



AUXO INVESTMENT PARTNERS

Form ADV Part 2A

Auxo Investment Partners, LLC

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Grand Rapids, MI 49503
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This brochure (“Brochure”) provides information about the qualifications and business practices of Auxo Investment Partners, LLC (“Auxo” or the “Firm”, or “we”, “us” or “our”). If you have any questions about the contents of this Brochure, please contact Jack Kolodny, Auxo’s Chief Compliance Officer (“CCO”) at jkolodny@auxopartners.com or (617) 470-7803.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Any reference to Auxo as a “registered investment adviser” or being “registered” does not imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

The rules promulgated under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), require Auxo to identify and discuss any material changes made to its Brochure. The last update of this Brochure was filed by Auxo with the SEC on March 31, 2023 to reflect a change of address to Auxo’s principal office and place of business.

There have been no material changes to this Brochure since the last filing.

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ITEM 4 – ADVISORY BUSINESS

Auxo Investment Partners, LLC (“**Auxo**,” the “**Firm**,” “**we**,” “**us**” or “**our**”), a Delaware Limited Liability Company, was organized in 2016 and is headquartered in Grand Rapids, MI. Auxo Management Partners, LLC (“**Auxo Management Partners**”) is the managing member of Auxo. Messrs. Jeff Helminski, Jack Kolodny and Fred Tedori (the “**Managing Principals**”) control and are the members of Auxo and Auxo Management Partners.

Auxo provides investment advisory services to two Delaware Limited Liability Companies that are organized as privately pooled private equity funds, Auxo Group Holdings I, LLC (the “**AGH Fund**”) and Auxo Michigan Opportunity Fund I, LLC (the “**Michigan Opportunity Fund**”). In addition to advising the AGH Fund and the Michigan Opportunity Fund, Auxo also advises multiple private fund vehicles whereby each private fund vehicle invests in and holds a single private investment (each a “**Single Holding Fund**” and collectively, the “**Single Holding Funds**”). Each Single Holding Fund is organized as a Delaware Limited Liability Company. Unless otherwise specified, the AGH Fund, the Michigan Opportunity Fund, and the Single Holding Funds are each referred to as a “**Fund**” and collectively, as the “**Funds**”.

Auxo will manage each Fund pursuant to investment guidelines set forth in the relevant governing and offering documents of the particular Fund, including any Limited Liability Company Agreement, Investment Management Agreement, Private Placement Memorandum and/or Subscription Agreement (each an “**Offering Document**,” and collectively, the “**Offering Documents**”). The Offering Documents contain more detailed information about each Fund, including a description of the investment objective and strategy or strategies employed by each Fund and related restrictions that serve as a limitation on Auxo’s advice or management.

Auxo will not tailor its advisory services to the individual investors in the Fund (each an “**Investor**” or “**Member**” and collectively the “**Investors**” or “**Members**”), or provide Investors with the right to specify, or restrict a Fund’s investment objectives or any investment decisions. Accordingly, an investment in a Fund does not create a client-adviser relationship between such Investors and Auxo.

Each Fund will rely on an exception from the definition of an “investment company” provided by Section 3(c)(1) of the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

Each Investor is strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant Offering Documents and the additional details about Auxo’s investment strategies, methods of analysis and related risks (as discussed in Item 8 of this Brochure and each Fund’s Offering Documents) in considering whether Auxo’s advisory services, or an investment in a Fund are appropriate to its own circumstances, based on all relevant factors including, but not limited to, the Investor’s own investment objectives, liquidity requirements, tax situation and risk tolerance before making an investment decision.

An affiliate entity of Auxo, will generally serve as the Managing Member of each Fund (the “**Managing Member Entity**”). The Managing Member Entity of each Fund will have ultimate responsibility for decisions relating to management and operations made on behalf of the respective Fund and has ultimate responsibility for the investment decisions made on behalf of the respective Fund. The Managing Member Entity for each Fund intends to delegate investment management and advisory responsibilities for each Fund to Auxo.

The Investment Committee for each Fund will be responsible for making all investment and disposition decisions in respect of portfolio companies that each Fund contemplates an investment (each a “**Portfolio Company**” and collectively, the “**Portfolio Companies**”). The voting members of the Investment Committee will initially be the Managing Principals.

Additional detailed information about Auxo is provided below, including information about Auxo’s advisory services, investment approach, personnel and affiliations.

Auxo will not participate in wrap fee programs.

As of December 31, 2022, Auxo managed \$ 353,859,632 in regulatory assets under management (“**RAUM**”), all on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Management Fee from the Funds

As further described in the Offering Documents for each Fund, Auxo may be entitled to receive an annual management fee (the “**Management Fee**”) from the Funds.

Auxo is permitted at any time and in its sole and absolute discretion, may defer all or any portion of the aggregate Management Fee (or other fees received) by a Fund, and may defer, waive, reduce or calculate differently all or a any portion of the Management Fee (or other fees received) with respect to any Investor.

The Management Fee can be paid from drawdowns of capital commitments, from borrowings incurred by the Funds, or from proceeds that would otherwise have been distributable by, or other available assets of, the Funds.

Michigan Opportunity Fund

Auxo will be paid a Management Fee by the Michigan Opportunity Fund. The Management Fee will be paid quarterly in advance, and calculated as follows: (I) Until the end of the Investment Period of the Michigan Opportunity Fund (intended to be the fourth anniversary of the final closing, with the ability of Auxo to extend the period for two successive one-year periods), the Management Fee will be calculated at a rate equal to 2% per annum of aggregate capital commitments, and (II) In general, following the Investment Period until the final liquidating distribution of the Michigan Opportunity Fund, the Management Fee will be calculated at a rate of 2% per annum of the net invested capital of the Michigan Opportunity Fund as of the date of such quarterly payment. Each quarterly payment of the Management Fee will be reduced by any “Excess Organizational Expenses” borne by the Michigan Opportunity Fund in accordance with the Offering Documents. Additionally, each quarterly payment of the Management Fee may be reduced by any Transaction Fees received by Auxo and its affiliates from Portfolio Companies.

AGH Fund

Auxo will not be paid a Management Fee by the AGH Fund, but expects to receive fees from each Portfolio Company owned by the AGH Fund.

Single Holding Funds

Auxo will not generally be paid a Management Fee by the Single Holding Funds.

Transaction Fees

Auxo expects to receive fees from each Portfolio Company owned by the Funds (the “**Transaction Fees**”). The Transaction Fees generally include 100% of any monitoring fee, consulting fee, advisory fee, or similar fee paid by a Portfolio Company to Auxo and/or a Managing Member entity or any other affiliate of Auxo for services provided to such Portfolio Company in a capacity other than as an employee of such Portfolio Company measured and paid quarterly. Auxo will also seek from each Portfolio Company upon its acquisition certain Transaction Fees, subject to certain limitations as described in the Offering Documents for each Fund.

Organizational Expenses of the Funds

Each Fund will bear and/or reimburse Auxo or Auxo Management Partners for all organizational and startup expenses, including legal, travel, regulatory filing, capital raising and other organizational expenses. As described in each Fund’s Offering Documents, certain of the Funds have provisions that limit the amount of organizational expenses that a particular Fund may bear or reimburse to Auxo or Auxo Management Partners. Organization expenses in excess of such limits, as specifically described in each Funds Offering Documents, will be borne by Auxo and its affiliates, either directly or via an offset of the Management Fee.

Auxo Expenses

Auxo will be responsible for all ordinary administrative and overhead expenses incurred in connection with maintaining and operating its office, including employee’s salaries, rent, utilities and equipment expenses, except as set forth below under Fund expenses or as otherwise provided in the Offering Documents for each Fund.

Fund Expenses

Each Fund will bear all other expenses incurred in connection with the operation of each specific Fund, including all expenses incurred with any investment or potential investment of the Funds, including all transactions and other costs and expenses related thereto: fees and expenses of and/or relating to trustees, attorneys, administrators, advisors (including tax advisors and senior advisors), brokers, consultants, paying agents, depositaries, operating partners and other professional advisors; borrowing and finance costs; travel expenses incurred in connection with a particular Fund’s operations; expenses directly attributable to any Portfolio Company investment or proposed investment that is ultimately not made by a particular Fund; fees and expenses of attending industry conferences or obtaining third-party research; legal, accounting, auditing, tax, administrative, consulting fees and expenses; financing fees; the Management Fee; expenses associated with the preparation, printing and distribution of each Fund’s financial statements, tax returns, Schedules K-1 and any other tax compliance and reports to the Investors; expenses relating to the preparation and submission of regulatory filings; fees and expenses related to legal inquiries and examinations, fees and expenses incurred in connection with obtaining legal, tax, and accounting advice and the advice of other consultants and experts on behalf of a Fund;

any taxes imposed on a Fund and any interest, penalties or expenses relating to any such taxes, and any expenses incurred in connection with tax proceedings involving a Fund; premiums and fees for directors and officers and errors and omissions insurance to benefit, directly or indirectly, Auxo, the Managing Member Entity of a Fund and other advisors to the Funds and affiliated parties; and other administrative or operational expenses of the Funds. Additional detail on the operational expenses borne by each Fund is provided in each Fund's Offering Documents.

The recipients of this Brochure should refer to the Offering Documents of a particular Fund for a specific and a detailed description relating to expenses that may be borne by a particular Fund.

Borrowing and Guaranties

As described in each Fund's Offering Documents, the Funds may borrow money (subject to certain borrowing limits) to make investments, pay expenses and defer making capital calls. In addition, the Funds may guarantee, or otherwise become contingently liable with respect to, Portfolio Company indebtedness.

Neither Auxo nor any of its supervised persons accept compensation for the sale of securities or other investment products.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Carried Interest from the Fund

Auxo or an affiliate (such as the Managing Member of each Fund) shall be entitled to "Carried Interest" equal to a percentage of the return on capital distributed by each Fund after a preferred rate of return calculated based on proceeds received from the investments of each Fund. The Carried Interest payable to Auxo Management Partners is detailed in the Offering Documents of each Fund and is based generally, upon the following distribution waterfall:

- Return of all capital contributions for investments;
- Expenses, borrowings, guarantees, and management fees to Investors;
- Preferred Return of 8% thereon to Investors;
- 100% "catch up" to Auxo Management Partners equal to 20% of all amounts distributed pursuant to this and the prior clause; and
- Thereafter, 20% as "carried interest" to Auxo Management Partners and 80% to Investors.

Auxo or a Managing Member of a Fund is permitted, at any time and in its sole and absolute discretion, to waive, reduce or calculate differently all or any portion of the Carried Interest distributions with respect to any Investor. Auxo or a Managing Member of a Fund is also permitted to elect, in respect of any portion of its Carried Interest distributions with respect to an Investor, to defer receipt of such distributions in respect of such Investor and receive distributions at a later date equal to the amount deferred.

For the avoidance of doubt, in the event where the AGH Fund and/or the Michigan Opportunity Fund, are Investors in a Single Holding Fund(s), neither the AGH Fund nor the Michigan Opportunity will be charged carried interest by a Single Holding Fund(s).

Auxo or a Managing Member of a Fund will use commercially reasonable efforts to ensure that distributions prior to the termination of a Fund will be made in cash and marketable securities. Upon termination of a Fund, distributions may also include restricted securities or other assets of a Fund for which Auxo and/or Auxo or a Managing Member of a Fund may, in its sole discretion, seek a valuation from an appropriate independent expert.

The existence of performance-based distributions may create an incentive for Auxo and/or a Managing Member of a Fund to make investments on behalf of the Funds or a Portfolio Company that are riskier than would be the case if Auxo Management Partners were not entitled to receive such performance-based distributions.

ITEM 7 – TYPES OF CLIENTS

Auxo shall provide discretionary investment advisory services to the Funds, and not individually to the Investors in the Funds. The Investors in the Funds will be “accredited investors” in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), and Regulation D promulgated thereunder and “qualified clients” as defined in the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), and the rules and regulations promulgated thereunder.

In addition, Auxo may, in the future, offer investment advisory services to other pooled investment vehicles or separately managed accounts.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Objective and Investment Strategy

In advising the Funds, Auxo’s investments in Portfolio Companies will be majority control positions (or minority positions with a clear path to majority control over time) in lower middle-market companies that are generally of a manufacturing, industrial or business-to-business services nature. Auxo will make investments in businesses that are believed to have the potential to provide long-term capital appreciation and/or cash flow generation. Auxo will focus on acquiring ownership interests in, and then growing, companies that lack a succession plan and/or have yet to achieve their full potential. Auxo expects to work with Portfolio Companies to develop the professionalized infrastructure they need to scale operations and achieve significantly higher levels of sales and profitability compared to their historical performance. Auxo expects to take a hands-on, operationally active approach to help businesses transform into scalable organizations by developing the financial systems, sales organization, operational platform and talent strategy needed to successfully execute a growth strategy developed by Auxo and the management team of each Portfolio Company.

Auxo’s investment philosophy is rooted in the following beliefs:

- Financial Alignment and Transparency
 - Alignment of Interests
 - Transparency

- Governance
- Focus on Talent & Active Operational Involvement
 - Culture and character matter
 - Talent wins
 - Infrastructure Development
- Strategic Capital to Take the Long View
 - Investing in Growth
 - Taking the Long View
 - Optimized Time Frames

Through their experience, the Managing Principals, and other members of Auxo's team have built strong networks of intermediaries and other industry contacts including investment bankers, M&A advisors, senior lenders, subordinated debt lenders, attorneys, accountants, wealth managers, industry executives, and others. These networks have proven to be fruitful sources of investment opportunities.

Portfolio Companies will generally be targeted for longer-term hold periods, including select opportunities which may be considered for "perpetual" holding. In general, a minimum investment period of five years is expected, with certain Portfolio Companies being targeted as long-term hold opportunities where Auxo believes there is the potential to build a lasting and sizable business from the initial Portfolio Company platform or to realize consistent and recurring dividend distributions.

In advising the Funds, Auxo intends to generally make investments in Portfolio Companies that are headquartered in North America (and for the Michigan Opportunity Fund, predominantly in Portfolio Companies that have substantive business operations in Michigan). Auxo strongly prefers to acquire companies with talented core executive leadership already in place; however, Auxo expects that in many cases it will recruit other high-caliber leaders to complement certain Portfolio Companies' existing executive team. Additionally, Auxo favors investments in companies operating in industries where it has relevant operational expertise, namely: manufacturing, industrial, value-added distribution, or business services.

In general, Auxo will not invest more than 20% of the aggregate capital commitments in a particular Fund in any single Portfolio Company. In addition, Auxo will not generally invest more than 20% of the aggregate capital commitments in a particular Fund, in Portfolio Companies that do not have and are not expected to have substantial operations (planned or existing) in the United States without the prior approval from the Advisory Committee of such particular Fund(s). In addition, unless the Advisory Committee of such Fund(s) approves, Auxo will not invest a Fund's assets in Portfolio Companies that have substantial investments in real estate or substantial operations in any retail store, restaurant, oil and gas exploration or production or mining industries. Auxo does not intend to invest the assets of the Funds in securities of companies that are publicly traded at the time of the investment.

The Investment Committee's responsibilities include the carrying out of investment strategies, guidelines and processes of the Funds, approving all investments proposed by Auxo for the Funds, monitoring the performance of the Funds' investments, and making decisions with respect to the disposition of the Funds' investments. In general, the voting members of the Investment Committee for each Fund are the Managing Principals.

Co-Investments

Auxo will be authorized to establish alternative investment vehicles and parallel investment entities to address tax, securities, regulatory and other issues. Auxo will also be permitted to form Single Holding Funds, or other investment funds and Portfolio Company holding companies and special purpose entities in order to accommodate additional capital or to address other issues.

Auxo, in its sole discretion, may provide one or more Investors or third-parties co-investment opportunities in direct portfolio investments, or an opportunity to invest in a Single Holding Fund. These co-investment opportunities and Single Holding Funds will be provided, in the sole and absolute discretion of Auxo through such investment vehicles and upon such terms and conditions as Auxo may establish in its sole discretion.

Auxo's Collaboration with Portfolio Companies

While Auxo entrusts the day-to-day operations of the Portfolio Companies to their respective executive management teams, Auxo expects to play a significant and collaborative role in areas such as strategic planning, financial reporting, team building, corporate governance, risk management, capital allocation, strategic relationships, and capital markets and acquisition activities.

Auxo strives to build highly collaborative and tight-knit relationships with the management teams of the Portfolio Companies. Auxo plans to establish a monitoring team to ensure alignment and accountability. Formal boards of directors or comparable positions would be installed at each Portfolio Company as they would be an integral part of Portfolio Company monitoring.

Structuring of Investments

Auxo will take a creative and flexible approach to structuring the investments of the Funds and consider the capital requirements necessary to meet the Portfolio Company's growth plans and allow for an operating cushion to accommodate fluctuations in the overall economy and business.

Auxo intends to structure transactions to meet the specific financial and personal needs of each seller. It is expected that some of the sellers will retain meaningful minority equity positions and possibly management roles when their companies become Portfolio Companies. Further, Auxo recognizes that a talented and motivated management team is crucial to the success of their investments. As such, investments would typically be structured to provide each of the Portfolio Company's management teams with significant incentives, including the opportunity to participate in equity ownership via direct investments, including via Single Holding Funds, and achieving time and/or performance-based metrics.

Allocation of Investment Opportunities

In the event a prospective investment in a Portfolio Company would be consistent with the investment objectives of multiple Funds or accounts managed or advised by Auxo and its affiliates, Auxo intends to cause such Funds to invest in such Portfolio Company. As a general matter, Auxo intends to cause such Funds to invest equal amounts in such Portfolio Company, but such allocation may be adjusted by Auxo, with approval of the Advisory Committees of the particular Fund(s), when necessary, based on a wide range of factors related to such Funds and the Portfolio Company itself, including as an example for each Fund's: (i) remaining availability of uninvested capital, (ii) origination source of the investment opportunity and strategic value that may be added by the Fund, (iii) liquidity reserve requirements, (iv) portfolio diversification and concentration

considerations (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage or other similar risk metrics), (v) legal, contractual or regulatory constraints; and (vi) such other criteria as Auxo deems relevant in its reasonable discretion.

Borrowing

In advising the Funds, and as permitted by each Fund pursuant to each Fund's Offering Documents, Auxo may borrow money on behalf of the Funds to make investments, pay expenses and defer making capital calls. In addition, the Fund(s) may guarantee, or otherwise become contingently liable with respect to, Portfolio Company indebtedness.

Risk Factors and Conflicts of Interest

An investment in a Fund involves a high degree of risk. The following list of risk factors does not purport to be a complete disclosure of all risks that may be relevant to a decision to purchase an interest in a Fund. Prospective Investors of a Fund should carefully consider the following investment risks and considerations in evaluating Auxo, the Funds and its business before deciding to purchase an interest in a Fund. As a result of these considerations, as well as other risks inherent in any investment, there can be no assurance that Auxo or the Funds will meet its investment objectives or otherwise be able to successfully carry out its investment programs, or that an Investor in a Fund will receive a return of capital.

General

Private equity type investing involves a high degree of business and financial risk that may result in substantial losses. In order for a Fund to succeed, it must be able to accurately identify potentially successful enterprises, a process that is difficult even for those with extensive relevant experience. Portfolio companies may be operating at a loss or with substantial variations in operating results from period to period and may need substantial amounts of additional capital to support expansion or to achieve or maintain a competitive position. An investment in a Fund is highly speculative, involves a high degree of risk and could result in the loss of part or all of an Investor's capital contribution. Therefore, prospective Investors should not invest unless they can bear such a loss. Moreover, there can be no assurance that a Fund's investment objectives will be achieved, and investment results may vary materially from one reporting period to the next. Consequently, an investment in a Fund is suitable only for sophisticated investors who are capable of making an informed and independent decision as to the risks involved in an investment in a Fund.

Limited or No Operating History

The Funds have limited operating history. Accordingly, the Funds have limited operating history from which prospective Investors may evaluate likely performance. Past performance of Auxo or the other entities with which the Managing Principals or other Auxoemployees have been affiliated does not guarantee future performance.

No Assurance of Investment Return

There is no assurance that the investments of the Funds or the Portfolio Companies held by the Funds will be profitable. The past investment performance of the prior investments by the Managing Principals or any of their affiliates is not necessarily indicative of a Fund's future results.

Any return on investment to the Investors will depend upon successful investments being made by the Funds. While the Managing Principals intend to cause the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that its targets will be achieved. On any given Portfolio Company investment, total loss of investment is possible. The expenses of a Fund may exceed such Fund's income. An investment in a Fund requires a long-term commitment, with no certainty that the investment objective will be achieved, and the Investors are at risk of losing the entire amount of their invested capital.

Reliance Upon Portfolio Company Management

Although Auxo generally expects to secure representation on the board of directors of Portfolio Companies, none of the Funds, Auxo or the Managing Principals are expected to have an active role in the day-to-day management of any Portfolio Company. There can be no assurance that the existing management of any Portfolio Company will continue to operate their respective businesses successfully. To the extent that senior management of a Portfolio Company performs poorly, or if a key manager terminates his, her or its employment with a Portfolio Company, a Fund's investment in any such Portfolio Company could be adversely affected.

Reliance on Auxo and Managing Principals

Auxo will have sole discretion in the management of the Funds, and in structuring, negotiating, undertaking, and eventually divesting investments in Portfolio Companies on behalf of the Funds. Consequently, the Investors will not be able to make investment or any other decisions in the management of any Fund, nor will the Investors be able to evaluate for themselves the merits of particular investments prior to the Investors' subscription for Interests or prior to a Fund making any particular investment. As a result, Auxo must be relied upon to select suitable investments. A Fund's success depends, to a great extent, on the ability of Auxo to identify, negotiate, and close investments and to eventually effect appropriate realization (exit) transactions with respect to such investments.

Subjective decisions made by Auxo may cause the Funds to incur losses or miss profit opportunities. In addition, the overall performance of the Funds is also dependent upon the ability of Auxo to select investment opportunities and allocate the Funds' assets among the Portfolio Companies. There can be no assurance that the allocations made by Auxo will prove as successful as other allocations that could have been made.

Additionally, the success of the Funds will also depend in part upon the skill and expertise of the Managing Principals. Should one or more of such professionals become incapacitated or in some way cease to participate in the Funds, the Funds' investment performance could be adversely affected. While the Investors have the right to suspend investment activity if two or more Managing Principals are not actively involved in the Management of the Funds, there can be no assurance that such professionals will continue to be associated with Auxo or its affiliates throughout the life of the Funds.

No Assurance of Distributions

There is no assurance that any distributions will be made to the Investors from the Funds, and no distributions will be made to the Investors directly from Portfolio Companies. The Offering Documents for the Funds provides that Auxo will have full power and discretion to determine when and whether any distributions will be made to the Investors. Accordingly, the amounts

distributed may be less than the income allocated to the Investors, their associated tax liabilities or their desired returns.

No Market for Fund Interests

Interests in the Funds are generally not transferable and will be transferable only with the prior written consent of Auxo. There is not and will not be a public market for Fund interests. Investors therefore will generally be unable to liquidate their investment in a Fund during the term of the Fund. The Funds have a long-term horizon, which term may be extended by Auxo. Even upon liquidation, Investors may receive restricted securities that may not be resold without registration under, or exemption from, applicable securities laws.

Portfolio Company Investments Held Long-Term by the Fund

The investment strategy followed by Auxo includes targeting Portfolio Companies for longer-term hold periods. To the extent Auxo is not able to obtain such liquidity, Auxo must commence a sale process for the underlying Portfolio Company. In such a forced sale event, the Portfolio Company may be sold at below market value or on undesirable terms, which may have an adverse effect on a Fund. There can be no assurance that such sale process will be successful, and that Auxo will be able to find an acceptable buyer for such interest and dispose of such Portfolio Company. As a result, Investors may practically be required to hold their Interests for indefinite periods of time.

The Fund May Make Non-Cash Distributions

It is Auxo's intent that the Funds will only make distributions to Investors of cash or liquid securities. However, it is possible that a Fund may make distributions of illiquid securities to Investors, including other non-cash properties. Investors would face the same illiquidity for any Portfolio Company securities distributed in kind as faced by a Fund but without the right to control the Portfolio Company, which make their interests less desirable to potential acquirers. An Investor that receives assets other than cash from a Fund may incur substantial costs and delays in exchanging those assets to cash and may realize a lower value than identified for those securities or other assets upon distribution by a Fund.

Carried Interest of a General Partner

Instances may arise where the interests of the Managing Member Entities and/or Auxo may potentially or actually conflict with the interests of the Funds and the Investors. For example, the existence of carried interest may create an incentive for Auxo to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance-based arrangement.

Changing Economic Conditions

The success of a Fund's investment strategy could be significantly impacted by changing external economic conditions in the U.S. and global economies. The stability and sustainability of economic growth may be impacted by pandemics, terrorism, acts of war or other causes reasonably beyond the Funds' or Auxo's control. Changing economic conditions could potentially adversely impact the valuation of Portfolio Companies.

Regulations Applicable to Portfolio Companies

Portfolio Companies may operate in industries that are subject to extensive state, federal and foreign regulations governing their business activities. The failure to comply with applicable regulations, obtain applicable regulatory approvals, or maintain any approvals, may subject a Portfolio Company to civil penalties, suspension or withdrawal of any regulatory approval, product recalls and seizures, injunctions, operating restrictions and criminal prosecutions and penalties. These could in turn have a material adverse effect on a Fund's investment in any such Portfolio Company.

Portfolio Company Leverage and Interest Rate Risks

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. The Funds' investments are expected to include Portfolio Companies whose capital structures may have a significant degree of leverage, and, as a result, recessions, operating problems, and other general business and economic risk may have a more pronounced effect on the profitability or survival of any such Portfolio Company. The Funds may also borrow, on either an interim or long-term basis, in connection with its investment activity. Additionally, general fluctuations, instability or any rise in interest rates may adversely affect the value of any such Portfolio Company, or significantly increase any such Portfolio Company's interest expense, causing losses or the inability to service debt levels. If any Portfolio Company cannot generate adequate cash flow to meet its debt obligations, a Fund holding that Portfolio Company may suffer a partial or total loss of capital invested in any such Portfolio Company.

Investment Expenses and Broken Deal Expenses

Investments of the Funds will require extensive due diligence, legal, and other costs prior to their consummation and will result in a Fund bearing broken deal expenses if they are not consummated. Such Fund(s) will pay any fees, costs, and expenses incurred in discovering, developing, negotiating, evaluating, acquiring and structuring any investment opportunities it pursues, whether or not such investments are ultimately consummated.

Additionally, a Fund may enter into agreements that involve payments, such as reverse break-up fees, by a Fund if it does not consummate the transaction. These expenses can be significant and may be material to a Fund. The Fund may incur, either directly or pursuant to its obligation to reimburse Auxo for any such expenses advanced by it, significant expenses in connection with proposed investments that are not consummated without the opportunity for gain or recoupment of such expenses.

Unlisted Securities

It is Auxo's intention to invest in companies that may not now and may never be publicly traded or listed on a securities exchange. Companies whose securities are unlisted are not subject to the same requirements, notably disclosure and other investor protection requirements that are required to be disclosed by reporting companies. These investments may be difficult to value and to sell or otherwise liquidate, and the risk of investing in such companies is generally much greater than the risk of investing in listed or publicly traded companies.

General Tax Risks

A prospective Investor should consider the tax consequences of an investment in a Fund, including the possibility that the Fund may generate taxable income to the Investors in amount greater than cash available for distribution.

The Biden Administration and Members of Congress have proposed a number of federal tax law changes that if enacted would affect the Funds' return on investments and the after-tax return to Investors. These changes include, among others, an increase in the corporate tax rate, an increase in marginal tax rates for high-earning individuals, an increase in the long-term capital gains tax rate for high-earning individuals, changes in estate and gift tax laws and changes to rules allowing a step-up in basis at death. The fate of these proposals is uncertain.

The Funds or the Investors of the Funds may be subject to income or other tax in the jurisdictions in which investments are made. Additionally, withholding tax or branch tax may be imposed on earnings of the Funds from investments in such jurisdictions. Local and other tax incurred in non-U.S. jurisdictions by the Funds or vehicles through which it invests may not be creditable to or deductible by an Investor under the tax laws of the jurisdiction where such Investor resides, including the U.S.

Outbreaks of Infectious or Contagious Diseases

Any public health emergency could have a significant adverse impact on a Fund and its investments and could adversely affect a Fund's ability to fulfill its investment objectives. The extent of the impact of any public health emergency on a Fund's and Portfolio Companies' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted.

The effects of a public health emergency may materially and adversely impact the value and performance of a Fund's investments, the Fund's ability to source, manage and divest investments and a Fund's ability to achieve their investment objectives, all of which could result in significant losses to a Fund. In addition, the operations of a Fund, its investments and Auxo may be significantly impacted, or even temporarily halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a

public health emergency, including their potential adverse impact on the health of any such entity's personnel.

Uncertain Economic, Social and Political Environment

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities and increases the difficulty of modeling.

Lack of Geographic Diversification

Unless otherwise approved by the Advisory Committee of the Michigan Opportunity Fund, the Michigan Opportunity Fund will restrict its investments to Portfolio Companies that have substantial operations in Michigan, and in no event will non-Michigan based investments exceed 20% of the aggregate Capital Commitments (notwithstanding follow-on investments). This lack of geographic diversification could negatively impact the Michigan Opportunity Fund's performance.

Non-U.S. Investments

Certain Portfolio Companies may be based or have substantial operations outside of the United States. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations, the application of complex U.S. and foreign tax rules to cross-border investments, possible imposition of foreign taxes on the Fund or the Investors with respect a Fund's income, and possible foreign tax return filing requirements for the a Fund or the Investors.

Concentration of Investments

In the event, that a Fund participates in a limited number of investments, and, at any time, a Fund may hold a few relatively large (in relation to their capital) investments in the Portfolio Companies, the negative performance of which could have a material adverse impact on the particular Fund's performance or capital, and as a result, a material and adverse effect on the Investors' ability to receive a return of their investment. Moreover, if a Fund is unable to raise its targeted amount of Capital Commitments, its ability to diversify will be reduced. Accordingly, the aggregate investment return to the Fund may be substantially affected by the performance of a single Portfolio Company.

Cybersecurity

Cybersecurity risks for investment funds have increased significantly in recent years because of, among other things: the proliferation of the internet and telecommunications technologies to conduct financial transactions; the increased dependence of companies on internet-connected technologies that are susceptible to disruption from cybersecurity threats; the degree to which investment managers collect and maintain proprietary data, nonpublic data and data compilations; and the increased sophistication and activities of organized crime, hackers, terrorists, and other

external parties, including foreign state actors. Accordingly, the Funds, the Managing Member Entities, Auxo and the Portfolio Companies within the Funds will face cybersecurity threats to gain unauthorized access to sensitive information and systems, including, without limitation, information regarding the Investors and the Fund's investment activities, or to render data or systems unusable, which could result in significant losses. If such events materialize, they could lead to losses of sensitive information or capabilities essential to a Fund, Auxo, and/or Portfolio Companies' operations and could have a material adverse effect on their reputations, financial positions, results of operations or cash flows, and could lead to financial losses from remedial actions, loss of business, potential liability, or the disclosure of the Investors' personal information. Similarly, the public perception that the Funds, Auxo, or portfolio investments have been the target of a cybersecurity threat, whether successful or not, could have a material adverse effect on their reputations and could lead to financial losses from loss of business, depending on the nature and severity of the threat.

Cybersecurity attacks are evolving and include, but are not limited to, computer viruses, malicious or destructive code, phishing attacks, denial of service or information, attempts to gain unauthorized access to data, improper access by employees or vendors or other electronic security breaches that could lead to: disruptions in network access or business operations; unauthorized collection, monitoring, use or release of confidential or otherwise protected information; or loss, destruction or corruption of data. Auxo's or a Portfolio Company's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems could arise in both Auxo's or a Portfolio Company's internally developed systems and the systems of third-party service providers, upon which Auxo or a Portfolio Company rely. Given the variety and potential severity of cybersecurity threats, Auxo, the Portfolio Companies and the third-party service providers upon which they rely may not have adequate insurance coverage to compensate against all losses.

Warehoused Investments

Certain Funds are permitted to acquire "warehoused" Portfolio Companies from Auxo affiliates within 12 months of the Initial Closing Date at a price equal to the cost of the investment plus a per annum rate of return of approximately 8% or the additional amount approved by the Advisory Committee, but no affiliate has the obligation to sell any investment to another Fund advised by Auxo.

Conflicts Arising from Expense Allocations

From time to time, Auxo will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, or Auxo or an affiliate, on the other hand, and/or whether certain costs and expenses should be allocated to a Fund, on the one hand, or another Auxo advised Fund or Client, on the other hand. Certain costs and expenses may be related only to one entity and borne only by such entity or, as is more often the case, costs and expenses may be allocated among a particular Fund and other entities. Auxo may face a conflict of interest when making such allocations due to its affiliates' varying equity interests in the various entities. Auxo implements expense allocation review and approval policies and procedures in order to supervise the allocation of expenses in accordance with the disclosure pertaining to expenses set forth herein and will make such judgments in its fair and reasonable discretion while taking into account factors Auxo considers relevant and appropriate, notwithstanding its interest in the outcome, and

may make corrective allocations should it determine that such corrections are necessary or advisable.

Conflicts Related to the Carried Interest

The Carried Interest allocated to the Managing Member Entities is directly related to the performance of a Fund. The Managing Member Entity of a Fund, and Auxo on its behalf, may, therefore, have an incentive to make riskier or more speculative investments on behalf of a Fund than would be the case in the absence of such a performance-based compensation structure, although the Managing Principals and other Auxo employees and affiliates are making significant capital commitments to the Funds in their personal capacities.

Conflicts with Respect to Co-Investment

Auxo may, but will not be obligated to, offer co-investment opportunities to one or more Investors or third parties. Auxo will consider any factors it deems relevant in determining such allocations. Co-investment opportunities may be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. When and to the extent that employees and related persons of Auxo and its affiliates make capital investments in or alongside a Fund, Auxo and its affiliates are subject to potentially conflicting interests in connection with these investments.

Co-investments will not necessarily be made on the same terms as the particular Fund's investment in the Portfolio Company. For example, co-investors may pay no advisory fees or Carried Interest in connection with the co-investment or pay them at a lower rate than the Investors with which they are co-investing. Any Management Fees, Carried Interest, or other amounts received by Auxo or any of its affiliates will be for the sole benefit of Auxo or such affiliate and not, for the avoidance of doubt, the benefit of any Investor. Co-investors may also acquire their interest in a Portfolio Company at the same time as a Fund or purchase their interest from a Fund after the Fund has consummated the investment in the Portfolio Company (also known as a post-closing sell down or transfer). In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated, including any reverse break fee and other broken deal expenses. Such costs and expenses would instead be borne by the Fund and could be material to the Fund and the Investors.

Potential co-investors are not subject generally to the same risks to which the particular Fund is throughout the investment process. When co-investors purchase their interest from a Fund after a Fund has consummated the investment, the price paid by co-investors is typically determined by Auxo in its sole discretion. The price may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the investment (if applicable) or the risk borne by the Fund in connection with purchasing and warehousing the investment. Auxo could charge investors up-front fees to participate in a co-investment or other one-time or ongoing fixed and/or incentive-based compensation. To the extent Auxo or an affiliate earn fees for placing co-investment interests, Auxo would have an incentive to offer more co-investment opportunities through these channels, even if it would limit the amount of co-investment opportunities available to the Investors. In the event that Auxo determines to offer an investment opportunity to co-investors, there can be no assurance that Auxo will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment

will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. In the event that Auxo is not successful in finding co-investors for a particular opportunity, such Fund(s) will consequently have greater exposure to the related investment opportunity than was intended, which could make such Funds more susceptible to fluctuations in value resulting from adverse economic or business conditions. Moreover, an investment by a Fund that is not syndicated to co-investors as anticipated could significantly reduce the particular Fund's overall investment returns.

Portfolio Company Monitoring Fees and Other Transaction Fees

Auxo expects to be paid Transaction Fees by Portfolio Companies and potential Portfolio Companies. Transaction Fees are expected to include (i) fees paid to Auxo and its affiliates by or on behalf of a Portfolio Company in connection with the consummation or closing of an investment into such Portfolio Company by a Fund(s) ("**Closing Fees**") and (ii) ongoing management, monitoring or similar fees paid by or on behalf of a Portfolio Company following acquisition for services provided to monitor and assist such Portfolio Company in achieving the desired investment outcomes ("**Portfolio Company Management Fees**").

Transaction Fees will increase the expenses of the Portfolio Companies, which will reduce the financial resources of the Portfolio Companies to make capital expenditures or other investments in their respective businesses and will reduce the equity value of Portfolio Companies held by a Fund. While such fees received by Auxo and its affiliates may reduce the Management Fee paid by the Fund in certain circumstances, Transaction Fees do not offset the Management Fee on a dollar-for-dollar basis and there is no cap on the amount of aggregate Transaction Fees that may be paid to Auxo and its affiliates from Portfolio Companies. Transaction fees allocated to any co-investors or other equity owners in accordance with the Offering Documents of a Fund also will not be applied to reduce or offset the Management Fee from such Fund and will not be subject to the limitations set forth above. As such, Auxo has an incentive to maximize the amount of Transaction Fees paid by Portfolio Companies.

Additionally, from time to time, certain officers and employees of Auxo may serve as interim executives of Portfolio Companies and other entities in or through which a Fund(s) invests and will be paid compensation in amounts negotiated between Auxo and the applicable Portfolio Company. Such amounts will not be considered Transaction Fees. Though the negotiation will generally not be on an arm's length basis, Auxo intends for any such compensation to be on market terms.

ITEM 9 – DISCIPLINARY INFORMATION

Neither Auxo nor any of its officers or employees have been sanctioned or disciplined by any federal securities or commodities regulatory agency, self-regulatory organization or state for any violation of their statutes, regulations or rules nor have they ever been involved in any civil or criminal action relating to any violation of the federal or state securities or commodities laws.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Auxo nor any Auxo affiliates is registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Auxo nor any Auxo affiliates is registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

The Managing Member Entity of each Fund is an affiliated entity of Auxo.

Auxo does not recommend or select other investment advisers for the Funds.

Certain affiliates and employees of Auxo have financial interests in the Portfolio Companies that are advised by an Auxo affiliate and serve as directors and officers of those Portfolio Companies or their general partners. In that capacity, such affiliates and employees will be required to make decisions that consider the best interests of such Portfolio Companies and their equity holders. In certain circumstances, actions that may be in the best interests of the Portfolio Company may not be in the best interests of a Fund(s), and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties to Auxo (and affiliated entities) as the investment adviser of the Funds and to the Portfolio Companies.

ITEM 11 – CODE OF ETHICS, PARTICIPATION/INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), Auxo has adopted a Code of Ethics (the “**Code**”) that establishes various procedures with respect to investment transactions in accounts (“**Covered Accounts**”) in which any of Auxo's employees have discretionary investment authority or exercise effective influence or control.

Auxo's Code was adopted to avoid possible conflicts of interest, avoid the inappropriate use of material, non-public information and ensure the propriety of its employees' and its principals' investment and trading activity.

The foundation of the Code is based on the underlying principles that:

- Employees must at all times place the interests of the client first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code; and
- Employees should not take inappropriate advantage of their position.

Covered Account transactions in certain types of securities require pre-approval by the CCO. Employees must also obtain pre-approval from the CCO before participating in an initial public offering or private placement.

Covered Account transactions are subject to review by Auxo's CCO. These records are used to monitor compliance with the foregoing policies.

Gifts and Entertainment, Political Activities and Outside Activities

The Code provides that gifts and entertainment must be reasonable in light of industry practices and should never be given or received if the purpose is to influence the recipient. Auxo requires access persons to report or receive approval for the receipt or giving of gifts and entertainment under certain circumstances.

The Code also generally requires access persons to obtain prior approval before the access person, a spouse or certain other immediate family members makes a political contribution or engages in certain campaign-related fundraising activities. This policy is intended to prevent scenarios whereby an access person may contribute or engage in an activity for the selection of Auxo as an investment adviser for a governmental equity.

Finally, the Code provides that, without prior approval, access persons are generally not permitted to engage in certain types of outside business activities. This policy is intended to prevent material conflicts of interest that could arise from an access person's personal activities.

Privacy Policy

Auxo is committed to maintaining the confidentiality, integrity and security of its Investors' personal information. It is Auxo's policy to collect only information necessary or relevant to its management business and use only legitimate means to collect such information. Auxo does not disclose any non-public, personal information about its underlying Investors to anyone except for servicing and processing transactions and as required by law. Auxo restricts access to non-public, personal information about its Investors to those employees with a legitimate business need for the information. Auxo maintains security practices, physical, electronic and procedural safeguards to guard each Investor's non-public, personal information. Upon request, Auxo will provide a copy of its written privacy policies and procedures.

ITEM 12 – BROKERAGE PRACTICES

Auxo provides discretionary investment advice to the Funds and does not have an active brokerage relationship due to the type of private equity investments made by Auxo for the Funds.

ITEM 13 – REVIEW OF ACCOUNTS

Auxo will review each Fund's investments on a regular basis with a view to evaluating, among other things, economic developments, industry outlook and other issues related to the investments.

Auxo will provide the investors in each particular Fund with the following reports: (i) audited annual financial statements; (ii) quarterly unaudited performance reports; and (iii) annual tax information necessary to complete any applicable tax returns.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Auxo does not currently utilize any third-party placement agent to introduce prospective investors to the Funds.

ITEM 15 – CUSTODY

Auxo is deemed to have custody of the assets of the Funds. Therefore, in order to comply with Rule 206(4)-2 of the Advisers Act (the "**Custody Rule**"), Auxo complies with the pooled vehicle annual audit provision. Annually, upon completion of the annual audit of the Funds, Auxo shall seek to ensure that the audited financial statements are delivered to Investors in each Fund within 120 days of the Fund's fiscal year end. The audited financial statements will be prepared by an independent accounting firm that is registered with and subject to review by the Public Company

Accounting Oversight Board (“**PCAOB**”), in accordance with U.S. Generally Accepted Accounting Principles (“**GAAP**”). Investors should carefully review these audited financial statements.

ITEM 16 – INVESTMENT DISCRETION

Auxo, subject to the direction and control of the Managing Member Entity of each Fund, will have investment discretion in managing the investments of the Funds. The terms of these investments as well as the investment strategy and guidelines around the use of this discretion are described in detail in each Fund’s Offering Documents.

Auxo will assume, subject to the direction and control of the Managing Member Entity of each Fund, investment discretion and day-to-day operations over each Fund by virtue of the execution of a Limited Liability Company Agreement of each Fund by each Investor in each Fund.

ITEM 17 – VOTING CLIENT SECURITIES

Neither Auxo nor the Funds intend to vote public company proxies.

ITEM 18 – FINANCIAL INFORMATION

Auxo has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.