or that any such successfully implemented

improvements will result in a return on the applicable Fund's invested capital with respect to such portfolio company.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies: Expedited Transactions.

Before making investments, Ancor and its affiliates will typically conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, environmental, regulatory and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and Ancor may rely on the advice received from such third parties. Depending on the facts and circumstances regarding an investment opportunity, investment analyses and decisions by Ancor may be undertaken on an expedited basis in order for a Fund to take advantage of such opportunity. In such cases, the information available to Ancor at the time of an investment decision may be limited, and Ancor may not have access to the detailed information necessary for a full evaluation of the investment opportunity. The due diligence investigation carried out with respect to any investment opportunity will not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return of the applicable Fund's invested capital.

No limit on concentration could adversely affect performance. Funds are not subject to specific diversification requirements and may participate in a limited number of investments, in which case the investment returns of Funds could be substantially adversely affected by the unfavorable performance of a single investment.

Investments in less established companies involve greater risks. Funds may invest its assets in securities issued by less established companies. Such investments involve greater risks than generally are associated with later-stage companies. To the extent that there is any public market for such securities, price movements may be more abrupt and erratic than is the case for securities issued by more established companies. Less established companies also tend to have smaller capitalization and fewer resources, making them potentially more vulnerable to financial failure. These companies also may have shorter operating histories on which to judge future performance and may have negative cash flow.

Insufficient capital for follow-on investments may have negative results. From time to time, a portfolio company may require additional capital. There is no assurance that Funds will make follow-on investments or that Funds will have sufficient resources to, or be permitted to, make such follow-on investments. A decision to not make a follow-on investment or Funds' inability to make a follow-on investment when needed may have a substantial negative impact on a portfolio company, may result in missed opportunities for Funds or may result in dilution of Funds' investment in the portfolio company.

Litigation may adversely affect Funds' investments. Litigation can and does occur in the ordinary course of the management of a portfolio of investments. Funds may be engaged in litigation both as a plaintiff and as a defendant. This risk is somewhat greater where Funds exercises control or significant influence over a portfolio company's direction, including as a result of board participation. Such litigation can arise as a result of portfolio company default, portfolio company

bankruptcies and/or other reasons. In certain cases, such portfolio companies may bring claims and/or counterclaims against Funds, Ancor, the Funds' Managers and/or their respective principals and affiliates alleging violations of securities laws and other typical portfolio company claims and counterclaims seeking significant damages. The expense of defending against claims made against Funds by third parties and paying any amounts pursuant to settlements or judgments would be borne by Funds to the extent that (1) Funds has not been able to protect itself through indemnification or other rights against the portfolio companies, (2) Funds are not entitled to such protections or (3) the portfolio company is not solvent. Ancor, its affiliates and others may be indemnified by Funds in connection with such litigation.

In addition, the financial performance of portfolio companies in which Funds has invested may be adversely affected from time to time by litigation such as, without limitation, contractual claims, intellectual property claims, occupational health and safety claims, public liability claims, employee claims, environmental claims, industrial disputes, tenure disputes and legal action from special interest groups. Such litigation could materially reduce the value of Funds' investments.

Cyber security risk may cause Funds' investments to lose value. In the digital world that Funds and Ancor, and other service providers and the vendors of each (collectively "Service Providers") exist in, we and they are exposed to the risk that our and their operations and data may be compromised as a result of internal and external cyber-failures, breaches or attacks ("Cyber Risk"). This could occur as a result of malicious or criminal cyber-attacks or from human error, faulty or inadequately implemented policies and procedures or other systems failures unrelated to any external cyber-threat may have effects similar to those caused by deliberate cyber-attacks. Successful cyber-attacks or other cyber-failures or events affecting Funds or its Service Providers may adversely impact Funds or their Investors or cause an investment in Funds to lose value. For instance, such attacks, failures or other events may interfere with the processing of Investor transactions, impact Funds' ability to calculate its NAV, cause the release of private information or confidential information, impede trading, or cause reputational damage. Such attacks, failures or other events could also subject Funds or its Service Providers to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. A Fund or its Service Providers may also incur significant costs to manage and control Cyber Risk. Cyber Risk is also present for the portfolio companies in which Funds invests, which could result in material adverse consequences for such portfolio companies, and may cause Funds' investment in such portfolio companies to lose value.

Expanded Private Fund Adviser Rules. On August 23, 2023, the SEC adopted certain rules and amendments under the Investment Advisers Act of 1940 (the "Advisers Act") to enhance the regulation of private fund advisers (the "Private Fund Adviser Rules") that will affect investment advisers, including Ancor, by (i) requiring such investment advisers to comply with additional reporting and compliance obligations, (ii) prohibiting certain business practices, (iii) prohibiting certain types of preferential treatment offered by such investment advisers to certain (but not all) Investors in a private fund, including, among other things, the provision of information regarding portfolio holdings of the private fund or of a substantially similar pool of assets, and (iv) prohibiting other forms of preferential treatment for certain (but not all) Investors without providing sufficiently detailed written disclosures about such preferential treatment to prospective and current Investors. Section 202(a)(29) of the Advisers Act defines the term "private fund" as an issuer that would be an investment company under the Investment Company Act but for the exemption provided under Sections 3(c)(1) or 3(c)(7) thereunder. Because the Funds rely on these provisions of the Investment Company Act, each will be considered a "private fund" within the meaning of the Private Fund

Adviser Rules, and Ancor would be required to comply with the enhanced obligations under the Private Fund Adviser Rules. The costs of complying with certain of the reporting and compliance obligations under the Private Fund Adviser Rules could be substantial, and it is possible that the costs of preparing such reports would be borne by Funds. In addition, if Ancor was prohibited from discussing the underlying portfolios of its Funds with Investors, or if certain types of Side Letters were prohibited absent highly specific disclosure, it could result in a reduction of the quality and quantity of information provided to Investors.

Delayed tax reporting. Each year, the Funds will distribute a Schedule K-1 to each Investor so that they can prepare their respective income tax returns. The preparation of such returns is each Investor's sole responsibility. Tax information may not be provided on a timely basis as Funds' ability to provide final Schedule K-1s to the Investors is dependent upon when Funds receives the requisite information from its portfolio companies. In fact, it is highly unlikely that Funds will be able to provide final Schedule K-1's prior to April 15 of any tax year. The Investors should be prepared to obtain extensions of the filing dates for their federal, state and local income tax returns.

Investors may incur tax liabilities prior to receiving distributions. An Investor's federal, state or local tax liability for a year may exceed such Investor's cash distributions for such year. In such event, the Investor will have to utilize other means to satisfy such tax liabilities in the event Tax Distributions are not made or are not sufficient to satisfy such tax liabilities.

Item 9. Disciplinary Information

On July 21, 2021, Ancor Capital Partners ("Ancor") entered into an agreement with the federal government to settle a Qui Tam dispute related to business practices at Alliance Family of Companies, LLC (Alliance"), a company in which Ancor invested. The agreement is not an admission of liability by Ancor and Ancor denies any wrongdoing.

Unbeknownst to Ancor, the government started an investigation into Alliance prior to Ancor's investment. Alliance and Ancor were notified of the government's concerns and investigation in September of 2017, two months after Ancor's investment. Alliance and Ancor cooperated with the government throughout the investigation producing more than three million documents. Once notified of the government's findings in 2019, Ancor took immediate and decisive action, hiring Arnold & Porter Kaye Scholer LLP to conduct an extensive internal review.

The settlement concluded with a payment by Ancor of \$1.8 million to the United States government and certain states involved in Medicaid. Ancor revised Alliance's business model, replaced key members of Alliance's leadership team, created and staffed new executive positions, including a chief medical officer and chief compliance officer, and added a world-class Medical Advisory Board comprised of leading physicians with deep experience in neurology and related medical fields.

Item 10. Other Financial Industry Activities and Affiliations

The managers of the Funds (the "Managers") are related entities of Ancor. Joseph Randall Keene and Timothy McKibben are the officers of Ancor Partners, Inc., Ancor's parent company general partner. Ancor employees do not have any other relationships or arrangements with other financial services companies, and Ancor believes no affiliation poses material conflicts of interest other than those described in other sections of this Brochure.

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

Ancor has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act.

This Rule requires Ancor to adopt a Code of Ethics that sets forth a standard of business conduct and compliance with federal securities laws by our employees. Our Code of Ethics contains policies and procedures that require the following: (i) pre-clearance before any securities in initial public offerings or private placements; (ii) periodic reporting of employees' personal securities transactions and holdings; and (iii) prompt internal reporting of any violations of the Code of Ethics.

Ancor will provide a copy of our Code of Ethics to any current or prospective Investors, upon request. Please contact Mitchell Green (mgreen@ancorcapital.com) or by phone at 817-877-4458 should you have any questions concerning our Code of Ethics or wish to obtain a copy.

Ancor, its related persons and affiliated entities will have an investment in each Fund. For example, the Managers for each Fund is comprised of related persons of the Adviser and its affiliated entities. Ancor will participate in the Fund's investment program by agreeing to commit a certain percentage of the Fund's total capital commitments or a certain amount as defined in the Fund's Governing Documents. Therefore, Ancor and/or its related entities participate in transactions effected for Funds.

Item 12. Brokerage Practices

Ancor expects to invest primarily in private securities, thus it does not ordinarily deal with any financial intermediary such as a broker-dealer acting on its behalf in making investments, and commissions are not ordinarily payable in connection with such investments.

To the extent Ancor transact in public securities for its Funds, it will select brokers based upon Ancor's assessment of the broker's ability to provide quality and well-priced execution for such Fund. Ancor is generally authorized to make the following determinations, subject to Funds' investment objectives and restrictions, without obtaining prior consent from the Fund or any of their Investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; and (3) where relevant, the executing broker or dealer for any transaction and the commission rates or commission equivalents charged for transactions.

Soft Dollars

Ancor has no formal arrangements with broker-dealers to receive research or other products or services. Ancor, however, may receive research reports from broker-dealers that provide or seek to provide services to Ancor, the Funds or its portfolio companies. Any information received from a broker-dealer is expected to be consistent with the safe harbor for brokerage and research services under Section 28(e) of the Securities Exchange Act of 1934. When Ancor receives research or other information or opportunities from a broker-dealer in these circumstances, it could be viewed as receiving a benefit it does not have to pay for, and Ancor could be viewed as having an incentive to select or recommend a broker-dealer for a transaction on behalf of the Funds or portfolio company based on its interest in receiving such benefits rather than on receiving most favorable execution.

Principal or Cross Transactions

Ancor generally does not cause the Funds to engage in any principal or cross transactions. In the event that Ancor does so, Ancor will first consider and determine that the transaction is in the best interests of both participating Funds. Ancor will seek to obtain independent consent from the Funds if it decides to engage in such principal or cross transaction, to the extent deemed necessary or appropriate.

Allocation of Investment Opportunities

Ancor is aware of the importance of treating all Funds fairly. Ancor maintains policies and procedures that are designed to ensure that all investment opportunities are, to the extent applicable, allocated among Funds on a basis that is ultimately fair and equitable to each Fund. Ancor may be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles managed by Ancor. In determining which investment vehicles should participate in such investment opportunities, Ancor may be subject to conflicts of interest, and will follow its policies and procedures to ensure that investment allocations are effected in a fairly manner.

Item 13. Review of Accounts

All investments are carefully reviewed and approved by Ancor's investment team. The acquisitions team observes transactions on an ongoing basis in the target markets to identify potential transactions. Potential investments are reviewed typically on a weekly basis in the investment team meetings.

Ancor provides, or will provide, Investors with (i) Fund audited annual financial statements; and (ii) quarterly financial and operational investment performance updates on its portfolio companies or such other information as may be set out in the Governing Documents; and annual tax information necessary to complete any applicable tax returns.

Item 14. Client Referrals and Other Compensation

Ancor does not have any arrangements in place to compensate anyone for client or Investor referrals.

Item 15. Custody

Ancor has access to Funds' accounts since it or an affiliate have ultimate control of the Funds. Funds are, or will be, subject to an annual audit by an independent public accountant and the audited financial statements are distributed to each Investor. The audited financial statements are to be prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Fund's fiscal year end.

Item 16. Investment Discretion

In accordance with the terms and conditions of the Governing Documents, and subject to the direction and control of Ancor's affiliates with each Fund, Ancor generally has discretionary authority to determine, without obtaining specific consent from the Funds or its Members or Limited Partners, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day- to-day investment operations of the Funds. Approval may be required of the fund Members or Limited Partner representatives for any action that is beyond the guidelines prescribed in the

Governing Documents.

Item 17. Voting Client Securities

Ancor does not generally transact in publicly-traded securities, nor does Ancor anticipate the receipt of proxy materials for investments held by the Funds. In the event that a Fund acquires equity positions or other positions that solicit proxies in the future, Ancor will develop and implement policies and procedures to vote such proxies in accordance with its fiduciary duty.

For any applicable proxies, Ancor will maintain a record of any proxy votes executed on behalf of Clients. Investors can contact Mitchell Green (mgreen@ancorcapital.com) or by phone at 817-877-4458 to obtain a copy of Ancor's proxy voting policy or to obtain information with respect to any applicable proxy votes submitted on behalf of the relevant Fund.

Item 18. Financial Information

Ancor has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.