

Part 2A of Form ADV: Firm Brochure

Argonaut Private Capital, LP

7030 S Yale Ave, #810
Tulsa, Oklahoma 74136
Telephone: (918) 392-9600

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This brochure provides information about the qualifications and business practices of Argonaut Private Capital, LP (the "Company"). If you have any questions about the contents of this brochure, please contact us at (918) 392-9600 or contact our Chief Compliance Officer, Patrick Sullivan, at patrick@argonautpe.com. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about the Company is available on the SEC's website at www.adviserinfo.sec.gov.

The Company is an investment adviser that is registered with the United States Securities and Exchange Commission (the "SEC"). Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Item 2: Material Changes

Since the last annual update to Company's Disclosure Brochure on Form ADV Part 2A (the "Brochure") was filed with the SEC on March 30, 2023, the following material changes have been made to the Brochure:

- Item 5 has been revised to provide enhanced disclosure regarding the obligations of the Fund to pay for organizational costs and regarding the manner in which broken deal expenses are allocated to the Funds.
- Item 8 has been revised to include additional risk factors relating to the risks of leveraged transactions, the Funds and their portfolio companies dependence on the debt markets and exposure to potential cybersecurity risks.

Other changes have been made to this Brochure, some of which enhance prior disclosures, but the Company does not consider those updates to be material.

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Item 4: Advisory Business

Argonaut Private Capital, LP (“Argonaut” or the “Company”) is an investment advisory firm based in Tulsa, Oklahoma, that was founded in 2016 to manage private equity investments in the industrial and services sectors. Argonaut targets private equity investment opportunities in the historically underserved “Middle America” market region. The Company is wholly owned by Steven R. Mitchell.

Prior to founding Argonaut, the investment team that makes up Argonaut operated since 2002 as a business unit that provided investment advisory services to various businesses, trusts, charitable foundations and similar vehicles on behalf of the George Kaiser family (the “Family Entities”). In connection with a business initiative to begin offering investment advisory services to third party investors, Argonaut was organized and registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) in 2016. In addition to continuing to manage assets on behalf of the Family Entities, Argonaut sponsors several private equity funds (together with any future private equity funds sponsored by Argonaut and any alternative investment vehicles formed to accommodate certain investors in the funds, the “Funds”).

As the investment adviser to each Fund, Argonaut invests the Fund’s assets pursuant to an investment advisory agreement that the Fund has entered into with the Company, and in accordance with the Fund’s limited partnership agreement and other governing documents, as the same may be amended from time to time (the “Fund Governing Documents”). Argonaut tailors its investment advisory activities to comply with the investment objectives, guidelines and restrictions set forth in each Fund’s Governing Documents, but does not tailor its investment advisory activities on behalf of the Funds to the needs of any individual investors in the Funds.

In accordance with common industry practice, a Fund or its general partner may from time to time enter into a “side letter” or similar agreement with an investor pursuant to which the Fund or its general partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors. The terms of such “side letters” or similar agreements are generally not disclosed to other investors in the Fund, except to investors that have separately negotiated for the right to review such agreements. See “*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*” for additional details.

As investment adviser to the Family Entities, Argonaut recommends investments in various private equity investment opportunities and, if approved, executes and manages such investment opportunities on behalf of the Family Entities. Argonaut tailors these investment advisory services to the individual circumstances of each of the Family Entities based on various factors, including, without limitation, investment objective, available capital, taxes and other considerations.

As of December 31, 2023, Argonaut had approximately \$3,464 million in regulatory assets under management, of which approximately \$2,111 million were managed on a discretionary basis and approximately \$1,353 million were managed on a non-discretionary basis.

Item 5: Fees and Compensation

The Funds

Argonaut receives an asset-based management fee from each Fund that is payable quarterly, as further described in each Fund’s Governing Documents. If Argonaut’s advisory agreement with a Fund is terminated, any management fees paid in advance will be charged on a pro rata basis through

to the date of termination, and any remaining fees will be refunded. The general partner of each Fund generally makes capital calls on the Fund's investors for the amount of Argonaut's management fees and pays the amounts received to the Company. In addition to the management fees described above, Argonaut is entitled to receive a carried interest allocation from each Fund after certain performance hurdles have been met, as further described in the Fund's Governing Documents. Such carried interest represents a portion of the Fund's net investment profits. The management fees and carried interest are generally subject to waiver or reduction by the general partner with respect to some or all of a Fund's limited partners in the general partner's sole discretion, as further described in the Fund's Governing Documents.

Each Fund bears all costs and expenses incurred in connection with the organization of the Fund and general partner entities (including, without limitation, any holding vehicles of any of the foregoing), including third party legal and accounting fees, printing costs, travel (at rates not exceeding a first-class equivalent fare) and out-of-pocket expenses, and all costs and expenses incurred in connection with the offering of interest in a Fund (but excluding any placement fees); provided that organizational expenses payable by a Fund are subject to caps, as set forth in the applicable Fund Governing Documents. Organizational expenses in excess of such caps and any placement fees are paid by the Fund but borne by Argonaut through a 100% offset against the management fee.

In addition, each Fund is responsible for all expenses relating to its own operations, including (i) all out-of-pocket costs of the administration of the Fund, including administrative, tax, accounting, audit, legal, custody, depositary, safekeeping and other professional and service fees and expenses, costs of holding any meetings with partners, costs of any liability insurance obtained with respect to any indemnified persons, costs associated with reporting and providing information to existing and prospective limited partners, and expenses associated with maintaining the books and records of the respective Fund; (ii) all investment banking and consulting expenses; (iii) all appraisal and valuation expenses; (iv) all taxes, governmental charges, registrations, fees and duties payable by the Fund or their subsidiary investment vehicles, including those expenses incurred in connection with any investigation or review of the Fund or any settlement entered into by the Fund; (v) all unreimbursed fees, costs and expenses incurred in connection with the collection of amounts due to the Fund from any source; (vi) all fees, costs and expenses incurred in connection with any restructuring or amendment to the constituent documents of the Fund; (vii) all fees, costs and expenses relating to the limited partner Advisory Committee, including the reasonable out-of-pocket expenses incurred by members thereof and any reasonable and customary fees and expenses of retained advisors; (viii) all fees, costs and expenses (and damages) related to regulation, disputes, litigation, government inquiries, investigations or proceedings or compliance with applicable law, in each case related to the Fund or its investments, including regulatory expenses of the General Partner and the Manager relating to the Fund and any other expenses related to compliance with and filings under applicable laws, rules and regulation; (ix) all liabilities for indemnity, giveback or contribution to any person; (x) all expenses incurred in connection with administrative proceedings relating to the determination of Fund items at the Fund level undertaken by the partnership representative, and any audit with respect to taxes; (xi) all expenses incurred in connection with the dissolution and liquidation of the Fund; (xii) all fees, costs and out-of-pocket expenses and liabilities directly related to investments or prospective investments (including unconsummated investment expenses and expenses incurred in relation to prospective investments prior to the initial closing of the Fund) and follow-on investments; (xiv) all fees, costs and out-of-pocket expenses relating to unconsummated investments, including all fees, costs and expenses incurred in the formation of any related co-investment vehicle and any other amounts that otherwise may have been borne directly or indirectly by potential co-investors were such investments consummated, without regard to whether a determination has been made as to the identity of any such potential co-investor or the allocation of

the potential investment opportunity prior to the time that it is determined that the prospective investment will not be consummated; (xv) all principal, interest, fees, costs, expenses and other amounts payable in respect of or in connection with borrowings, indebtedness, financings, guaranties or derivative transactions; (xvi) all fees, costs and expenses incurred for research or obtaining information for the Fund; (xvii) fees, costs and expenses that are classified as extraordinary expenses under GAAP; (xviii) the costs of acquiring and maintaining insurance policies; (xix) costs and expenses incurred in connection with administering side letters entered into with limited partners; (xx) unreimbursed out-of-pocket fees, costs and expenses incurred by the Fund, the General Partner, the Manager or their respective affiliates in connection with any investment that could be directly or indirectly allocated to one or more co-investors but are not actually borne by such co-investors; (xxi) amounts to be contributed or advanced to any alternative investment vehicle or Fund asset for the purpose of such entity or investment paying any cost of the type described above.

100% of each Fund's pro rata share of any transaction, directors', management, monitoring, consulting, break-up, and other similar fees received by Argonaut and its affiliates and employees in connection with the Fund and its investments, net of unreimbursed transaction expenses incurred by Argonaut or its affiliates, is used to offset management fees otherwise payable by the Fund to Argonaut.

The applicable Fund Governing Documents for certain of the Funds have provisions that allow those Funds to borrow money for investment and other purposes. Such borrowings may be made prior to capital being called from the applicable Fund's investors. This mechanism may defer investor capital calls and provides a form of leverage that can have the effect of amplifying the Fund's reported net internal rate of return (IRR), particularly in the early years of the Fund's investment cycle. Such borrowings can also accelerate the date upon which the Fund's preferred return will be achieved for purposes of determining when the applicable general partner (or affiliates which earn carried interest) is entitled to begin receiving carried interest payments on distributions from the Fund. Interest payments and other fees and expenses incurred in respect of such borrowings are partnership expenses and such expenses will decrease a Fund's net returns over time. The terms of each Fund's borrowing arrangements and borrowings outstanding, if any, are disclosed to the investors in the quarterly and annual financial statements of each Fund.

Broken Deal Expenses will generally be borne solely by the Funds, in accordance with the Funds' Governing Documents, even if co-investors were being sought or in some cases have agreed to participate had the transaction been consummated. Such co-investors may include those with whom the Adviser has pre-existing relationships, as well as co-investors that have participated in other completed transactions. By generally bearing the Broken Deal Expenses, the Funds provide a potential benefit to other co-investors in the Funds' investments.

Investors and prospective investors in a Fund should refer to the Fund's Governing Documents for more detailed information concerning the fees, carried interest and other expenses that the Fund bears.

Family Entities

With respect to the Family Entities, the Company receives a fixed fee to provide advisory services in respect of certain private equity investments held by the Family Entities. The management fee is reset by the Company and the Family Entities on an annual basis. In addition to the management fee, the Family Entities are responsible for all expenses relating to the investments managed by the Company on their behalf, including fees, costs and expenses directly related to the purchase and sale

of investments; principal, interest, fees, expenses and other amounts payable in respect of financings; custody fees and costs of other third-party services; legal, accounting and other professional costs. In addition, the Family Entities are responsible for their pro rata share of all unreimbursed out-of-pocket costs and expenses incurred in connection with prospective investments that are not consummated.

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

As noted in Item 5 above, Argonaut is entitled to receive carried interest allocations from each Fund after certain performance hurdles have been met. These performance-based carried interest distributions create conflicts of interest, including an incentive for Argonaut to engage in riskier or more speculative investments on behalf of the Funds than might otherwise be the case. In addition, Argonaut may have an incentive in allocating investment opportunities to favor Funds or other clients with a potential for performance-based compensation over clients with no performance-based compensation. To address this conflict, Argonaut has adopted policies and procedures that are designed to ensure that, over time, all of its clients are treated in a fair and equitable manner with respect to the allocation of investment opportunities. Please refer to “*Item 12 - Brokerage Practices*” below for further details.

Item 7: Types of Clients

As of the date hereof, Argonaut’s only clients are the Funds and the Family Entities. The investors in the Funds generally include endowments, foundations, public and private pension funds, funds-of-funds, U.S. and non-U.S. institutional investors, family offices, and high net worth individual investors.

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

Methods of Analysis; Investment Strategies

Argonaut’s investment strategy focuses on acquiring controlling or significant positions in middle-market buyout and growth private equity investment opportunities. The Company tends to concentrate on investments in the diversified industrials sectors, which has included businesses in the manufacturing, industrials, infrastructure, automotive and energy services (with the expectation of further reducing its exposure to energy and energy services), located in the Central United States region and other underserved markets.

Argonaut leverages its existing network to source deals in a proprietary manner. Argonaut has in-depth conversations with the owners and operators of a business, and conducts significant due diligence prior to submitting a term sheet or letter of intent to a prospective investment opportunity. Following acceptance of general terms of a proposed investment, Argonaut conducts additional due diligence with its outside counsel and accountants, and works to negotiate the terms of the definitive documentation in a timely and efficient manner.

Once an investment has been made in a portfolio company, Argonaut takes an active board position and works closely with management to achieve growth and create additional value. Argonaut typically partners with existing management or transitions new leadership into the business to develop a strategy for growing and enhancing operations (*e.g.*, by pursuing accelerated growth through acquisitions or entry into additional markets). Argonaut fosters an ongoing network of global relationships to discover and partner with best-in-class management teams, applying its experience and strengths to deliver solutions, generate value and propel growth. Leveraging the

collective strength of its historical investment experience and current portfolio companies and affiliates, Argonaut looks to share resources, executive ideas, best practices and key relationships to create synergistic opportunities.

Exit strategies will vary by investment, but will be constantly evaluated based on potential returns, market conditions and overall portfolio considerations.

Risk Factors

The investment strategies pursued by Argonaut involve a number of significant risks. These investment strategies may be deemed to be speculative. Such investment strategies are not intended to be utilized as complete investment programs. They are designed for sophisticated investors who fully understand and are capable of bearing the risk of such investments. Investment risks include, but are not limited to, the following:

- The investment strategies pursued by Argonaut tend to involve making illiquid private investments in a relatively small number of portfolio companies. As a result, the portfolios managed by Argonaut tend to be highly concentrated, and the failure of even one of these investments could have a materially adverse impact on a portfolio's overall performance.
- The businesses of the portfolio companies in which Argonaut invests are subject to significant risks, including strategic, financial or other challenges. Some of these portfolio companies may be highly leveraged, and exit strategies may be uncertain at the time an investment in the portfolio company is made. The success of these investments is highly dependent on the ability of the managers of the portfolio companies to successfully navigate these and other challenges.
- In certain Funds, Argonaut reserves the right to make opportunistic investments in the energy sector. As a result, the Fund's portfolio may be disproportionately concentrated in this one industry. In such circumstances, a Fund's performance depends heavily on the economic prospects of the energy sector, which will be influenced by a number of market and other factors that are beyond Argonaut's ability to control.
- Argonaut reserves the right to invest overseas. Investing overseas entails additional investment risks, including currency risk, lack of transparency and the risk of operating in markets with less well-developed legal systems to protect the rights of investors and creditors.
- Investments in the Funds are illiquid, and interests in the Funds may not be transferred without the prior consent of the Fund's general partner and the satisfaction of certain other conditions. Investors in a Fund must be able and prepared to maintain their investments in the Fund over the entire life of the Fund.
- Investments in the Funds are passive investments. As limited partners, investors in the Funds have no control over the day-to-day operations of the Funds and limited rights to protect themselves if they are dissatisfied with the manner in which a Fund is being operated. Investors in a Fund will be highly dependent on the investing skills and management abilities of Argonaut to achieve success.
- The valuation of the portfolio companies in which Argonaut invests is a difficult task that relies heavily on business judgment. There can be no assurance that the Funds and other clients will be able to realize their investments at a price that is commensurate with the value

at which such investments have been carried.

- The Funds are managed in a manner that is consistent with the best interests of the Fund, which is not necessarily consistent with the best interests of each individual investor in the Fund. For example, Argonaut may structure investments so as to maximize tax efficiency for the Funds, but which may not be the most tax advantageous structuring possible for an individual investor, depending on that investor's own particular facts and circumstances.
- The competition for sourcing investments in private equity opportunities is becoming increasingly intense. There can be no assurance that Argonaut will be able to source a sufficient number of suitable investments at reasonable valuations to achieve a Fund's investment objective.
- The Fund's investments may involve leveraged acquisitions, which by their nature require companies to undertake a high ratio of fixed charges to available income. Such investments are inherently more sensitive to declines in revenues and to increases in expenses. Utilization of leverage is a speculative investment technique and involves risks to portfolio companies and investors. The leverage provided will result in interest expense and other costs incurred in connection with such borrowings, which may not be covered by available cash flow. While leverage may enhance total returns, if investment results fail to cover borrowing costs, returns will be lower than if there had been no borrowings. Further, portfolio companies will enter into loan agreements that generally impose a number of operating and financial restrictions on such companies. Such loan agreements may require, among other things, that the Funds pledge shares of stock in a portfolio company and that such portfolio company pledge its assets and shares of stock in its operating subsidiaries, in each case as security for the lender. In the event of a default under such loan agreements, the lenders could foreclose on those shares and assets so pledged. Finally, the Funds may enter into a credit facility to be utilized, among other things, for the purposes of consummating investments, covering partnership expenses or meeting a shortfall arising by reason of the failure of a limited partner to timely make capital contributions. To obtain such a credit facility, the Funds will likely be required to pledge unfunded capital commitments as security. In the event of a default under such a facility, the lender could foreclose on such unfunded capital commitments.
- Changes in the debt financing markets may negatively affect the Funds' ability to obtain attractive financing for its investments, and may increase the cost of such financing if it is obtained, leading to lower-yielding investments and potentially decreasing investment returns. In recent years, dislocation in the markets for debt financing has continued, particularly in the area of acquisition financings for private equity and leveraged buyout transactions. In the event that the Funds are unable to obtain committed debt financing for potential acquisitions (including as a result of a default by its lenders on financing commitments they have provided to the Funds) or can only obtain debt at an increased rate, this may prevent the Funds' portfolio companies from completing otherwise profitable acquisitions or may lower the profit that such portfolio companies would otherwise have achieved from such transactions, either of which could lead to a decrease in investment returns.
- Portfolio companies, particularly those that operate in sensitive industries such as energy, face various cyber and other security threats, including malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential or otherwise protected information and corruption of data, networks or systems. Although Argonaut intends to

cause portfolio companies to utilize various procedures and controls to monitor and mitigate the risk of these threats, there can be no assurance that these procedures and controls will be sufficient. Moreover, notices, communications and other information from Argonaut will generally be provided to investors by electronic delivery (including email or posting on the Fund's web-based data site or other Internet service). Argonaut cannot provide any assurance that these communication methods are secure.

- Argonaut's business depends heavily on the continued involvement of Steven R. Mitchell, the Company's president, chief executive officer and sole owner. Should Mr. Mitchell leave Argonaut, this could have a material adverse effect on the Company's ability to successfully manage its investment program.
- Argonaut is associated with George Kaiser, but Mr. Kaiser has no management role with Argonaut and is under no contractual obligation to maintain his relationship with Argonaut. Mr. Kaiser may decide to pursue private equity investments outside of Argonaut, and his relationship with Argonaut may cease at any time (including as a result of his death or incapacity). In such a case, Argonaut may lose access to Mr. Kaiser's industry expertise, or may be unable to leverage his reputation to gain certain advantages, which could negatively affect the Company's access to attractive investment opportunities and its ability to carry out its investment objectives. Furthermore, Mr. Kaiser and his affiliates are generally under no obligation to offer investment opportunities to the Company and its clients. In addition, Argonaut's relationship with the Kaiser organization gives rise to certain potential conflicts of interest. See *"Item 10 – Other Financial Industry Activities and Affiliations"* below.
- A public health crisis (such as the COVID-19 pandemic), geopolitical developments (such as global superpower competition, the wars in Ukraine and the Middle East, sanctions, cyberattacks, embargoes and nationalization of assets), and other financial market developments (such as inflation, a rising interest rate environment and instability in the banking sector) can have unpredictable and adverse impacts on global, national and local economies, which can in turn negatively impact a Fund and its investment performance. Disruptions to commercial activity (such as the imposition of quarantines, shipping, flight or export bans, or other restrictions) or, more generally, a failure to contain or effectively manage any such crisis, may adversely impact the businesses of a Fund's portfolio companies. In addition, such disruptions can negatively impact the ability of Argonaut's personnel to effectively identify, monitor, operate and dispose of investments. Finally, such events may contribute to extreme volatility in financial markets. Such volatility could adversely affect Argonaut's ability to raise capital for a Fund, find financing for a Fund's portfolio companies or identify potential purchasers of a Fund's investments, all of which could have a material and adverse impact on a Fund's performance. The impact of any such crisis (or any such future event) is difficult to predict and presents material uncertainty and risk with respect to a Fund's performance.
- Argonaut has the right to recall (or "recycle") certain distributed amounts, including in respect of returned fees and expenses and returned capital, in accordance with the Funds' Governing Documents. Accordingly, during the term of a Fund, an investor may be required to make capital contributions in excess of its commitment. Any such reinvestment would limit early distributions to investors, and to the extent such recalled or retained amounts are reinvested, an investor will remain subject to the investment and other risks associated with such investments. As a result, reinvestment could increase the risk of investing in a Fund. Additional investments resulting from recycling have the potential to increase investment returns to investors (and reduce the effective burden of management fees assessed on the

basis of commitments during a Fund's commitment period) to the extent such investments are profitable. However, there can be no assurance that any such investment will have a positive return. Further, any such additional investments will have the effect of increasing the management fee borne by investors following the investment period, and as a result Argonaut may face a conflict of interest with respect to such additional investments insofar as it is incented to deploy recycled capital in additional investors when it might not otherwise have done so.

- As noted in Item 4 above, in connection with or as a condition to an investor's agreement to invest in a Fund, the Fund or its general partner may from time to time enter into a "side letter" or similar agreement with an institutional or other investor pursuant to which the Fund or its general partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors. Such rights, benefits or privileges include waivers or discounts on management fees and/or carried interest, "most favored nation" clauses, the right to be excused from participating in certain investments made by a Fund, notice rights upon the occurrence of certain events, seats on a Fund's limited partner advisory committee, specialized or additional reporting rights, rights related to tax treatment, rights related to regulatory matters, rights related to immunities or indemnification, rights related to the ability of the investor to transfer its interest in the Fund, additional representations and warranties from the Fund, its general partner and/or Argonaut, modifications to the subscription agreement and other benefits. While the ability of a Fund or its general partner to enter into a side letter or similar agreement affording preferential rights to certain investors is generally disclosed to other investors in the Fund, the terms of such "side letters" or similar agreements are generally not disclosed to other investors in the Fund, except to investors that have separately negotiated for the right to review such agreements.

No guarantee or representation can be made that Argonaut will achieve its investment objective or that investors will receive a return of their capital. All investing involves a risk of loss and the investment strategies pursued by Argonaut could lose money over short or even long periods of time. Prospective investors in a Fund are advised to review the Fund's Governing Documents for full details on the Fund's investment, operational and other actual and potential risks.

Item 9: Disciplinary Information

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

Neither Argonaut nor any of its directors, officers or principals is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither Argonaut nor any of its directors, officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or is an associated person of any of the above.

As noted above, Argonaut's investment team originally served as the private equity investment team for the Family Entities, and Argonaut maintains a close relationship with the Kaiser organization. Among other things, the Kaiser organization is a significant investor in the Funds, has historically been a significant source of potential investment opportunities for the Funds, and a senior manager of the Kaiser organization serves on Argonaut's Investment Committee. Argonaut believes this relationship has been of benefit to the Funds. However, as is also noted above, there is no guarantee

that this relationship will continue. In particular, the Kaiser organization has no obligation to continue to invest in the Funds or to introduce potential investment opportunities to Argonaut. Moreover, Argonaut's relationship with the Kaiser organization subjects Argonaut to certain potential conflicts of interest, including the potential that Argonaut may be incented or influenced to favor the Family Entities over the Funds in making its investment decisions or to invest or divest in certain assets at times or on terms that may serve the interests of the Kaiser organization ahead of the interests of the Funds. To address these and other potential conflicts of interest that may arise from Argonaut's relationship with the Kaiser organization, the Family Entities invest with Argonaut only through investments in the Funds, such that the Family Entities invest in the Funds' portfolio companies on the same basis as all of the other investors in the Funds, or through co-investments to the extent permitted under the applicable Fund's Governing Documents. In addition, there is no material overlap between the portfolio companies in which the Funds have invested and the legacy investments managed by Argonaut held directly by the Family Entities. Finally, compliance policies and procedures have been implemented requiring the Kaiser organization representative on Argonaut's Investment Committee to disclose to the Investment Committee any material investments or other interests that the Kaiser organization may have in a potential investment opportunity and to recuse himself from any Investment Committee deliberations regarding such investment opportunity.

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

Argonaut has established a code of ethics (the "Code of Ethics") that sets forth standards of ethical conduct for its professionals. The Code of Ethics addresses standards for treating clients ethically, addressing potential conflicts of interest and monitoring and restricting personal trading by Argonaut and its affiliates and professionals. In addition, the Company has established policies and procedures that address, among other things, potential conflicts of interest that might arise in the management of client assets.

As a general rule, Argonaut does not buy or sell securities of public companies. Consequently, except in special circumstances, no conflict typically arises when an employee of Argonaut buys, holds or sells a publicly-traded security. However, from time to time, Argonaut personnel may come into possession of material, non-public information related to public companies. In such circumstances, employees must comply with all applicable securities laws on so-called insider trading. Argonaut will at all times maintain a list of securities of companies that the Company is actively evaluating for purchase in a client's account, in which a client account holds an interest, or about which Argonaut might have received material non-public information (the "Restricted List"). The Chief Compliance Officer will update the Restricted List as appropriate. Securities will be removed from the Restricted List when information is no longer material and an appropriate "cooling off period" has lapsed. In addition, Argonaut personnel are required to pre-clear all personal trades with the Chief Compliance Officer involving securities that are offered pursuant to a private placement or initial public offering, or securities that are issued by a company on the Restricted List.

Argonaut's employees may not take for their own advantage an opportunity that rightfully belongs to Argonaut or its clients, may not use Company or client property, information or position for personal gain, and may not compete directly or indirectly with Argonaut or its clients.

Argonaut's personnel are also prohibited from giving or receiving gifts or business entertainment that might call into question the exercise of such person's ability to exercise independent judgement on behalf of Argonaut's clients. Under the Code, gifts and business entertainment that exceed certain

thresholds must be pre-cleared with Argonaut's CCO. Argonaut's personnel are also required to pre-clear any outside business activities they may wish to engage in and any political contributions they may wish to make.

Argonaut's employees and controlled persons must certify annually that they have read and agree to comply in all respects with the Code of Ethics and that they have disclosed or reported all personal securities transactions, holdings and accounts required to be disclosed or reported by the Code of Ethics.

Additionally, the Code of Ethics provides for a range of sanctions should anyone violate the Code of Ethics. These sanctions include, but are not limited to, a warning, fines, disgorgement, and suspension or termination of employment.

The paragraphs above only represent a summary of key provisions in the Code of Ethics. Argonaut will provide a copy of the entire Code of Ethics to any client or prospective client (including any investor therein) upon request.

Because the general partner of the Fund is an affiliate of Argonaut, the Company has a material interest that could create conflicts that must be managed. The Fund has a Limited Partner Advisory Committee (the seats of which are filled by limited partners that represent a significant percentage of the Fund's committed capital and that are not affiliates of Argonaut or the General Partner) that reviews transactions where a potential conflict of interest exists, pursuant to the applicable provisions of the Fund's limited partnership agreement.

Item 12: Brokerage Practices

Argonaut's advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly traded securities. With respect to such private transactions, Argonaut believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

However, Argonaut may from time to time purchase or sell publicly-traded securities. In such circumstances, Argonaut considers various factors in determining which broker is most likely to deliver best execution including, but are not limited to, the Company's knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, and settlement capabilities as well as the reputation and perceived financial soundness of the broker selected and other brokers considered; Argonaut's knowledge of actual or apparent operational problems of any broker; the broker or dealer's execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions.

Argonaut does not maintain relationships with broker-dealers that provide soft-dollar benefits or client referral arrangements to Argonaut.

Argonaut maintains policies and procedures that are designed to ensure that all investment opportunities are, to the extent applicable, allocated among Argonaut's clients on a basis that over time is fair and equitable to each client relative to other clients taking into account all relevant facts and circumstances. Argonaut may depart from this policy in a particular circumstance if it is

determined that it would be appropriate to do so and that such a departure would nonetheless be consistent with Argonaut's fiduciary duties to its clients. The factors generally considered by Argonaut in making an allocation determination include: (i) differences among clients with respect to available capital, size and remaining life of each client, (ii) the nature of the investment opportunity, (iii) potential conflicts of interest, (iv) the applicable provisions of each client's governing documents, (v) tax, legal or regulatory considerations, and (vi) current and anticipated market conditions. Argonaut anticipates that, at most times, only one Fund (together with any parallel funds formed to generally invest proportionately in each new investment) will actively be seeking investment opportunities in new portfolio companies. However, where a new Fund has been formed, and a predecessor Fund still has capital available for investment in new portfolio companies, Argonaut will generally allocate investment opportunities in new portfolio companies to the predecessor Fund until the predecessor Fund has used up its remaining capital capacity for new investments. Argonaut does not anticipate any significant sharing of investment opportunities between Funds of different vintages. However, such cross-fund sharing of investment opportunities may occur in circumstances deemed appropriate by Argonaut. A follow-on investment opportunity in an existing portfolio company will generally first be considered as an opportunity for the client that has an existing investment in that portfolio company. Depending on the size and other relevant factors associated with an investment opportunity, investment allocation decisions may also be made with respect to potential co-investment in an investment opportunity. In making this determination, Argonaut will first ensure that the Funds receive the full amount of their desired allocation prior to offering any co-investment opportunity to any co-investor. Subject only to any applicable provisions in the Fund Governing Documents or side letters, Argonaut may but is under no obligation to offer co-investment opportunities to existing investors in the Fund on a *pro rata* basis or otherwise. To the extent that multiple clients hold an interest in the same portfolio company, Argonaut will allocate any disposition opportunities with respect to that investment on a basis that is fair and equitable to each client relevant to other clients taking into account all relevant facts and circumstances, including without limitation the relative ownership percentages of the clients in the applicable portfolio company.

Item 13: Review of Accounts

Argonaut monitors each of the investments it makes in portfolio companies on an ongoing and continuous basis.

On a quarterly basis, investors in each Fund receive written financial reports, including an unaudited balance sheet, a statement of net income or net loss, a statement of changes in financial position or a cash flow statement, and a supplemental statement of such investor's capital account. On an annual basis, investors in each Fund also receive audited financial statements of the Fund, valuations of all of the Fund's investments, and tax information necessary for the completion of U.S. tax returns.

Item 14: Client Referrals and Other Compensation

Argonaut may, from time to time, determine to engage a third party placement agent to introduce potential investors to a Fund. Depending on the specific arrangement, Argonaut may pay a placement fee, which may be calculated as a percentage of the commitment amount of the investor. If Argonaut compensates a placement agent for referring an investor, such arrangements will be disclosed in writing to the investor. In all cases, placement fees are borne entirely by the Argonaut. Nevertheless, prospective investors in a Fund should be aware that a Placement Agent is subject to certain conflicts of interest, including an incentive to recommend the Fund over other investment opportunities due to the fact that the Placement Agent is being compensated in connection with any investors that it successfully refers to the Fund.

As noted in Item 5 above, 100% of each Fund's pro rata share of any transaction, directors', management, monitoring, consulting, break-up, and other similar fees received by Argonaut and its affiliates and employees in connection with the Fund and its investments, net of unreimbursed transaction expenses incurred by Argonaut or its affiliates, is credited to the Fund and distributed to its investors in accordance with that Fund Governing Documents.

Item 15: Custody

Argonaut conducts all business operations in such a way that all client cash and securities over which the Company is deemed to have custody under applicable law (other than certain privately offered securities) is preserved in the safekeeping of independent qualified custodians.

With respect to each Fund, an independent public accountant audits the Fund's financial statements annually, and the audited financial statements are distributed to the investors of the Fund.

Item 16: Investment Discretion

Advice to the Family Entities is provided on a non-discretionary basis, depending on the particular investment in question. Each Fund is managed on a discretionary basis. The terms and conditions governing Argonaut's discretion over the investments made on behalf of the Funds is set forth in writing in the applicable Fund Governing Documents.

Item 17: Voting Client Securities

In accordance with Rule 206(4)-6 of the Advisers Act, Argonaut has adopted and implemented written policies and procedures governing the voting of client securities. The Family Entities and the Funds are primarily invested in privately-held portfolio companies that do not typically issue proxies. However, in the event proxies have to be voted, Argonaut is generally responsible for voting proxies on behalf of its clients. Argonaut votes client proxies in a way that it believes will maximize value for its clients. In exercising its voting discretion, Argonaut and its employees seek to avoid any direct or indirect conflict of interest raised by such voting decision. All conflicts of interest will be resolved in the interests of Argonaut's clients.

A copy of Argonaut's written proxy voting policies and procedures, as well as a record of how the Company has voted in the past, is maintained and available for client review upon written request.

Item 18: Financial Information

Argonaut is not aware of any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to its clients. Argonaut has never been the subject of a bankruptcy petition.