

**Part 2A of Form ADV: Latticework Capital Management, LLC - *Brochure***

March 25, 2024  
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This Brochure provides information about the qualifications and business practices of Latticework Capital Management, LLC (“Latticework Capital” or “LCM”). If you have any questions about the contents of this Brochure, please contact us at (469) 270-7459. 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.

This Brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of applicable governing documents and other similar materials that contain a description of the material terms relating to such investment.

Latticework Capital Management, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Latticework Capital Management, LLC also is available on the United States Securities and Exchange Commission’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

Since its last annual update in March 2023, this Brochure has been amended to update information in Item 4 concerning assets under management and to make other minor edits as we deemed appropriate.

The information set forth herein is qualified in its entirety by the applicable governing documents. In the event of a conflict between the information set forth in this Brochure and the information in the applicable governing documents, such governing documents shall control.

We encourage all investors to carefully review this Brochure in its entirety.

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#### **Item 4 - Advisory Business**

- A. Latticework Capital Management, LLC is a private investment management firm headquartered in Dallas, Texas. Latticework Capital Management, LLC was formed in 2015 by its founders and principal owners, Kyle Bradford and Steve Neumann (the “Principals”). Latticework Capital Management, LLC provides investment advisory, supervisory, and management services on a discretionary basis to multiple affiliated private investment funds, (each, a “Fund”, and together, collectively, the “Funds”), making privately negotiated debt, equity and equity-related investments. The Governing Documents of the Funds, as defined below, may provide for the establishment of parallel or alternative investment vehicles in certain circumstances. Fund investors and employees of Latticework Capital may participate in such vehicles for the purposes of certain investments, and such vehicles, under certain circumstances, can also be considered clients of Latticework Capital Management.

Latticework Capital provides investment advisory services in accordance with the investment objectives, strategies, guidelines, restrictions and limitations described in the applicable governing documents of each Fund, including, without limitation, each Fund’s private placement memorandum, limited partnership agreement, subscription documents, side letters, investment management agreements and capital call notices (collectively, the “Governing Documents”), and the information in this Brochure is qualified in its entirety by the information set forth in the Governing Documents.

The Funds are offered exclusively to individuals and other persons who qualify as “accredited investors” under Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”), and “qualified clients” as defined under Section 205(3) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and are therefore not required to register as investment companies with the SEC in accordance with the exemption set forth in Section 3(c)(1) of the Investment Company Act.

- B. Latticework Capital’s investment advisory services include establishing each Fund’s investment objective and selecting portfolio investments according to each Fund’s specific investment strategy, as described in the applicable Fund’s Governing Documents.

As identified above, the Funds are private equity funds that invest through negotiated transactions in operating entities, generally referred to as “portfolio companies.” Accordingly, the objective of Latticework Capital is to focus primarily on equity control investments in middle market private U.S. enterprises in the healthcare industry and to utilize platform acquisitions with subsequent add-on acquisitions to accomplish such objectives. Latticework Capital may also pursue minority equity investments, mezzanine debt investments alongside equity control investments and/or standalone debt investments on an opportunistic basis.

- C. While each of the Funds will follow the general strategy stated above, Latticework Capital may, subject to the terms of the Governing Documents, tailor the specific advisory services with respect to a Fund at Latticework Capital’s discretion and based on the individual investment strategy of such Fund. Please note that Latticework Capital’s clients are the Funds. Investors in the Funds are not clients of Latticework Capital. Latticework Capital does not tailor its investment advice to the individual investors in each Fund, and therefore, investors cannot impose restrictions on the types of investments made through the Funds. Any restrictions on investment are set forth in the Governing Documents.

Notwithstanding the foregoing, the general partner of a Fund may in the future enter into side letter agreements or similar arrangements with one or more investors in a Fund that have the effect of establishing rights under, or altering, modifying, waiving or supplementing the terms of, the governing documents of a Fund in respect of such investors. Among other things, these agreements may entitle an investor in a Fund to lower fees, co-investment rights, information or transparency rights, most favored nations status, notification rights, rights or terms necessary or advisable in light of particular legal, regulatory or public policy considerations of or related to an investor and/or other preferential rights and terms. Any rights established or any terms of the governing documents of such applicable Fund altered or supplemented in or by a side letter or similar arrangement with an investor will govern solely with respect to such investor notwithstanding any other provision of the governing documents of such applicable Fund related thereto.

- D. Latticework Capital does not participate in wrap fee programs.
- E. As of the date of this Brochure, Latticework Capital has approximately \$521 million in regulatory assets under management, all of which are managed on a discretionary basis.

## **Item 5 - Fees and Compensation**

- A. Below is a general overview of how Latticework Capital is compensated in connection with providing advisory services to the Funds. Latticework Capital may enter into different fee or compensation arrangements on a Fund by Fund basis in its sole discretion. As a result, investors should carefully review the applicable Governing Documents for a description of the fees and compensation applicable to a Fund.

### Management Fees

In consideration of Latticework Capital's investment advisory and other services, Latticework Capital typically receives a management fee from each of the Funds, which is generally equal to a percentage of the total capital commitments to such Fund. The fee percentage and/or the base upon which the fee is calculated may vary with the size of the Fund and may also vary over the life of the Fund, as negotiated and determined at the time the Fund is established and as set forth in its Governing Documents. The percentage of the management fee generally starts at 2% annually and is then reduced upon occurrence of certain events that are fully described in the Governing Documents of each Fund ("Adjustment Date"). After the Adjustment Date, the management fee generally accrues at an annual rate based on the cost basis of the investments in portfolio companies that have not been sold or written off.

### Performance Fees (Carried Interest)

In general, when a Fund invests in a portfolio company, the income, dividends, distributions and/or interest income generated by such portfolio company, together with the net proceeds attributable to the disposition of the investment in such portfolio company (collectively, "Distributable Proceeds") will be distributed to the Fund's investors in the manner set forth in and subject to such Fund's Governing Documents.

As more fully described in the Governing Documents, the General Partner of each Fund will generally be entitled to receive a performance fee measured as a percentage of the Fund's Distributable Proceeds in excess of certain negotiated performance thresholds that are tied to the internal rate of return received by the Fund's investors, and are subject to (i) the investors' 8% preferred return; and (ii) a General Partner catch-up provision. These distributions to the General Partner are referred to as the "carried interest." The specific amount and timing of the payments of carried interest to a General Partner vary by Fund, and are highly dependent upon, among other things, the performance of the Fund and its portfolio companies, and the size of an investor's capital commitment. Accordingly, investors should carefully review the applicable Governing Documents for a description of the carried interest payable with respect to each Fund.

Management Fees and carried interest distributions generally are not negotiable. However, Latticework Capital (or an affiliate) has discretion to reduce or waive Management Fees and/or carried interest distributions. Latticework Capital's affiliates generally are subject to the Management Fee and carried interest distributions. However, Latticework Capital anticipates using its discretion to waive the Management Fee and carried interest distributions for Latticework Capital's affiliates in certain instances in the future.

From time to time, Latticework Capital may charge portfolio companies additional fees in a form of diligence fees, director's fees, advisory fees, consulting fees and other types of

remuneration (“Portfolio Fees”). Generally, Latticework Capital offsets the Management Fee by a percentage of net Portfolio Fees received based on the pro rata ownership share of the relevant Fund in the portfolio company as specifically provided in the applicable Governing Documents.

#### LCM Resource Group

As further described herein and to the extent provided for in the relevant Governing Documents, Latticework may utilize an operations group (the “LCM Resource Group”) comprised of persons retained or employed by Latticework, the affiliated general partner or any of their respective affiliates (including a company owned by Latticework, its affiliates and/or personnel thereof, LCM Resource Group) primarily to provide business development, capital markets support, interim management, strategy development and execution, advice on general industry trends, finance, manufacturing, sales, marketing, technology, human resources, sourcing, acquisition integration and/or other operations services, acquisition or other due diligence or similar services to the Funds, any alternative investment vehicle or any portfolio company or prospective portfolio company of the Funds (or their respective subsidiaries) or any alternative investment vehicle, as well as board of director or management services to portfolio companies.

Any fees and other remuneration received by LCM Resource Group to provide services in respect of the Funds, its investment activities or one or more portfolio companies or potential portfolio companies shall not offset the Management Fee except to the extent that such fees and remuneration exceed the costs and expenses of LCM Resource Group (including compensation to operating partners) with respect to the Funds, its investment activities or one or more portfolio companies or potential portfolio companies (any such excess, the “LCM Resource Group Profit”). 100% of any LCM Resource Group Profit shall offset the Management Fee as described more fully in the Governing Documents.

#### Other Information

Distributions to the investors may be subject to certain adjustments and reserves as stated in more detail in each Fund’s Governing Documents.

- B. Management Fees are typically funded with capital contributions drawn for such purpose, but may also be funded with or withheld from proceeds from investments. Carried interest distributions generally will be distributed to Latticework Capital’s affiliate from time to time upon the disposition of investments by a Fund and are distributed to such affiliate in accordance with the terms of the applicable Governing Document.
- C. The General Partners, Latticework Capital Management and their respective affiliates will pay all of their respective ordinary administrative and overhead expenses, including salaries, benefits and rent.

Subject, in each case, to the terms set forth in the applicable Governing Documents, each Fund will pay all other expenses attributable to the activities of the applicable Fund including, without limitation: (i) all organization and formation expenses (subject to certain limitations); (ii) all out-of-pocket costs of the administration of the Funds, including accounting, audit, annual financial statement, federal income tax and Form K-1s, tax return preparation, consulting expenses, costs of holding any meetings of partners, costs of any liability insurance obtained on behalf of the Funds and/or the General Partner, costs associated with the

maintenance of books and records of the Funds, and legal expenses that are unrelated to a portfolio company if the Funds are the party receiving the primary benefit of the services; (iii) all expenses incurred in connection with the registration, qualification, or exemption of the Funds under any applicable laws; (iv) all expenses incurred in connection with the preparation of alterations and amendments to the Funds' Governing Documents; (v) all expenses incurred in connection with any litigation involving the Funds (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith; (vi) subject to any applicable provisions of the Funds' Governing Documents, all expenses for indemnity or contribution payable by the Funds; (vii) all expenses incurred with administrative proceedings and/or audit relating to the Funds' tax matters; (viii) all expenses incurred in connection with the dissolution and liquidation of the Funds; (ix) all expenses incurred on account of taxes, fees, or other governmental charges of the Funds; (x) all investment-related expenses for investments that are successfully closed (including pre- and post-closing investment expenses, legal and accounting fees, hard third-party costs, shipping fees for deal documents, and legal and accounting fees (at fair market rates) for work performed in-house by Latticework Capital Management, LLC on tasks that are traditionally performed by outside third parties); (xi) all investment related expenses associated with broken deals (xii) all expenses incurred in connection with monitoring any transactions with a portfolio company; (xiii) interest expense and any fees and expenses in connection with any borrowing, guarantee, or other credit support; (xiv) the cost of professional services (billed at fair market value) that expand beyond ordinary oversight and management of portfolio companies and would typically be performed by outside third parties that are performed by Latticework Capital Management, LLC (or its affiliates) and for which the benefit extends to more than one portfolio company or directly to the Funds (e.g., legal or accounting projects not limited to a single portfolio company or systems implementation and/or software integration across multiple portfolio companies); and (xv) and any other costs, expenses, or fees for goods or services of which the Funds are the primary beneficiary.

Latticework Capital does not maintain any trading accounts and does not use "soft" dollars. Please refer to Item 12, Brokerage Practices, for more information.

- D. As stated above, the fees are pre-paid in advance. Generally, investors may not withdraw from a Fund prior to dissolution, and may not transfer any of their interests in a Fund without the prior written consent of the applicable General Partner. Generally, the Management Fee obligation of a Fund may be terminated only in connection with the dissolution of the Fund.
- E. Other than as described above, Latticework Capital and its affiliates do not receive any compensation from the sale of securities or other investment products.



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

As detailed in Item 5 above, the General Partners of the Funds (which are affiliates of Latticework Capital Management, LLC) generally receive performance-based fees in the form of carried interest payments that are based on a share of the Distributable Proceeds distributed to a Fund's investors. The specific amount and timing of the payments of carried interest to a General Partner vary by Fund, and are highly dependent upon, among other things, the performance of the Fund and its portfolio companies, and the size of an investor's capital commitment. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance-based fees (the carried interest), in general, may create an incentive for Latticework Capital and its affiliates to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee.

Latticework Capital may manage multiple Funds with similar or different investment strategies on a side-by-side basis. As a result of the foregoing, Latticework Capital and its affiliates and agents may have conflicts of interest in: (i) allocating their time and activity among the multiple Funds; (ii) allocating investments among the multiple Funds; and (iii) effecting transactions among the multiple Funds, including ones in which Latticework Capital, its affiliates and/or any of their related persons may have a greater financial interest. These conflicts of interest may create an incentive for Latticework Capital to favor a Fund in which Latticework Capital, its affiliates and/or any of their related persons have a greater financial interest with respect to allocation of time and activity, limited investment opportunities, or investments that Latticework Capital regards as more attractive or better performing investments.

To address these conflicts of interest, Latticework Capital has implemented policies and procedures to ensure that all Funds receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

## **Item 7 - Types of Clients**

As mentioned in Item 4, Latticework Capital provides investment supervisory services on a discretionary basis to affiliated pooled investment funds making privately negotiated debt, equity and equity-related investments. Please note that Latticework Capital's clients are the Funds. Investors in such Funds are not clients of Latticework Capital.

Generally, the stated minimum for capital commitments to a Fund can be found in each respective Fund's Governing Documents; provided, however, that each Fund's General Partner has the sole discretion to accept capital commitments that it deems to be in the best interests of the Fund.

Each investor generally is required to represent that it is, among other things, an "accredited investor," as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), and a "qualified clients" as defined under Section 205(3) of the "Advisers Act".

## Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

- A. Each Fund advised by Latticework Capital may have its own strategies and risks, all of which are described in the applicable Governing Documents. However, in general, the objective of Latticework Capital is to make equity control investments in lower middle market healthcare companies. This objective will be pursued primarily by advising the Funds in connection with making, holding and eventually disposing of privately negotiated controlling investments in such companies with a view towards the Funds holding such investments for the duration of their respective terms. Notwithstanding the foregoing, Latticework Capital may still target and ultimately recommend minority and non-equity investments in portfolio companies.

### Investment Process

Latticework employs a “top down” theme-based approach to investing in which it identifies healthcare industry themes and trends focusing on areas of growth and opportunity. It utilizes these themes to identify healthcare industry subsectors on which to focus and identify investment opportunities. LCM focuses on three broad areas of the healthcare industry: (i) healthcare providers and business service companies that provide services to healthcare providers, (ii) medical component and equipment manufacturers, and (iii) pharmaceutical service providers.

Latticework views the healthcare industry as an attractive area for private equity investment given its large and growing market, fragmented and dynamic characteristics and opportunities for innovation. Healthcare is one of the largest and fastest growing sectors in the economy and is typically less affected by economic cycles than other sectors of the economy. The healthcare industry encompasses a large ecosystem of businesses surrounding the delivery of healthcare and includes a diverse set of business models including retail, distribution, manufacturing, service providers and treatment providers, among others. LCM believes the healthcare industry rewards investors with significant experience and expertise, a competitive advantage given the complexity of the evolving landscape and highly regulated nature of the industry.

The investment strategies summarized above are not intended to be comprehensive. For more information regarding Latticework Capital’s and the Funds’ investment strategies, please see the applicable Governing Documents.

- B. *There can be no assurance that investors in the Funds will achieve their investment objectives or that investments in the Funds will be profitable. The Funds’ investment strategies involve a substantial degree of risk, including risk of complete loss. Nothing in this Brochure is intended to imply, and no one is or will be authorized to represent, that the Funds’ or Latticework Capital’s investment strategies are low risk or risk free. These investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. Prospective investors should consider the following risks, among others, before making any investment decisions. The various risks outlined below are not the only risks associated with the Funds’ investment strategies and processes and will not necessarily apply to each investor or each Fund. Investors are urged to consult with their own independent financial, legal and tax advisors before making any investment decisions. The following risks are qualified in their entirety by the risks set forth in the applicable Governing Documents.*

### **Difficulty of Locating Suitable Investments**

There can be no assurance that the General Partner will locate a sufficient number of suitable investment opportunities for the Funds. The process of identifying attractive investment opportunities is competitive and involves a high degree of uncertainty. The Funds will compete for investment opportunities with many other investors, some of which will have greater resources than the applicable Fund. Furthermore, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate.

### **Competition**

The Funds will be competing for investment opportunities with a significant number of financial institutions and other private funds and dedicated mezzanine funds, as well as various institutional investors. Some of these competitors are larger and have greater financial, human, and other resources than the Funds, may have higher risk tolerances or different risk assessments than the Funds, and may in certain circumstances have a competitive advantage over the Funds. As a result of this competition, there may be fewer attractively priced investment opportunities than in the past, which could have an adverse impact on the ability of the Funds to meet its investment goals. There can be no assurance that the returns on the Funds' investments will be commensurate with the risk of investment in the Funds.

### **Uncertainty Regarding Investment Data and Diligence**

LCM's investment analysis methods rely on the assumption that the companies in which the Funds invest, and other sources of information about these companies and comparable companies, will provide accurate, complete and timely financial information. There is a risk that such investment analysis may be compromised by inaccurate or misleading information. Although LCM makes every effort to conduct complete due diligence prior to making an investment, the due diligence process may be subjective at times, may be undertaken on an expedited basis in order to take advantage of available investment opportunities and may require the Funds to rely on the limited resources available, including information provided by the target of the investment and third-party consultants, legal advisers, accountants and investment banks. As a result, such due diligence investigations may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity.

### **Valuation of Unrealized Investments**

There can be no assurance that investments with an unrealized value will be realized at the valuations reported by the Funds at any given point in time. Reported unrealized values are determined based upon LCM's then current valuation policy and are based upon a number of inputs and assumptions made at the time such unreported values are reported, the ultimate results of which may vary materially from such factors at the time of a realization. Realized returns on such investments will depend on many factors, including factors outside of the Funds' control such as future operating results of the portfolio company, market conditions at the time of disposition, credit pricing and availability, the extent of sale transaction costs, general economic conditions, and the timing, manner and competitive dynamics of sale, among others.

### **Accuracy of Third-Party Information**

The General Partner may select investments for the Funds on the basis of information and data made directly available to the General Partner by third parties. Although the General Partner will evaluate all such information and data and will ordinarily seek independent corroboration when the General Partner considers it appropriate and when such corroboration is reasonably available, the General Partner may not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and, in some cases, complete and accurate information may not be available.

### **Risks Associated with Investments in the Healthcare Industry**

Companies in the healthcare sector face rapidly changing market conditions, increasing cost pressures and price competition, and intense competition for development of new products and services. Further, as healthcare costs have risen significantly over the past decade, numerous initiatives and reforms have been initiated by legislators, regulators and third-party payers to streamline these costs and this has resulted in greater pricing and other competitive pressures. Market demand, government regulation, third party reimbursement policies and societal pressures will continue to reshape the landscape of the healthcare sector and may exert downward pressure on prices and the business operations of many companies in the healthcare sector. In the event that the healthcare industry as a whole declines returns to Fund investors may decrease. In addition, the healthcare industry is highly regulated by federal, state and local law and regulations and by foreign laws and regulations in non-U.S. jurisdictions. These laws and regulations include, among other things, those governing licensing and certification requirements, facility inspections, reimbursement policies under federal and state medical assistance programs, medical waste disposal, dispensing of controlled substances and workplace health and safety. Changes in laws or new interpretations of existing laws may have a significant impact on the methods and costs of doing business in the healthcare sector.

### **Concentration of Investments**

Although the General Partner will seek a sufficiently diverse portfolio, with no more than 20%-25% of the aggregate Commitments of the Partners to be invested in any one portfolio company, the Funds' portfolio may become concentrated in a limited number of companies within the healthcare sector. Furthermore, Latticework Capital may advise certain Funds to invest all aggregate Commitments of the Partners in a single portfolio company. Such concentration may increase the vulnerability of the portfolio as compared to a portfolio that is more diversified.

### **Geographic Focus of the Fund's Investments**

The Funds' investments generally will be limited to companies headquartered, or whose primary operations are in North America. Adverse economic conditions in North America could materially adversely affect the Fund's ability to collect its anticipated return on any such investments.

### **Operation of Fund Assets**

It is possible that a portfolio company in which the Funds invest may be a direct business competitor of, or otherwise have a competing business interest with, one or more portfolio companies of the other funds or affiliates of the Management Company. As a result, the

Management Company or its affiliates may be subject to conflicts of interest with respect to the operation of the Fund's portfolio companies.

### **Risks in Effecting Operating Improvements**

In many cases, the success of the Funds' investment strategy will depend, in part, on the ability of Latticework Capital to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing potential operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that Latticework Capital will be able to successfully identify and implement such improvements.

### **Role at Portfolio Companies**

Members, officers and employees of affiliates of the General Partner or the Management Company will serve as directors of certain portfolio companies and, in that capacity may be required to make decisions that will consider the best interests of the portfolio company and not solely the best interests of the Funds. These arrangements may create conflicts of interest that may adversely impact the Funds.

### **Nature of Leveraged Investments**

The companies in which the Funds invest may employ leverage, a significant portion of which may be subject to floating interest rates. To the extent that any investment is made in a company with a leveraged capital structure, leveraged capital will increase the exposure of the Funds to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment, or rising interest rates. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs or to pay principal and interest on the Funds' investments when due. Some of the Funds' investments may be unsecured subordinated debt or another form of junior capital in an issuer's capital structure. If an issuer is unable to generate sufficient cash flow to meet principal and interest payments on its senior indebtedness, the Funds may suffer a partial or total loss of capital invested in the issuer, which would adversely affect the returns of the Funds. If a portfolio company enters bankruptcy, senior lenders may control the method and manner of distribution or exert substantial power with respect to the bankruptcy proceeding. The original lending agreement may also limit the Funds' rights during bankruptcy for the benefit of more senior lenders. This may diminish the Funds' recovery or ability to claim an interest in the collateral of that portfolio company.

### **Nature of Mezzanine Debt Securities**

A portion of the Funds' capital may be invested in the form of mezzanine debt securities. Mezzanine debt securities generally will have implied or imputed ratings below investment grade. They will be obligations of corporations, partnerships, or other entities that are generally unsecured, typically subordinated to other obligations of the obligor and generally have greater credit and liquidity risk than is typically associated with investment grade obligations. Default rates for mezzanine debt securities have historically been higher than for investment grade securities. In the event of insolvency of a portfolio company or similar event, the Funds' investment therein will be subject to fraudulent conveyance, subordination, and preference laws.

### **Control Positions**

The Funds (alone, or together with other investors) expects to have control with respect to many of the portfolio companies in which it has an investment. The exercise of control over a company by the Funds could expose the Funds and the assets of the Funds to risk for liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including but not limited to securities laws), and other types of liability for which the limited liability generally afforded to investors may be ignored. If these liabilities were to arise, the Funds may suffer a significant loss, and such liabilities may exceed the value of the Funds' initial investment in such portfolio companies. While the General Partner intends to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be known or eliminated.

### **Lack of Control**

In certain cases, the Funds may not control portfolio companies. As a result, the Funds are subject to the risk that a portfolio company in which it invests may make business decisions with which it disagrees, and the management of such company may take risks or otherwise act in ways that do not serve the Funds' interests as an investor or creditor. Due to the lack of liquidity for investments in non-publicly traded companies, the Funds may not be able to dispose of its interest in portfolio companies as readily as it would desire or at an appropriate valuation. As a result, a portfolio company may make decisions that could decrease the value of the Funds' investment in that company.

### **Co-Investments**

The General Partner will be authorized to offer co-investment opportunities to Limited Partners and other persons, even in situations where the Funds are not fully invested in the applicable investment opportunity (including without limitation from a Fund diversification standpoint). Co-investors may, however, demand a significant level of control over the joint investment and will not have the same economic interests or objective as the Funds. For example, co-investors may receive certain additional rights, including without limitation governance rights, veto decisions and/or other control rights, although typically such rights are given to co-investors that the General Partner and its affiliates believe are aligned with the Funds, and such co-investors are often Limited Partners in the Funds alongside which they are making an additional co-investment. In certain circumstances where the amount of capital needed for a transaction exceeds the amount that the Funds can prudently commit, the General Partner may offer co-investment rights to certain Limited Partners in the Funds and to other investors who are believed to have the capacity or willingness to consider an additional investment. In such circumstances, the General Partner would first determine the amount that the Funds would be able to commit and will offer only the excess to potential co-investors. The General Partner is not obligated to offer co-investment opportunities to all investors. LCM personnel and any Executive Fund (as defined below) may also be offered such co-investment opportunities. Third party co-investors may have financial, legal or regulatory difficulties, negatively affecting such investment, may have economic or business interests or goals that are or may become inconsistent with those of the Funds or may be in a position to take or block action contrary to the Funds' investment objectives. The Funds may, in certain circumstances, be liable for actions of its third-party co-investor or partners. In addition, the General Partner may receive a management fee and/or carried interest with respect to such co-investments and such fee arrangement may be different than the Funds' fee arrangement. The potential for such remuneration may incentivize the General Partner to allocate a greater percentage of investment

opportunities to co-investors than it otherwise would have. In some cases, the amount of carried interest that the Management Company or its affiliates may receive will depend on the Management Company's provision of co-investment opportunities to certain Limited Partners, which may create an actual conflict of interest between the Management Company and other Limited Partners and/or the Funds. Any co-investment transactions involving an actual or potential conflict of interest will be subject to approval by the Funds' Limited Partners or the Advisory Committee as provided in the Governing Documents.

### **Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues**

Latticework Capital's business activities as well as the Funds and their operations and investments, could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as novel coronavirus, or COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, novel coronavirus, or COVID-19, has spread (and is currently spreading) rapidly around the world since its initial emergence in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets. Although the long-term effects or consequences of novel coronavirus (or COVID-19) and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of Latticework Capital. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), Latticework Capital and the Funds could be adversely affected by more stringent travel restrictions, additional limitations on Latticework Capital's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).

### **Failure of Counterparties to Perform Obligations**

In its ordinary course of business, Latticework Capital relies on various counterparties, which include, but is not limited to, brokers, dealers, banks, custodians, and administrators ("Counterparties"). These Counterparties, with which Latticework Capital does business and on behalf of the Funds, may, from time to time, default on their obligations with or without notice. Such defaults include, but are not limited to, a Counterparty's bankruptcy, insolvency, or other failure. A Counterparty's default on their obligations may impact the Latticework Capital's or the Funds' ability to conduct its business in the ordinary course. There is a risk of loss of assets on deposit at the Counterparty. Although government agencies or other organizations provide insurance coverage to depositors in the event of a Counterparty failure, coverage is limited to a specified amount and subject to rules and regulations. Prior events where a government agency or other organization stepped in to make depositors whole over their excess deposits at select Counterparties, which may or may not have a current or prior relationship with Latticework Capital or Funds, should not be construed as a guarantee that such action will be taken in the future. There is no guarantee that any excess deposits are



recoverable. In the event of a Counterparty's default, Latticework Capital will work diligently to access its capital and take actions it deems appropriate while acting in the best interest of the Funds. However, Latticework Capital's access to capital is subject to a variety of external factors that are outside of its control, including the timing of default, a government agency's or other organization's actions, including the timing of the Counterparty's closure, ability to liquidate the Counterparty's assets, or to effect the Counterparty's sale or dissolution, unforeseeable economic factors or market conditions, and the Counterparty's technology infrastructure operating as intended to facilitate access. Furthermore, Latticework Capital's ability to access capital may have an impact on Latticework Capital's and Funds' ability to conduct operations in the normal course including, but not limited to paying expenses, funding investment opportunities resulting in delayed or missed opportunities, and calling capital from or making distributions to limited partners. Deposits concentrated at one or a limited number of Counterparties may amplify these risks.

### **Geopolitical Risk**

Geopolitical risks, including those arising from trade tension and/or the imposition of trade tariffs, terrorist activity or acts of civil or international hostility, are increasing. For instance, military conflict and escalating tensions globally could result in geopolitical instability and adversely affect the global economy or specific markets. Similarly, other events outside of Latticework Capital's control, including natural disasters, climate change-related events, or health crises may arise from time to time and be accompanied by governmental actions that may increase international tension. Any such events and responses, including regulatory developments, may cause significant volatility and declines in the global markets, disproportionate impacts to certain industries or sectors, disruptions to commerce (including to economic activity, travel and supply chains), loss of life and property damage, and may adversely affect the global economy or capital markets and may cause client assets to decline.

**Investing in securities involves risk of loss that investors should be prepared to bear. There can be no assurance that a Fund's objective will be achieved or that the investment strategies a Fund employs will be successful. Investors must be prepared to lose all or substantially all of their investment in the Fund. The past performance of Latticework Capital or any Fund managed or sponsored by Latticework Capital or an affiliate is not necessarily indicative of future performance.**

**For a more complete description of the risks associated with investing in a Fund, investors should refer to the relevant Governing Documents for each Fund.**

C. See Item 8.B. above.

**Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Latticework Capital or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of Latticework Capital's advisory services or the integrity of management.

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

- A. Latticework Capital is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no staff of Latticework Capital are registered representatives of a broker-dealer.
- B. Neither Latticework Capital nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. Certain of Latticework Capital Management, LLC's affiliates, such as the General Partners, serve as general partner, manager, managing member or investment manager with respect to one or more of the Funds. While Latticework Capital Management, LLC and General Partners have been organized as separate legal entities, they collectively conduct a single investment advisory business.

Certain officers, members and/or affiliates of Latticework Capital serve (and may in the future serve) as directors, managers, officers or committee members of the various portfolio companies of the Funds. Such persons could face conflicts of interest between discharging their duties as directors, managers, officers or committee members, as the case may be, of such companies and acting in the best interest of the applicable Funds. Moreover, certain of Latticework Capital's affiliates or agents also may serve as directors of public companies and their activities on behalf of those other companies may present actual and/or potential conflicts of interest (including conflicting fiduciary duties). Latticework Capital and its affiliates may receive compensation from companies in their capacities as directors, managers, officers or committee members and this compensation generally is not shared with the Funds.

Latticework Capital and its affiliates will devote so much of their time and effort to the affairs of the Funds as may, in their judgment, be necessary to accomplish the Funds' purposes. Latticework Capital and its affiliates may conduct any other business and charities, including any business within the securities industry. To address potential conflicts of interest, Latticework Capital adopted policies and procedures requiring employees to pre-clear all outside business activities, including outside investments. All such disclosures are reviewed and approved by the Chief Compliance Officer in accordance with Latticework Capital's policies.

- D. Latticework Capital does not recommend or select other investment advisers for the Funds.

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

- A. Latticework Capital has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the “Code”). The Code sets forth a standard of business conduct and compliance with federal securities laws by all of Latticework Capital's staff. The Code contains policies and procedures that ensure that all personal securities trading by staff of Latticework Capital is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. Latticework Capital prohibits personal trading of certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an IPO or a new private placement; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

While Latticework Capital does not anticipate having access to non-public information related to public companies, as part of its Code, Latticework Capital has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of Latticework Capital would make information barriers impractical, Latticework Capital has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of Latticework Capital has received material, non- public information, and, therefore, may not trade on the basis of that information.

Latticework Capital will provide a copy of the Code to any investor or prospective investor upon request.

- B. Affiliates of Latticework Capital Management, LLC serve as General Partners to the Funds, which issue partnership interests to third party investors. Other than with respect to these structures, neither Latticework Capital nor any of its related persons recommend to the Funds, or buy or sell for Funds, investments in which Latticework Capital or any related persons have a material financial interest.
- C. Certain of Latticework Capital's affiliates, the Principals and other members of Latticework Capital's management team directly and/or indirectly make significant capital commitments in each Fund. As such, it is possible that Latticework Capital could cause a Fund to buy or sell securities in which one or more of Latticework Capital's related persons have a financial interest. For example, Latticework Capital could recommend that a Fund invest in a portfolio company in which another Fund previously invested. Because certain of Latticework Capital's related persons or affiliates may have an ownership interest in multiple Funds, Latticework Capital could have a potential conflict of interest in making such a recommendation. Latticework Capital addresses this through disclosure to Funds and Fund investors.
- D. Co-investments by Latticework Capital's affiliates and its related persons are generally subject to limitations and restrictions set forth in the applicable Governing Documents. Subject to certain exceptions specified in the Governing Documents, such co-investments will be made on terms no more favorable than those on which the applicable Fund invests and disposed of at the same time and on substantially the same terms as the applicable Fund disposes of its investment.

The terms of any co-investment shall be agreed to by Latticework Capital and the participating co-investors, which terms may include provisions for management fees and “carried interest” for the benefit of Latticework Capital or its affiliates, which shall not offset the Management Fee.

All expenses associated with a consummated co-investment in a Fund’s portfolio investment (whether incurred prior to or following the consummation of such portfolio investment) will be allocated between the applicable Funds and the relevant co-investment vehicle(s) managed by Latticework Capital or its affiliates on the basis of their respective direct or indirect participation in the relevant portfolio company. Such expenses reasonably attributable to such portfolio investment consummated as a co-investment and one or more other portfolio investments in which the Funds own an interest will be allocated among the Funds as Latticework Capital reasonably determines to be applicable on the basis of a methodology reasonably selected by Latticework Capital in its discretion (which may include an assessment of the relative capital commitments, relative capital contributions, investment phase or other determining factors reasonably applicable to the participating Funds). Without limitation of the foregoing, Latticework Capital is permitted to allocate ongoing or recurring due diligence, investigation and research expenses exclusively amongst those of its advisory clients that are, in Latticework Capital’s reasonable determination, currently actively investing or seeking investment opportunities (i.e., excluding dedicated co-investment and/or single investment vehicles). Latticework Capital expects, however, to allocate all of the costs described in the previous sentence including, without limitation and for the avoidance of doubt, broken deal expenses in respect of the entirety of any unconsummated co-investment transactions, to the advisory clients participating in such co-investment unless such costs are paid for by the proposed portfolio investment. For the avoidance of doubt, certain expenses attributable to a co-investment may be borne by some Funds and not by others. In the event that a transaction in which a co-investment was planned ultimately is not consummated, all broken deal expenses relating to such proposed transaction are likely to be borne entirely by the advisory clients participating in such co-investment for which the given investment opportunity was originally intended, and not any Fund organized exclusively to co-invest in the given investment opportunity.

**Item 12 - Brokerage Practices**

- A. Latticework Capital's investment strategy involves making negotiated investments in privately held companies. As a result, Latticework Capital does not select or recommend broker-dealers for Fund transactions. In the event that Latticework Capital is called upon to select and/or recommend broker-dealers or other counterparties to clients in the future, Latticework Capital will implement and adopt policies and procedures reasonably designed to ensure that such brokers are selected in a fair and equitable manner and will promptly amend this Brochure to disclose such policies and procedures.

Latticework Capital does not maintain any trading accounts and does not use "soft" dollars.

- B. Not Applicable.

### **Item 13 - Review of Accounts**

- A. Latticework Capital generally conducts reviews of all portfolio company investments held in each Fund on at least quarterly basis (or more frequently upon the occurrence of certain material events). Investment staff participate in the ongoing monitoring of Fund portfolios. The Principals are responsible for leading the reviews.

With respect to accounting matters, Latticework Capital has engaged an independent public accountant to conduct an annual audit of each of the Funds.

- B. See Item 13.A. above.
- C. Annually, each Fund will furnish all investors with (i) audited financial statements prepared in accordance with generally accepted accounting principles, accompanied by the report of its independent certified public accountants, and (ii) tax information necessary for the completion of tax returns. Latticework Capital may also provide other reports and statements to investors on a periodic basis. All such statements and reports are written.

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

- A. Except as otherwise disclosed herein, Latticework Capital does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Funds. Nevertheless, portfolio companies or other third parties may pay certain fees to Latticework Capital and its affiliates or agents, including transaction fees and oversight fees. Latticework Capital and its affiliates may also receive such fees and compensation in connection with a transaction that is not ultimately consummated.
- B. Latticework Capital has entered into agreements with certain placement agents. As described in the written service agreement with the placement agent, the placement agent receives compensation ranging from 0.75% to 2% on all capital commitments raised and accepted by Latticework Capital from referred or solicited investors. Due to the agreement Latticework Capital has with the placement agent, the placement agent has an incentive to recommend the Firm, resulting in a material conflict of interest.

These arrangements will be in compliance with the new marketing rule, Rule 206(4)-1 of the Investment Advisers Act of 1940 (the “Advisers Act”) by its effective date, November 4, 2022.



**Item 15 - Custody**

Due to Latticework Capital Management, LLC's affiliation with the General Partners, Latticework Capital may be deemed under Rule 206(4)-2 under the Advisers Act to have custody of the assets of the Funds. To the extent required pursuant to Rule 206(4)-2 under the Advisers Act, each Fund's cash and securities are maintained and held at one or more qualified custodians. The General Partners are responsible for selecting qualified custodians and they may change custodians at any time and from time to time. Qualified custodians do not provide account statements directly to investors. Latticework Capital has engaged an independent public accounting firm to conduct an annual audit of each of the Funds. Audited financial statements (prepared in accordance with generally accepted accounting principles) are provided to each investor in the Funds within 120 days after the end of each fiscal year, or as promptly thereafter as is practicable.

**Item 16 - Investment Discretion**

Latticework Capital has discretionary power and authority over the types of financial instruments to be bought or sold, as well as the amount to be bought or sold on behalf of its clients, the Funds. In connection with this discretionary authority, Latticework Capital selects portfolio company investments for each Fund.

Each investor in a Fund generally grants the General Partner thereof a limited power of attorney to enable the General Partner to execute the applicable partnership agreement and perform certain other activities in connection therewith on its behalf.

## **Item 17 - Voting Client Securities**

- A. While Latticework Capital technically has proxy voting authority on behalf of the Funds, it generally does not expect to be called upon to vote proxies with respect to securities owned by the Funds, as the Funds do not acquire or hold publicly-traded securities. Nevertheless, in the event that Latticework Capital is called upon to vote proxies, it will vote such proxies in accordance with its proxy voting policy, which is reasonably designed to ensure that Latticework Capital votes proxies in a manner that furthers the best interests of each Fund. In general, proxy proposals, amendments, consents and/or resolutions are required to be voted in a manner that serves the best interests of the applicable Fund, as determined in the discretion of Latticework Capital.

Latticework Capital generally will attempt to identify actual or potential conflicts of interest that could compromise or be deemed to compromise the independence of the voting decisions when voting proxies on behalf of a Fund. In the event that a material conflict of interest is identified, Latticework Capital generally will attempt to resolve, mitigate or disclose such conflict before voting any proxy. To address or resolve a potential material conflict, Latticework Capital will follow the procedures outlined in its proxy voting policy. In some instances, Latticework Capital may determine that it is in a Fund's best interest for Latticework Capital to "abstain" from voting or not to vote at all, and will do so accordingly.

Proxy voting reports, identifying how proxies were voted in the past and Latticework Capital's proxy voting policy are available upon written request to Latticework Capital Management, LLC at the address set forth on the cover page to this Brochure.

- B. See Item 17.B. above.

**Item 18 - Financial Information**

- A. Not applicable.
- B. Latticework Capital does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.
- C. Latticework Capital has not been the subject of a bankruptcy petition at any time during the past ten years.