

GenRock Capital Management LP

Form ADV Part 2A

214 Brazilian Avenue Suite 212

Palm Beach, Florida 33480

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This brochure provides information about the qualifications and business practices of GenRock Capital Management, LP (“**GenRock**,” “**we**,” “**us**,” “**our**,” or the “**Firm**”). If you have any questions about the contents of this brochure, please contact us at the address listed above or send us an email at info@genrock.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about GenRock Capital Management, LP, an SEC-registered investment adviser, is also available on the SEC’s website at www.adviserinfo.sec.gov. Registration as an investment adviser does not imply a certain level of skill or training.

Item 2: Summary of Material Changes

This brochure has been prepared in connection with GenRock Capital Management, LP's annual amendment to Form ADV for the fiscal year ending December 31, 2023. Since GenRock's last annual amendment, filed on March 28, 2023, there have been no material changes.

The information disclosed in this brochure is qualified in its entirety by the private placement memorandum, investor disclosure letters, and operating agreement of GenRock Capital Management, LP. In the event of a conflict between the information disclosed in this brochure and the information in the applicable private placement memorandum, investor disclosure letters, and/or operating agreement of GenRock Capital Management, LP, such documents shall control.

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Item 4: Advisory Business

GenRock is a Delaware limited partnership founded in April 2017. The Firm is principally owned by Matthew Ailey.

GenRock provides investment advisory advice, management and other services to pooled investment vehicles (each, individually, a "**Fund**" or a "**Client**" and, collectively, the "**Funds**" or the "**Clients**"). GenRock Investment Fund I, LP ("**Fund I**"), a Delaware limited partnership, makes investments in the Quick Service Restaurant ("**QSR**") industry and related real estate. GenRock Investment Fund II, LP ("**Fund II**"), a Delaware limited partnership, makes investments in building platforms within stable and cash-generative consumer and business services industries. GenRock provides advisory services solely with respect to the Clients, and no member or investor or potential investor should look to GenRock or any of its affiliates for advice regarding any of such person's investment decisions, including any decision to invest in the Clients. GenRock Investment Fund I GP, LLC (the "**Fund I General Partner**" or the "**Fund I GP**"), a Delaware limited liability company, is the general partner of Fund I, GenRock Investment Fund II GP, LLC (the "**Fund II General Partner**" or the "**Fund II GP**" and, collectively with Fund I GP, the "**General Partners**" or the "**GPs**"), a Delaware limited liability company, is the general partner of Fund II.

GenRock tailors its investment advice to the Clients' needs and objectives, as set forth in the private placement memorandum and operating agreement of the Clients. GenRock has discretion over the Clients' assets; its discretion is limited by any restrictions in the Clients' operating agreement and the investment management agreement with the Clients. Except as otherwise set forth in the operating agreement, investors generally may not impose any restrictions or limitations on the management or operation of the Clients. The Clients, its board, other vehicles or clients, and GenRock may in the future enter into side letters or similar agreements or arrangements with certain investors in the Clients or other vehicles or clients that have the effect of establishing rights and/or otherwise benefitting such investors in a manner that is more favorable in various material respects than the rights and benefits established in favor of one or more other investors pursuant to the operating agreement of the Clients (or other applicable governing documents).

The Firm does not currently participate in any wrap fee programs.

As of December 31, 2023, GenRock had approximately \$308,169,981 in regulatory assets under management on a discretionary basis.

Item 5: Fees and Compensation

Fees

In exchange for the services provided, GenRock is paid an annual investment management fee (the "**Management Fee**") as described in detail in the Funds' offering documents.

The Management Fee will be paid by the Funds, quarterly in advance beginning on either (i) the date of the initial closing or (ii) a later date determined by the GPs, with subsequent installments to be paid quarterly on the 1st business day of each quarter and ending at the expiration of the Funds' term. Any

payment of the Management Fee in respect of a period less than a quarter shall be prorated based on the actual number of days in such period.

Subject to the terms and conditions of the operating agreement of the Funds, GenRock's affiliates generally are entitled to receive performance distributions equal to a percentage of profits on distributions (following the return of contributed capital and a preferred return to members).

Please see the confidential private placement memorandum and the operating agreement of the Funds for detailed information regarding the performance distributions that may be made to GenRock's affiliates and other persons. GenRock, in its sole discretion, may waive or modify management or performance fees for certain investors or Clients.

Client Expenses

In exchange for the services provided by GenRock, the Clients generally pays, directly or through reimbursement of GenRock, all of the operating expenses and organizational expenses of GenRock. These operating expenses include, but are not limited to, appraising and valuing, researching, acquiring, maintaining, financing, hedging and disposing of portfolio investments and prospective portfolio investments, whether or not consummated, including broken deal expenses (to the extent not paid for or reimbursed by portfolio investments), including, without limitation, taxes, fees and other governmental charges levied against the Clients; costs of insurance, including, without limitation, directors and officers liability insurance, errors and omission insurance, and liability insurance covering the Clients, the General Partners, GenRock and the members, partners, officers, employees and agents of any of them, and each member of the Funds' "**Advisory Committee**" (in each case, even if such insurance covers conduct for which indemnity would not be available from the Clients), in all cases with respect to their activities performed on behalf of or for the benefit of the Clients; administrative and research fees and expenses; expenses of custodians, outside advisors, counsel (including the Clients' legal counsel), accountants, auditors, administrators and other consultants and professionals; expenses associated with forming, documenting and operating alternative investment vehicles and other holding vehicles related to a portfolio investment, including any amendments, modifications or revisions to the constitutive documents of any such entities; interest on and fees, costs and expenses arising out of all financings entered into by the Clients (including, without limitation, those of lenders, investment banks, and other financing sources); travel expenses (air travel to be by coach or business class on a commercial airline to the extent reasonably practicable and economical); brokerage commissions; custodial expenses; litigation and other dispute resolution expenses (including the amount of any judgments or settlements paid in connection therewith); winding up and liquidation expenses; expenses incurred in connection with any tax or regulatory audit, investigation, settlement or review of the Clients, and/or the General Partners and/or the Firm with respect to their activities performed on behalf of or for the benefit of the Clients; expenses of the Advisory Committee members and the costs of any services provided by the General Partners or its affiliates in accordance with the limited partnership agreement; expenses associated with meetings of the Advisory Committee and investors and the preparation and distribution of reports, financial statements, tax returns and K-1s to investors; the fees and expenses incurred in connection with the compliance by the Clients (but not by GenRock or the General Partners) with applicable laws, rules, regulations and procedures; indemnification and other unreimbursed expenses; and any extraordinary expenses to the extent not reimbursed or paid by insurance, but specifically excluding the Management Fee and "**Organizational Expenses**" (as defined below).

Organization Expenses shall include the Clients' pro rata share of all out-of-pocket expenses incurred in connection with the organization, formation and documentation of the General Partners, the Clients, any parallel vehicle and other related entities organized by the General Partners or its affiliates (other than any feeder vehicles), including any amendments, modifications or revisions to the constitutive documents of any such entities and the preparation and negotiation of any side letters, and the initial and ongoing offering of the interests therein, including, without limitation, legal and accounting fees and expenses and blue sky and world sky fees and expenses; printing costs; filing fees; and the transportation (air travel to be by coach or business class on a commercial airline to the extent reasonably practicable and economical), meal and lodging expenses of the personnel of the General Partners and the Firm, but specifically excluding all placement fees.

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

As noted above, GenRock generally will be entitled to receive performance-based distributions from Clients equal to a percentage of profits on distributions derived from the disposition of investments (following a return of capital and a preferred return to members). These performance-based distributions could motivate GenRock to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. Please refer to the confidential private placement memorandum and the operating agreement of the Clients for detailed information regarding the performance-based fees applicable to the Clients.

GenRock understands that there exist certain potential conflicts of interest associated with rendering services to the Funds, which have investment programs that are substantially similar. Consequently, GenRock has established policies and procedures designed to address potential conflicts of interest relating to the side-by-side management of the Funds.

Item 7: Types of Clients

GenRock's only clients currently are the Funds. GenRock may provide advisory and other services to more clients in the future. The minimum required to invest in the Fund I is \$500,000, which the GP may waive in their discretion. The minimum required to invest in the Fund II is \$5,000,000, which the GP may waive in their discretion.

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

The following discussion of GenRock's strategies and risks summarizes the discussion in, and is qualified in its entirety by, the Clients' private placement memorandum.

Methods of Analysis and Investment Strategies

Fund I's primary investment strategy is to purchase operators of franchised QSRs and related real estate. Fund I believes that consolidating or "rolling-up" QSR platforms is an attractive investment opportunity as current industry trends and demographics have created buying opportunities. Consolidation will allow for the benefits of scale and risk management, including geographic and concept diversification helping to mitigate specific market and/or concept risk, more sophisticated financial management to increase

returns, sharing of best practices and operational consistency to improve margins, providing a broader opportunity set for growth capital investment to accelerate organic and inorganic growth, and allowing for capital structure optimization to maximize access to capital and equity returns. GenRock expects large, diversified QSR portfolios to trade at higher multiples given scale benefits.

Fund II's primary investment strategy is building investment platforms within stable and cash-generative consumer and business services industries. Fund II will aim to acquire companies at low absolute valuation multiples, and look to consolidate multiple assets under each of its investment platforms. Representative investment platforms will likely include restaurants (consumer service), premium early childcare centers (consumer service), and associated real estate. Fund II expects to invest in 3-5 investment platforms.

Certain Material Risks

As with any investment, loss of principal is a risk of investing. Risk is the chance that an investment's or investment strategy's actual return will differ from expected. Risk includes the possibility of losing some or all of the original investment. A fundamental idea in finance is the relationship between risk and return. The greater the amount of risk that an investor is willing to take on, the greater the potential return. This is because investors need to be compensated for taking on additional risk. *The various risks outlined below are not the only risks associated or that may be associated with an investment in the Clients. The following risks are qualified in their entirety by the risks set forth in the private placement memorandum of the Clients.*

Lack of Diversification. Fund I primarily invests in a single asset class, QSRs and related real estate, so Fund I has little or no industry diversification. Fund II will primarily invest in a limited number of asset classes so Fund II will have little or no industry diversification. Lack of industry diversification may increase volatility and the risk of loss.

Lack of Liquidity. The Clients' investment portfolio will consist of investments in private companies and real estate. The marketability and value of each such investment will depend upon many factors beyond the General Partners' control. Generally, the investments made by the Clients will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of the Clients' investment, a portfolio company may lack one or more key attributes (e.g., a complete management team) necessary for success. There may be no readily available market for the Funds' investments, many of which will be difficult to value, and the disposal of an investment in a portfolio company by the Clients may be prohibited or delayed many years from the date of initial investment for contractual, legal and/or regulatory reasons.

Due Diligence. The due diligence process that the Firm undertakes in connection with the Clients' investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, GenRock conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The objective of the due diligence process is to identify attractive investment opportunities, to identify possible risks associated with that investment, and to prepare a framework that may be used from the date of an acquisition to drive operational achievement and value creation. When conducting due diligence and making an assessment regarding an investment, the Firm relies on resources available to it, including information provided by the target of the investment. The due diligence process may at times be subjective with respect to companies for which only limited information is available. Accordingly, GenRock cannot be certain that the due diligence investigation that it will carry out with respect to any investment opportunity will reveal or highlight all

relevant facts (including fraud) that may be necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities. GenRock also cannot be certain that its due diligence investigations will result in investments being successful or that the actual financial performance of an investment will not fall short of the financial projections it used when evaluating that investment.

Risks of Certain Dispositions. In connection with the disposition of an investment in a portfolio company or otherwise, the Clients may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. It may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate, and under certain circumstances described in the limited partnership agreement, the General Partners may make distributions of cash or securities to the partners that remain subject to recall for the payment (in whole or in part) of such contingent liabilities. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Clients.

Reliance on Third-Party Company Management. The day-to-day operations of each portfolio company will be the responsibility of the portfolio company's management team, which may include representatives of other financial investors with whom the Clients is not affiliated and whose interests may at times conflict with the interests of the Clients. Although the General Partners will be responsible for monitoring the performance of each portfolio company, the Clients will rely significantly on the management teams of portfolio companies in which it invests. There can be no assurance that the existing management team of any portfolio company, or any successor thereto, will be able to operate the portfolio company in accordance with the Clients' expectations.

Provision of Managerial Assistance. GenRock, by virtue of the assets it manages for the Clients, may obtain rights to participate substantially in and to influence substantially the conduct of the management of portfolio companies. This could expose the assets of the Clients to claims by a portfolio company and its creditors. The provision of managerial assistance could expose the Clients to certain risks, including the risk of litigations. As a result, the Clients could suffer losses in its investments.

Financial Market Conditions, Illiquidity. The financial markets in the United States and other countries have experienced a variety of difficulties and changed conditions over the past several years. These events and the potential for continuing market turbulence may have an adverse effect on the Clients. As global economies and financial markets are increasingly interconnected, the possibility that conditions in one country or region might adversely impact issuers in a different country or region increases. Economic challenges may affect the valuation of a portfolio company and result in reduced demand for such portfolio company. This may prevent the Clients from liquidating the portfolio company at any price, or at a price deemed favorable to the Clients, during certain periods, which periods may be substantial and prolonged.

Expedited Transactions. Investment analyses and decisions by the Firm may be undertaken on an expedited basis in order for the Clients to take advantage of investment opportunities. In such cases, the information available to the Firm at the time of an investment decision may be limited, and the Firm may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, the Firm may rely upon independent consultants in connection with its evaluation of proposed investments. There can be no assurance that these consultants will accurately evaluate such investments.

Unspecified Investments. The capital commitments received from the Clients' investors are going into a blind pool. The Clients has not identified the specific investments it will make. Accordingly, an investor in

the Clients must rely upon the ability of GenRock in making investments consistent with the Clients' investment objectives and policies. An investor will generally not have the opportunity to individually evaluate the relevant economic, financial and other information that will be utilized by the Firm in its selection of investments or otherwise approve of such investments.

Franchise Risk: Fund II expects that many of its investments will be in franchised businesses, particularly preschools and food service facilities ("FSFs"). The success of franchised businesses is, to a large extent, directly related to the success of the franchisor including its financial condition, advertising programs, new products, overall quality of operations and the successful and consistent operation of businesses owned by other franchisees. A failure of the franchisor to compete effectively will have a material adverse effect on the franchised business' operating results.

Generally, each franchised business operates under a separate franchise agreement with the franchisor. Franchise agreements generally require, among other things, that all locations comply with specified design criteria and operate in a prescribed manner, including utilization of the franchisor's standard product offerings or menu and purchasing supplies only from approved vendors. Franchise agreements may require a franchisee to periodically remodel its location to conform to the then-current image of the franchisor, which may require the expenditure of considerable funds. In addition, a franchised business may not be able to avoid adopting price discount promotions or permanent price decreases instituted by the franchisor that may be unprofitable. The franchisor receives royalties from franchisees that operate bakeries, structured as a fixed percentage of the franchisee's revenue.

Franchise agreements typically have a fixed term after which the franchisor's consent is required to receive a successor franchise agreement. There can be no assurances that the franchisor will agree to successor franchise agreements, and any failure of a franchisor to renew a franchisee's franchise agreement could adversely affect such franchisee's operating results. In addition, as a condition of approval of a successor franchise agreement, a franchisor may require the franchisee to make capital improvements, which may require it to incur substantial costs.

In addition, a franchise agreement may not provide the franchisee with exclusive rights to operate franchised businesses in any defined territory. Franchises granted by the franchisor to third parties will likely have a material adverse effect on the initial franchisee. Fund II will generally require the pre-approval of the franchisor in order to purchase a franchised business. The franchisor may impose financial and experience-based requirements on purchasers of franchises that Fund II is unable to satisfy, thereby reducing the opportunities for Fund II to deploy its capital. Fund II will also generally be required to obtain the consent of the franchisor to any transfer, sale or other disposition of a franchised business and pay a transfer fee to the franchisor. A franchisor often has substantial discretion in determining whether to consent to any such transfer, sale or other disposition.

Preschool Risk: Fund II will purchase operators of franchised accredited private preschools and related real estate.

Health Considerations: The COVID-19 pandemic has substantially disrupted many preschools' operations. Continued or additional disruptions to a preschool's business and potential adverse impacts to its financial condition and profitability resulting from the COVID-19 pandemic include, but are not limited to:

- Required school and business closures, stay-at-home mandates or new lockdown orders, limiting a preschool's ability to provide its services;

- Reduced enrollment as families may limit their participation in various public activities such as group child care, or as social distancing protocols and other licensing regulations may reduce group sizes or otherwise affect the overall capacity of children a preschool can serve;
- Periodic closures due to potential exposure to COVID-19, which may impact parent confidence resulting in reduced demand or the adoption of alternative child care options;
- Incremental costs associated with mitigating the effects of the pandemic, additional procedures and protocols required to maintain health and safety, and costs and reputational harm associated with a potential COVID-19 outbreak, or the failure of compliance with COVID-19 health and safety protocols;
- A decrease in revenues due to clients requesting refunds or renegotiating contracts for reduced or changing services; and
- Legal actions or proceedings related to COVID-19.

Availability of Personnel: The provision of child care services is personnel intensive and preschools have traditionally experienced high employee turnover rates. Preschools depend on their ability to attract, train, and retain the appropriate mix of qualified employees and on effectively implementing and maintaining strong employee relations. State and local laws require preschool teachers and other staff members to meet certain educational and other minimum qualifications. Preschools are also required by applicable laws to maintain certain prescribed minimum adult-to-child ratios. If a preschool is unable to hire and retain qualified teachers, it could be required to reduce enrollment or be prevented from accepting additional enrollment in order to comply with such mandated ratios. In certain markets, preschools may experience difficulty in attracting, hiring and retaining qualified teachers due to tight labor pools, or may experience difficulty in attracting and retaining teachers due to health concerns and changes in the work environment as a result of COVID-19, which may require a preschool to offer increased salaries and enhanced benefits, which could result in increased costs. Labor union representation of a material number of a preschool's employees could impact its business, financial condition or operating results as a result of additional labor costs, payroll and benefit expenses, new rules and practices or work stoppages.

Adverse Publicity: Adverse publicity concerning reported incidents or allegations of inappropriate, illegal or harmful acts to a child at a preschool or by a caregiver could result in decreased enrollment at such preschool, termination of existing relationships, inability to attract new relationships or increased insurance costs, all of which could adversely affect the preschool's operations. Brand value and reputation can be severely damaged even by isolated incidents, particularly if the incidents receive considerable negative publicity or result in litigation. These incidents may arise from events that are beyond the preschool's ability to control. Whether or not claims have merit, they may adversely affect the preschool's reputation and the demand for its services.

Workforce Demographics: During the ongoing COVID-19 pandemic, a substantial portion of the workforce transitioned from working in traditional office environments to working in "virtual" or "home" offices. While many employees may return to traditional office environments, some employers may continue to encourage their employees to maintain a remote or work-from-home presence or may permanently move all or a portion of their workforce to work remotely. While working parents continue to need child care regardless of their work location, there are no assurances that parents who work-from-home will continue to use private preschools or will not require other part-time child care arrangements that accommodate different working arrangements. A shift in workplace demographics where employees work-from-home

on a part- or full-time basis, or a sustained decrease in the number of women or dual-career households in the workforce, may reduce demand for private preschools.

Government Child Care Benefits: A universal benefit with governmentally mandated or provided child care could reduce the demand for private preschools due to the availability of lower cost care alternatives or could place downward pressure on the tuition and fees they are able to charge.

Government Regulation. FSFs are subject to various federal, state and local laws that affect their businesses, including various health, sanitation, fire and safety standards. Bakeries to be constructed or remodeled are subject to state and local building code and zoning requirements. In connection with the development and remodeling of bakeries, a franchisor may incur costs to meet certain federal, state and local regulations, including regulations promulgated under the Americans with Disabilities Act. FSFs are also subject to the federal Fair Labor Standards Act and various other federal and state laws governing such matters as minimum wage requirements; unemployment compensation; overtime; and other working conditions and citizenship requirements. A significant number of FSFs' food service personnel are paid at rates related to the federal, and where applicable, state minimum wage and, accordingly, increases in the minimum wage have increased and in the future will increase wage rates at bakeries. The Patient Protection and Affordable Care Act (the "**ACA**") requires businesses employing fifty or more full-time equivalent employees to offer health care benefits to those full-time employees or be subject to an annual penalty. Those benefits must be provided under a health care plan which provides a certain minimum scope of health care services. The ACA also limits the portion of the cost of the benefits which an employer can require employees to pay. A FSF may incur material costs and expenses in complying with the requirements of the ACA. FSFs are also subject to various federal, state and local environmental laws, rules and regulations relating to the use, storage, discharge, emission and disposal of hazardous substances or other regulated materials, release of pollutants into the air, soil and water, and the remediation of contaminated sites. Failure to comply with environmental laws could result in the imposition of fines or penalties, restrictions on operations by governmental agencies or courts of law, as well as investigatory or remedial liabilities and claims for alleged personal injury or damages to property or natural resources. Some environmental laws impose strict, and under some circumstances joint and several, liability for costs of investigation and remediation of contaminated sites on current and prior owners or operators of the sites, as well as those entities that send regulated materials to the sites.

Competition. The bakery industry is highly competitive with respect to price, service, location and food quality. FSFs compete with a large number of national and regional bakery chains, as well as locally owned bakeries, offering low and medium-priced products. FSFs also compete with convenience stores, delicatessens and prepared food counters in supermarkets, grocery stores, cafeterias and other purveyors of moderately priced and quickly prepared foods. Due to competitive conditions, FSF chains have offered select food items and combination meals at discounted prices. These pricing and marketing strategies have had, and in the future may have, a negative impact on sales and earnings.

Reliance on Franchisor. The success of a FSF is, to a large extent, directly related to the success of the franchisor including its financial condition, advertising programs, new products, overall quality of operations and the successful and consistent operation of bakeries owned by other franchisees. A failure of the franchisor to compete effectively will have a material adverse effect on the FSF's operating results. Generally, each bakery operates under a separate franchise agreement with the franchisor. Franchise agreements generally require, among other things, that all bakeries comply with specified design criteria and operate in a prescribed manner, including utilization of the franchisor's standard menu and purchasing supplies only from approved vendors. Franchise agreements may require a franchisee to

periodically remodel its bakeries to conform to the then-current image of the franchisor, which may require the expenditure of considerable funds. In addition, a FSF may not be able to avoid adopting menu price discount promotions or permanent menu price decreases instituted by the franchisor that may be unprofitable. Franchise agreements typically have a fixed term after which the franchisor's consent is required to receive a successor franchise agreement. There can be no assurances that the franchisor will agree to successor franchise agreements, and any failure of a franchisor to renew a FSF's franchise agreement could adversely affect such FSF's operating results. In addition, as a condition of approval of a successor franchise agreement, a franchisor may require the FSF to make capital improvements, which may require the FSF to incur substantial costs.

In addition, a franchise agreement may not provide the franchisee with exclusive rights to operate franchised bakeries in any defined territory. Franchises granted by the franchisor to third parties will likely have a material adverse effect on the initial franchisee.

Food Quality. Negative publicity about food quality, illness, injury or other health concerns (including health implications of obesity) or similar issues stemming from one bakery or a number of bakeries could result in a significant decrease in guest traffic and could have a material adverse effect on a FSF's results of operations.

Leases. The leases for many FSF locations are "net" leases, which require the FSF to pay all of the costs of insurance, taxes, maintenance and utilities, and are generally not cancellable. If a FSF is not profitable, and the operator decides to close it, the FSF may nonetheless be obligated to perform its monetary obligations under the applicable lease including, among other things, paying all amounts due for the balance of the lease term. In addition, as leases expire, FSFs may fail to negotiate renewals, either on commercially acceptable terms or any terms at all, which could cause them to close bakeries in desirable locations.

General Real Estate Risks. Real estate values are subject to the risks incident to the ownership and operation of real estate generally, including: risks associated with both the domestic and international general economic climate; local real estate conditions (such as oversupply of space or a reduction in demand for space); energy and supply shortages; financial resources of tenants; various uninsured or uninsurable risks; terrorism; war; natural disasters; the quality and philosophy of third parties that manage the properties; government regulations; potential environmental and other legal liabilities; and general availability of financing and changes in interest rate levels. Certain of these risks cannot be predicted with certainty or controlled. The Clients will incur the financial burdens of ownership of real property, which include the paying of expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property. There is no assurance that there will be a ready market for resale of real estate investments because investments related to real estate generally are not liquid. Illiquidity may result from the absence of an established market for the assets, as well as legal or contractual restrictions on their resale.

Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive real estate investments has from time to time been highly competitive, and involves a high degree of uncertainty. The Clients will be competing for investments with many other real estate investment vehicles, as well as individuals, financial institutions and other institutional investors. There can be no assurance that the Clients will be able to locate, complete and exit investments which satisfy GenRock's rate of return objective or realize upon their values.

Availability of Insurance against Certain Catastrophic Losses. Certain losses of a catastrophic nature, such as wars, earthquakes, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related positions. If an uninsured loss occurs, the Clients could lose both invested capital in and anticipated profits from the affected properties.

Environmental Liabilities. The Clients may be exposed to substantial risk of loss from environmental claims arising from investments made with undisclosed or unknown environmental problems or with inadequate reserves, as well as from occupational safety issues and concerns. Under various federal, state and local laws, ordinances and regulations, an owner or operator of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's or operator's liability therefor as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner or operator. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the Clients' return from such investment. Environmental claims with respect to a specific investment may exceed the value of such investment, and under certain circumstances, subject the other assets of the Clients to such liabilities.

Item 9: Disciplinary Information

Neither GenRock nor its management personnel have any legal or disciplinary events that are material to a client's or a prospective client's evaluation of its advisory business or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

GenRock and its investment personnel are not registered, and have not applied to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or associated persons of a futures commission merchant. In addition, GenRock is currently not applying to register as a broker-dealer and does not intend to do so. With that, GenRock, does not recommend nor select other investment advisers for its Clients.

Other Activities

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

Third-Party Relationships

As part of GenRock's business, GenRock and the GenRock personnel have developed many relationships with third parties, some of which could be viewed as significant, close or personal, which have the potential to raise conflicts of interest. Such third parties include, but are not limited to, entrepreneurs, former business associates, intermediaries, financial institutions, investment bankers, commercial bankers, financial advisors, attorneys, accountants, consultants, other individuals within their networks, private equity and venture capital funds and current and former directors, officers and employees of potential portfolio companies. Certain of such third parties may: introduce investment opportunities to the Clients; arrange for, or facilitate financing in, the purchase or recapitalization of potential portfolio companies; introduce portfolio companies to potential acquisition or merger candidates; introduce the Clients to potential buyers of portfolio company securities; facilitate the disposition of portfolio company securities; provide investment banking, consulting or advisory services to the Clients or a portfolio company; co-invest in a portfolio company; introduce or recommend private investment opportunities to the GenRock personnel or their friends and family members; or provide other significant business or investment services to the Clients, GenRock, portfolio companies or GenRock personnel and their friends and family members. GenRock will have compliance policies and procedures designed to monitor and, as necessary, mediate such significant relationships, but no guarantee can be made that such policies will prevent actions which are to the detriment of the Clients.

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

Code of Ethics

GenRock has adopted a code of ethics (the "**Code of Ethics**") in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). The Code of Ethics sets forth the rules for business conduct and personal investing activities of its employees. The Code of Ethics, among other things, sets ethical standards and requires compliance with the securities laws, safeguards material nonpublic information about the Clients' transaction and portfolio holdings, and requires initial and annual reports of securities holdings of access persons.

Investors and prospective investors may obtain a copy of the Code of Ethics upon request in writing to GenRock at the address on this brochure's cover.

Participation or Interest in Client Transactions and Personal Trading

GenRock's employees and officers may maintain positions in, or buy or sell, the same securities or related options as the Clients may buy or sell with written approval from the CCO. In cases such as this, employees and officers would have an interest in the success of a security that may be recommended to, owned by, sold for or purchased for the Clients. Employees are also not permitted to buy or sell any securities that are included on a restricted security list without prior written approval from the CCO.

Employees will not, directly or indirectly, acquire beneficial ownership in any personal account in any security in an initial public offering or in a limited offering (*i.e.*, a private placement) without the prior

written consent of the CCO. Employees wishing to acquire beneficial ownership in any security in an initial public offering or in a limited offering must submit a written request to the CCO. If an employee is permitted to participate in such personal securities transaction, the CCO shall document the reasons for permitting such transaction.

Item 12: Brokerage Practices

GenRock has the authority to determine the securities that are bought and sold for the Clients, the amount of securities to be bought or sold, the broker dealer to be used (if any) and the brokerage commissions and other fees to be paid.

GenRock expects that most if not all of the securities purchased for the Clients will be privately-issued rather than exchange-listed securities. If GenRock purchases publicly-traded securities for the Clients, GenRock will seek to obtain best execution for the Clients' transactions (*i.e.*, it will seek to obtain not necessarily the lowest commission or transactional fee but the best overall qualitative execution in the particular circumstances). Best execution means not only seeking to achieve the best price but also the consideration of many factors, such as the characteristics of specific trades, the security being traded, specific needs of clients, conditions in the market at the time the order is placed and the overall efficiency of market structure. When selecting broker-dealers, GenRock also may consider various factors and considerations deemed relevant or appropriate including, without limitation, execution capability, commission rate, the likelihood of price improvement, the speed of execution and likelihood of execution for limited orders, the ability to minimize market impact, the maintenance of confidentiality and responsiveness of broker-dealers.

GenRock will aggregate such orders as it deems appropriate and in accordance with the Clients' offering documents and in the best interests of the Clients.

GenRock does not have any formal or informal arrangements or commitments to use research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

Item 13: Review of Accounts

GenRock reviews the Clients' performance at least quarterly, which includes a summary description of each portfolio investment, any material event regarding the business of the Clients, and each disposition of a portfolio investment during such quarter. Generally, investors will receive a quarterly letter summarizing the business activities and financial status of the Clients.

With respect to accounting matters, the Clients has engaged an independent public accounting firm to conduct an annual audit of the Clients and the Clients will provide annual audited financial statements to all investors.

Item 14: Referrals and Other Compensation

The Firm at this time does not maintain any referral arrangements with individuals or entities that may be compensated, directly or indirectly.

Item 15: Custody

GenRock has custody of the Clients' cash and securities for purposes of Rule 206(4)-2 under the Advisers Act. In accordance with Rule 206(4)-2, the Clients' cash and securities (except for privately placed securities) are maintained at one or more qualified custodians. An independent public accounting firm, which is registered with and subject to inspection by the PCAOB, conducts annual audits of the Clients, and audited financial statements (prepared in accordance with U.S. generally accepted accounting principles) are provided to investors on an annual basis. Such audited financial statements generally will be provided to investors within 120 days after the end of each fiscal year. Qualified custodians are not expected to provide account statements directly to investors in the Clients.

Item 16: Investment Discretion

GenRock has investment discretion over the Clients' assets, which is limited by the terms of the Clients' operating agreement and the investment management agreement with the Clients.

Item 17: Voting Client Securities

Rule 206(4)-6 under the Advisers Act requires every investment adviser who exercises voting authority with respect to client securities to adopt and implement written policies and procedures, reasonably designed to ensure that the adviser votes proxies in the best interests of its clients. Rule 206(4)-6 further requires an adviser to provide a concise summary of its proxy voting process and offer to provide copies of the complete proxy voting policy and procedures to clients upon request. Lastly, Rule 206(4)-6 requires that each adviser disclose to clients how they may obtain information on how the adviser voted their proxies.

Due to the nature of its investment activities, GenRock generally does not expect to vote proxies with respect to securities owned by the Clients. Nevertheless, to the extent applicable, GenRock will vote any proxies consistent with the best economic interests of the Clients and seek to identify any material conflicts of interests between the Clients' interests and its own interest within the proxy voting process. If GenRock or one of its applicable employees faces a material conflict of interest in voting a proxy, GenRock may engage an independent third party to vote such proxies or take such other actions as it deems necessary or appropriate to mitigate or ameliorate such conflict. Members generally may not direct or influence votes with respect to any proxy solicitation.

Any past proxy voting information would be made available to investors upon request. A copy of the policy and any past proxy voting information may be obtained by writing to GenRock at the address listed on this brochure's cover.

Item 18: Financial Information

GenRock does not require or solicit prepayment of more than \$1,200 in fees from the Clients six months or more in advance and therefore has not included a balance sheet for its most recent fiscal year. GenRock is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.