



Clarendon Capital, LLC

Part 2A of Form ADV

The Brochure

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March 29, 2024

This brochure ("**Brochure**") provides information about the qualifications and business practices of Clarendon Capital, LLC (the "**Adviser**"). If you have any questions about the contents of this Brochure, please contact the Adviser at (703) 705-2017. 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.

The Adviser is an SEC registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

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

ITEM 2: MATERIAL CHANGES

This annual updating amendment to the Brochure dated March 29, 2024 contains no material updates since the Adviser's previously filed brochure, dated June 29, 2023.

ITEM 3: TABLE OF CONTENTS

ITEM 1: COVER PAGE.....	1
ITEM 2: MATERIAL CHANGES	2
ITEM 3: TABLE OF CONTENTS.....	3
ITEM 5: FEES AND COMPENSATION.....	6
ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT	9
ITEM 7: TYPES OF CLIENTS	10
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	11
ITEM 9: DISCIPLINARY INFORMATION	19
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	20
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN	21
CLIENT TRANSACTIONS AND PERSONAL TRADING	21
ITEM 12: BROKERAGE PRACTICES	23
ITEM 13: REVIEW OF ACCOUNTS	24
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION	25
ITEM 15: CUSTODY	26
ITEM 16: INVESTMENT DISCRETION	27
ITEM 17: VOTING CLIENT SECURITIES	28
ITEM 18: FINANCIAL INFORMATION	29

ITEM 4: ADVISORY BUSINESS

A. General Description of the Adviser

The Adviser is a Delaware limited liability company formed in 2018 and is owned by Mark Fornasiero and Michael Raue (the “**Partners**”). The Adviser’s main office and principal place of business is located in Tysons, VA.

B. Description of Advisory Services

The Adviser is a private equity firm that manages pooled investment vehicles (the “**Clients**”) each of which are managed by general partner entities affiliated with the Adviser (collectively, “**General Partners**”). The Clients are exempt from registration under Sections 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, as amended, and are offered to investors on a private placement basis. From time to time, the Adviser has and may offer co-investment opportunities to one or more third parties or manage co-investment vehicles that invest in portfolio companies in which the Clients invest or will invest.

The Clients invest primarily in private middle market companies connected to the transportation, logistics, distribution and related sectors. These investments will generally be equity positions, although the Clients may also hold investments in other securities including but not limited to mezzanine, convertible debt and warrants in an effort to mitigate or minimize risks where appropriate. The Clients focus primarily on private companies that have long term competitive advantages, substantial market growth potential, established revenues, a capable management team, reasonable valuations, and are expected to provide a profitable exit opportunity within approximately five (5) to seven (7) years from the date of investment. The Client may invest in situations including, but not limited to, turnarounds, recapitalizations, management buy-outs, corporate carve-outs, and co-investments.

C. Availability of Customized Services for Clients

The Adviser provides investment advisory services to the Clients pursuant to management agreements or other similar agreements (the “**Management Agreements**”). The Management Agreements, along with the private placement memorandum, limited partnership agreements, subscription materials or other governing documents (collectively, the “**Governing Documents**”), set forth the fees in connection with the investment advisory services provided by the Adviser to the Clients.

In accordance with industry common practice and each Client’s Governing Documents, a Client’s General Partner may enter into one or more side letters or similar agreements with certain investors in the Clients (“**Limited Partners**”) that have the effect of establishing rights under, or altering or supplementing the terms of, the relevant agreement with respect to such Limited Partners (“**Side Letters**”). Examples of Side Letter rights include certain fee provisions, information rights, liquidity and withdrawal provisions, investment restrictions, opt out provisions, concentration limits, notification provisions and most favored nations provisions. These rights, benefits or privileges are not always made available to all Limited Partners nor in some cases are they required to be disclosed to all Limited Partners, consistent with general market practice.

The individual needs of the Limited Partners in the Clients are not the basis of investment decisions by the Adviser. Investment advice is provided directly to the Clients by the Adviser and not individually to the Limited Partners. As such, these Limited Partners are not advisory clients of the Adviser and do not impose restrictions on how the Adviser invests within the Clients. Pursuant to the Management Agreements, the Adviser has discretionary authority with respect to such investments, including, without limitation, the authority to evaluate, monitor, exercise voting rights and take other appropriate action with respect thereto.

The Adviser's investment decisions and advice with respect to each Client are subject to such Client's investment objectives and guidelines as set forth in the applicable Governing Documents. Limited Partners generally cannot impose restrictions on investing in certain securities or types of securities. If provided for in either a Client Governing Documents or a Side Letter, Limited Partners may be excused from a particular investment due to legal, regulatory or other applicable constraints, pursuant to the terms of the applicable Governing Documents or Side Letter.

D. Wrap Fee Programs

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

E. Assets Under Management

As of December 31, 2023, the Adviser manages \$212,994,454 in assets on a discretionary basis. The Adviser does not manage any assets on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

A. Advisory Fees and Compensation

The Governing Documents describe fees, compensation, and expenses in greater detail. The General Partners receive up to a 2% annual management fee on total committed capital from certain Limited Partners in the relevant Client (“**Management Fee**”), payable in quarterly installments in advance from the applicable Limited Partners. The precise amount, manner and calculation, and manner and timing, of the payment of the Management Fee for each Client is established by the applicable General Partner. For certain Limited Partners, this is modified by negotiations for which guidance is set forth in the Client’s Governing Documents applicable to that Limited Partner prior to investment in such Client.

The special Limited Partner of certain Clients designated to receive carried interests (“**Carry Partner**”) receives performance-based fees from such Clients equal to 20% of all realized profits, subject to a specified preferred return with a related Carry Partner catch-up provision (“**Carried Interest**”), as more fully described in such Clients’ Governing Documents. As applicable, the Clients’ Governing Documents also include industry standard claw back provisions to prevent instances in which the applicable Carry Partner had received excess distributions of Carried Interest. The General Partner of certain Clients may waive or reduce the amount of Carried Interest borne by any Limited Partner.

In certain circumstances, the Adviser or its affiliates (as applicable) may, in their sole discretion, reduce, waive or calculate the Management Fee and/or Carried Interest differently with respect to certain Limited Partners, including, without limitation, affiliates of the Adviser, Adviser employees, members of the immediate families of such employees and trusts or other entities for their benefit.

Investors that participate in co-investment opportunities (“**Co-Investors**”) may be charged certain fees, including Management Fees. However, not all Co-Investors will be charged the same fees, and some Co-Investors have in the past and may in the future be charged fees at more favorable rates. The Adviser and its affiliates have in the past and may in the future waive or modify a Co-Investor’s obligation to pay the fees at the time of admission of such investor to a co-investment vehicle. Specifically, the Adviser expects fees to be waived or reduced for Co-Investors that are the Adviser’s supervised persons and other “friends and family” of the Adviser. In addition, the Governing Documents of a Client and any applicable Side Letters will govern the fees or Carried Interest that such Co-Investors are subject to.

B. Method of Payment of Fees

Management Fees are accrued each quarter and made payable to the Adviser or its affiliate. Management Fees are paid either in advance or in arrears and are deducted from the respective Client’s account. Management Fee installments for any period other than a full calendar quarter are adjusted on a pro rata basis according to the actual number of days elapsed. In the event that at the end of the fund life of a Client, if Management Fees paid or accrued are less than outstanding Management Fees net of Management Fee offsets, the Adviser will refund any such deemed pre-paid Management Fee to a Client. In addition, a General Partner may liquidate or direct the Adviser to liquidate investments in the applicable Client to pay the Management Fee.

Carried Interest is deducted from the Clients’ assets and is paid from the applicable Clients’ distributable cash at such times as the applicable General Partner determines and in accordance with the applicable Governing Documents.

C. Other Fees and Expenses

The Adviser has and will continue to, from time to time in its sole discretion, engage consultants retained by the Adviser or its affiliates (“**Operating Partner(s)**”) to assist the Adviser with a variety of activities

including market research, new investment identification, pre-investment business diligence and post-investment value creation in their areas of expertise. Operating Partners are not employees of the Adviser and may work on an exclusive or non-exclusive basis. Operating Partners have and will, from time to time, continue to receive a deal fee in the event that a transaction in which they are directly involved is consummated, and have and will, from time to time, continue to receive ongoing monitoring or consulting fees, in each case, directly or indirectly, from Client portfolio companies.

Operating Partners will, from time to time, serve on the board of a portfolio company or will provide additional services directly to such portfolio company. In either case, an Operating Partner will receive direct compensation from the portfolio company under terms agreed to by the portfolio company and the Operating Partner. Any portion of the compensation payable directly or indirectly to Operating Partners (including without limitations, fees, options, bonuses, salary, benefits, payments, expense reimbursements, incentive compensation grants and other compensation) will typically not offset the Management Fee.

Subject to the applicable Governing Documents, the Clients will typically be responsible for the following expenses:

- organizational and offering expenses in an amount not to exceed the amount set forth in the applicable Governing Document, including but not limited to: legal fees; printing fees; travel costs; entertainment costs; and other expenses incidental to the formation and fund raising of the Clients, the General Partners, the Adviser and the Carry Partners (**“Organizational and Offering Expenses”**);
- routine operating expenses incurred by or on behalf of the Clients which are associated with the operation of the Client including but not limited to: fees paid to the administrator; accounting, audit and tax preparation fees and expenses, such as expenses incurred in connection with the preparation and audit of the Client’s financial statements, tax returns and K-1’s; insurance (such as director’s and officer’s insurance and errors and omissions coverage); regulatory filing fees and costs of routine regulatory examination of the Client; research costs; valuation and market data related expenses, including costs associated with news, quotation, analytics, communications tools and similar information and pricing services; expenses of the transfer, receipt, management, carrying and safekeeping of the Client’s investments, cash or other property; custodial, trustee, record keeping and other administration fees; reasonable travel and entertainment expenses incurred in connection with the management of portfolio companies, to the extent not reimbursed by such portfolio company; expenses incurred in connection with distributions to Limited Partners or transfers of Client interests by Limited Partners; obligations of the Clients under contracts entered into in the name of the applicable Client; expenses relating to reports prepared for and delivered to Limited Partners and expenses incurred in connection with any meetings of Limited Partners called by the General Partner; costs relating to the holding of meetings of the committee of advisors for the Clients (**“LPAC”**), and certain expenses of the LPAC; and legal, accountant and consultant fees and disbursements relating to advice regarding the foregoing routine operating activities (collectively, **“Operating Expenses”**);
- all expenses incurred by or on behalf of the Clients which are associated with the Clients’ identification, evaluation, selection, acquisition, maintenance and disposition of investments including but not limited to: expenses such as commissions; fees and expenses associated with the analysis, diligence review, negotiation, acquisition, holding and disposition of Investments; all transaction costs of the investment; research and information services; reasonable travel expenses incurred in researching potential Investment opportunities; fees and expenses of consultants, appraisers and advisors (including legal, audit, accounting, tax, financing, investment banking or similar professionals) engaged in connection with the selection, negotiation and acquisition of Investments, in each case to the extent they are not otherwise reimbursed by an

- actual or targeted portfolio company; taxes; brokerage fees; underwriting commissions and discounts; and broken deal expenses (collectively, “**Investment Expenses**”); and
- all expenses incurred by or on behalf of the Clients other than Operating Expenses, Investment Expenses and Organizational and Offering Expenses, and other than expenses which are the responsibility of the General Partner or the Adviser, including but not limited to: taxes and other charges imposed or levied by any governmental authority; litigation expenses; indemnification and advancement expenses; expenses relating to defaults by Limited Partners in the payment of any capital contributions; expenses incurred in connection with any amendments to the Governing Documents, and any amendments to the governing documents of the General Partners, the Adviser and Carry Partners (or any ancillary documents as a result thereof) which are necessary in order to conform such agreements with any amendment to the applicable Governing Documents; expenses incurred in connection with the winding up or liquidation of the Clients; and expenses associated with any non-routine regulatory inquiries of the Clients, and, in connection with the Clients’ affairs, the General Partners, the Carry Partners, the Adviser or any of their respective affiliates (collectively, “**Other Expenses**”).

D. Prepayment of Fees

Management Fees are accrued quarterly in advance at an annual rate made payable to the Adviser or its affiliate, as further set forth in each Client’s applicable governing documents.

Carried Interest is not paid in advance.

E. Additional Compensation and Conflicts of Interest

Neither the Adviser nor any of its supervised persons accept compensation (e.g., brokerage commissions) for the sale of securities or other investment products. However, a General Partner and the Adviser or their affiliates, may charge and receive certain transaction and annual monitoring fees and expenses from the Clients’ portfolio companies for ongoing assistance provided to the portfolio company by the Adviser for the duration of a Client’s investment in the portfolio company. Such fees are to be paid quarterly in advance from the relevant portfolio company and offset the Management Fee. The Adviser may elect to waive or reduce the monitoring fees to be paid by the portfolio companies at its discretion.

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

As described in **Item 5** of this Brochure, the Adviser or its affiliates are generally entitled to both a Management Fee and Carried Interest from the Clients, as specified in the Clients' Governing Documents. In certain circumstances, the Adviser or its affiliates (as applicable) may, in their sole discretion, reduce, waive or calculate the Carried Interest differently with respect to certain Limited Partners, including, without limitation, affiliates of the Adviser, Adviser employees, members of the immediate families of such employees and trusts or other entities for their benefit.

The Adviser manages each Client in accordance with the investment strategy disclosed in such Client's Governing Documents to help ensure that Limited Partners are aware of the investment strategy and the risks associated with the strategy. The Clients' respective Governing Documents contain further details regarding the performance incentive, and risk and strategy with respect to the applicable Client. Although the Carried Interest is generally designed to align the Adviser's interests with the interests of the Limited Partners, the Carried Interest receivable by the Adviser or its affiliate may create an incentive for the Adviser to make investments on behalf of the Clients that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangement. Carried Interest may also incentivize the Adviser to make different decisions regarding the timing and manner of the realization of the Clients' portfolio investments than would be the case if Carried Interest did not exist. However, the Adviser is committed to acting at all times in the best interests of the Clients, and, to this end, the Adviser has implemented internal controls designed to address and reasonably mitigate the potential conflicts associated with Carried Interest, as more fully described in the Governing Documents. The Adviser maintains a governance structure to monitor for potential conflicts of interest that may arise from such investment allocations. Investment allocations, as applicable, must be reviewed, vetted, and approved by the LPAC for the applicable Client.

The General Partner, or its designated affiliate, of each Client as set forth in the Client's Governing Documents, receives Carried Interest, based on realized gains. This is allocated and distributable to the General Partner, or its designated affiliate, only when specific conditions are met, including the return of all capital contributed to the applicable Client by Limited Partners and, to the extent provided in the Client's Governing Documents, the receipt of a preferred return on such amounts. The Adviser will structure any Carried Interest arrangements to comply with Section 205(a)(1) of the Advisers Act to the extent applicable.

ITEM 7: TYPES OF CLIENTS

The Adviser provides investment management and advisory services to the Clients directly, subject to the direction and control of the affiliated General Partners of the Clients, and not individually to the Limited Partners. Limited Partners in the Clients may include, but are not limited to, institutional investors, fund-of-funds, endowments, family offices, and some high-net-worth individuals. The Clients are exempt from registration under the Investment Company Act of 1940, under Section 3(c)(1) or 3(c)(7) thereof.

The minimum commitment for a Limited Partner is outlined in the Governing Documents of each Client; however, the General Partners maintain discretion to accept less than the minimum investment threshold for any Client. Limited Partners are required to meet certain suitability qualifications, such as being an “Accredited Investor” within the meaning set forth in section 501(a) of Regulation D under the Securities Act of 1933 (“**Securities Act**”). Also, details concerning applicable Limited Partner suitability criteria are set forth in the applicable Governing Documents, which are furnished to each Limited Partner, or may otherwise be provided by the Adviser at the time of investment.

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

A. Method of Analysis and Investment Strategies

The descriptions set forth in this Brochure of specific advisory services that the Adviser offers to the Clients, and investment strategies pursued, and investments made or to be made by the Adviser on behalf of the Clients, should not be understood to limit in any way the Adviser's investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that it considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Limited Partners should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

As referenced in **Item 4** above, the Clients invest primarily in private middle market companies located in North America connected to the transportation, logistics, distribution and related sectors. These investments will generally be equity positions, although the Clients may invest in other securities including but not limited to mezzanine, convertible debt, and warrants in an effort to mitigate or minimize risks where appropriate. While the target investment amount for a Client includes potential follow-on investments, larger investments with Co-investors can also be considered. The Adviser seeks to create value by utilizing its operating expertise to strengthen the operational performance of acquired companies and enhance each company's strategic positioning. The Adviser will prioritize investments in companies it believes to have stable revenues with a diversified customer base in a growing market segment, a capable management team, and identifiably sustainable competitive advantages. Investments are expected to provide a profitable exit opportunity in approximately five (5) to seven (7) years from the date of the initial investment.

Limited Partners are encouraged to review the Governing Documents for a more complete discussion of the Adviser's Investment strategy.

B. Material, Significant or Unusual Risks Relating to Investment Strategies

An investment in the Clients involves substantial risks. The risk factors set forth below are not intended to be an exhaustive list of the general or specific risks involved but include only those risks the Adviser believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by the Adviser. Other unforeseen risks might become significant in the future and risks which are now foreseen might affect the Clients are encouraged to review the Governing Documents for a more complete discussion of the Clients' investment strategies to a greater extent than is now foreseen or in a manner not now contemplated. In light of the risk factors discussed below, among others, an investment in the Clients is suitable only for Limited Partners of substantial financial means who have no need for liquidity to the extent of their investment in the Clients and can afford a total loss of their investment. Limited Partners should consult their own professional advisors as to the legal, tax and related matters concerning an investment in the Clients and are encouraged to review the Governing Documents for a more complete discussion of the risk factors.

Investment Risks

All securities and related investments made by the Clients risk the loss of capital. There is no guarantee that the investment objectives of the Clients will be achieved, that the Clients will be successful in executing their investment strategies, that any appreciation in the value of investments of the Clients will occur, or that any of the Clients' investments will be profitable.

Economic Conditions

General economic conditions may affect the Clients' investment activities. Interest rates, general levels of

economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Clients or considered for prospective investment. Material changes and fluctuations in the economic environment, may affect the Clients' ability to make investments and the value of investments held by the Clients. Any economic downturn resulting from marketplace events and/or continued volatility in the financial markets could adversely affect the financial resources of portfolio companies and result in the inability of such portfolio companies to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Clients may suffer a partial or total loss of capital investment in such portfolio companies, which would, in turn, have an adverse effect on the Clients' returns. Such marketplace events also may restrict the ability of the Clients to make new investments, or sell or liquidate investments at favorable times or for favorable prices.

Outbreaks of Infectious or Contagious Diseases

There have been a number of outbreaks of infectious disease in recent decades. The effects of a public health emergency may materially and adversely impact (i) the value and performance of the Clients, their investments and the portfolio companies in which the Clients invests, including the ability of the Clients to be successful in exiting from, the securities in which it invests, (ii) the ability of the Clients and/or the portfolio companies in which the Clients invests to continue to meet loan covenants or repay loans on a timely basis or at all, (iii) the ability of the Clients and/or the portfolio companies in which the Clients invests to repay their debt obligations, on a timely basis or at all, or (iv) the Clients' ability to source, manage and divest investments and the Clients' ability to achieve their investment objectives, all of which could result in significant losses to the Clients.

Legal and Regulatory Environment

The legal, tax and regulatory environment worldwide for private investment funds such as the Clients and their managers is evolving, and changes in the regulation of private investment funds, their managers, and their investing activities may have a material adverse effect on the ability of the Clients to pursue their investment program and the value of investments held by the Clients. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Clients to pursue their investment program or employ counterparties could have a material adverse effect on the Clients and the investments therein.

Competition for Investments

The Clients expect to encounter competition from other entities having similar investment objectives. Potential competitors include other private equity funds, direct investment firms, merchant banks and industrial groups, strategic industry acquirers and other financial Limited Partners investing directly or through affiliates. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, and more personnel than the General Partners, the Adviser, the Clients, and their affiliates. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Clients and adversely affecting the terms upon which Clients' investments can be made. There can be no assurance that the Clients will be able to identify or consummate Clients' investments in portfolio companies satisfying their investment criteria or that such investments will satisfy the Clients' rate of return objectives. Likewise, there can be no assurance that the Clients will be able to realize the values of their investments or be able to invest their committed capital. To the extent that the Clients encounter competition for investments, returns to Limited Partners may decrease.

Co-Investments with Third Parties

The Clients may co-invest with third-party Co-Investors through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party Co-Investor may have financial difficulties resulting in a negative impact on such investment; may have economic or business interests or goals that are inconsistent with those of the Clients; or may be in a position to take (or block) action in a manner contrary to the Clients' investment objectives. In those circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments and create potential conflicts of interest between such parties and the Clients. Additionally, allocating a portion of the Clients' proposed or existing investments to Co-Investors involves certain conflicts of interest.

Terrorism and Military Actions

The continued incidents, and threat, of terrorism, and/or military and other responses by the U.S. and other countries have the potential to result in adverse effects on economies, markets, market segments and individual assets, including those in which the Clients may invest. It is not possible to predict the severity of the impact that any of these future events would have on the transportation, logistics, distribution and related sectors. In addition, insurance on investments may be more costly and coverage may be more limited as a result of these events.

Geopolitical Conflict Considerations

In response to certain geopolitical conflicts globally, the United States and other national governments imposed economic sanctions on certain individuals, including foreign government officials and other government-linked individuals, and foreign corporate entities and financial institutions. In addition to certain of the humanitarian and political crises unfolding, the ongoing conflicts could continue to negatively impact public and private markets. The extent of such impact, and the volatile geopolitical factors involved, is difficult to predict, but could be significant and have a severe adverse effect on economic sectors in which the Clients invest.

Risks Relating the Clients as Investments Vehicles

An investment in the Clients requires a long-term commitment, with no certainty of any return. There most likely will be little or no near-term cash flow available to the Limited Partners or the General Partners.

Illiquidity

The Clients' investments in portfolio companies will be highly illiquid and there can be no assurance that the Clients will be able to realize such investments in a timely manner. Consequently, dispositions of the Clients' investments may require a lengthy time period or may result in distributions in-kind to the Limited Partners. While a Client's investment in a portfolio company may be sold at any time, it is not generally expected that this will occur for a number of years after the investment in a portfolio company is made. The Clients will generally acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act. The market prices, if any, of such investments tend to be volatile and the Clients may not be able to sell such investments when desired, or, upon sale, to realize what is perceived to be their fair value. In addition, the interests in the Clients are not transferable except with the consent of the applicable General Partner, which may be withheld by such General Partner in its sole discretion, and are subject to the terms and conditions of the Governing Documents. The Limited Partners generally may not withdraw from the Clients. Consequently, Limited Partners may not be able to liquidate their investments prior to the end of the Clients' term.

Dependence on Key Personnel

The success of the Clients depends in substantial part on the skill and expertise of the Partners and other investment professionals to identify and evaluate investment opportunities, to negotiate and arrange the closing of transactions, to stimulate good performance by acquired companies and to arrange the timely disposition of securities at a profit. There can be no assurance that the Adviser or the General Partners will continue to generate an adequate stream of investment opportunities. In addition, there can be no assurance that the Partners and employees of the Adviser will continue to be employed by, or affiliated with, the Adviser throughout the life of the Clients. The loss of key personnel could have a material adverse effect on the Clients.

Broken Deal Expenses

The Clients' investments may require extensive due diligence activities prior to acquisition, and the related expenses may be quite substantial. These expenses may include, among others, due diligence and legal costs, and bid preparation and submission costs. Such expenses will generally be borne solely by the Clients, even if Co-investors had been expected to participate had the transaction been consummated or if Co-investors have participated in other completed transactions.

Side Letters

The General Partners of the Clients, to the fullest extent permitted by the Governing Documents and applicable law, may have the absolute discretion to enter Side Letters with certain Limited Partners, pursuant to which the General Partners may agree to, among other things, extend certain information rights or additional reporting to such Limited Partner; or provide special rights to such Limited Partner with respect to the activities of the applicable Client or General Partner or any of their affiliates. The General Partners may enter into any Side Letter without the vote or consent of other Limited Partners unless another Side Letter so provides. In addition, the terms of any Side Letter will not be disclosed to other Limited Partners unless another Side Letter so provides.

Valuation of Investments

The Adviser will value the Clients' assets in accordance with the Governing Documents. The Clients will primarily hold assets that will not have readily accessible market values. The valuation of illiquid assets is inherently subjective and subject to increased risk that the information utilized to value such assets or create pricing models may be inaccurate or subject to error. Due to a wide variety of market factors and the nature of certain assets to be held by the Clients, there can be no guarantee that the values determined by the fund administrator will represent the values that will be realized by the Clients upon the disposition of the investment. Ultimate realization of the market value of an investment depends to a great extent on economic and other conditions beyond the control of the Client and the Adviser. Further, appraised or otherwise determined values do not necessarily represent the price at which an investment would sell since market prices of an investment can only be determined by negotiation between a willing buyer and seller.

Business Risks

Cybersecurity

The Clients, their services providers and the Adviser, are subject to risks associated with a breach in their cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from "hacking" by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss or corruption of data as well as misappropriation of confidential information. If a cybersecurity breach occurs, the Clients may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; investment losses from sabotaged systems; identity

theft; wire fraud; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; and reputational damage. Any such breach could expose the Clients and the Adviser to civil liability as well as regulatory inquiry and/or action.

Counterparty Risk

The Clients will be subject to the credit risk of the counterparties engaged by the Clients, which include but are not limited to banks, custodians and broker-dealers. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a contract due to financial difficulties, a Client may experience significant delays in obtaining any recovery under the contract in a bankruptcy or other reorganization proceeding. A Client may obtain only a limited recovery or may obtain no recovery in such circumstances. Concerns about, or a default by, one large market participant could lead to significant liquidity problems for other participants. If a counterparty's credit becomes significantly impaired, multiple requests to post collateral in a short period of time could increase the risk that a Client may not receive adequate collateral. However, there can be no assurance that any counterparty will satisfy its obligations to a Client.

Risks Associated with Portfolio Companies

The environment in which the Clients invests will sometimes involve a high degree of business and financial risk. These companies may not have a proven operating history, may be reliant on developing, unproved technology, may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise have a weak financial condition management or exposure to significant liabilities. Portfolio companies may not be able to successfully manage growth, integrate acquisitions within expected timeframes and may fail to develop, implement, maintain, upgrade, enhance, protect or integrate technology. Systems failures, data breaches, other cyber incidents, deteriorating relationships with employees, difficulty attracting and retaining employees and labor inefficiencies, disruptions, stoppages or delayed growth could also have a material adverse effect on the business, results of operations, and financial condition of portfolio companies. In addition, these portfolio companies may face seasonal fluctuations or fuel shortages and intense competitive positioning, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and more qualified managerial, operating and technical personnel. Portfolio companies may also incur leverage that may have important adverse consequences. For example, portfolio companies may be subject to restrictive financial and operating covenants, and leverage may impair their ability to respond to changing business and economic conditions and to business opportunities. Portfolio companies may be subject to numerous government regulations, and costs of compliance with, or liability for violations of, existing or future regulations could have a material adverse effect on the Fund's financial condition and results of operations.

Reliance on Management of Portfolio Companies

There can be no assurance that the management in place at the time of a Client's investment in a portfolio company will remain in place or continue to operate successfully. Although the Adviser will monitor the performance of each investment, the Clients will rely upon a portfolio company's management to operate the portfolio company on a day-to-day basis. The Clients may make investments in which it has a minority position, and there can be no assurance that the Clients will be able to negotiate control provisions or otherwise exercise control in such situations. Disagreements with management or other shareholders may limit the Clients' ability to bring about operating, strategic or other changes in such companies and may limit exit opportunities.

Bankruptcy of Portfolio Companies

The Clients may make investments in portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. federal and state laws in connection with such bankruptcy proceedings could operate to the detriment of the Clients. There is also a risk that a court may require the Clients to return amounts previously paid to it by a portfolio company that becomes insolvent or files for bankruptcy, a risk that could increase if the Clients has management rights in such portfolio company.

C. Risks Associated with Particular Types of Securities

Set forth below is a non-exclusive list of certain risks related to the types of investments within the Clients' portfolios.

Middle-Market Companies

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

Transportation and Logistics Companies Frequently Self-Insure and may be Exposed to Significant Liabilities

Transportation and logistics companies frequently self-insure for a significant portion of their potential liability for accident liability, workers' compensation and general liability claims. The occurrence of one or more significant claims could have a material adverse impact on a portfolio company's financial condition and results of operations, such as a significant reduction in the portfolio company's net income and available capital.

Transportation and Logistics Companies may not Effectively Maintain Their Information Technology Systems and Experience Systems Failures, Data Breaches, Other Cyber Incidents

Transportation and logistics companies must effectively maintain and enhance their information technology systems, or risk losing orders and customers or incurring costs beyond expectations, which could cause a significant reduction in revenues and net income for portfolio companies. Many of the information technology systems utilized within the transportation, logistics, distribution and related industries are subject to risks that are beyond the control of the companies using such systems. Those systems may experience failures, resulting in a loss of customers or a reduction in demand for a portfolio company's services. Cybersecurity breaches of the data network or systems of portfolio companies of the Clients could have a material adverse effect on the financial condition and results of operations of such portfolio company.

Transportation and Logistics Companies may be Faced with Unionization Efforts, Labor Shortages, Disruptions or Stoppages

Companies within the transportation, logistics, distribution and related sectors rely heavily on employees,

and any labor shortage, disruption or stoppage caused by poor relations with employees could reduce the operating margins and income of a portfolio company. Unions have traditionally been active in the transportation, logistics and distribution sectors. A portfolio company's workforce may be subject to union organization efforts from time to time. Unionization of a workforce could result in higher compensation and working condition demands that could increase a portfolio company's operating costs or constrain its operating flexibility.

The Loss or Bankruptcy of One or More Significant Customers May Adversely Affect the Business of a Portfolio Company

Companies within the transportation, logistics and distribution sectors may be dependent upon a limited number of large customers. The loss of one or more of a portfolio company's major customers, or a material reduction in services performed for such customers by a portfolio company, may have a material adverse effect on the results of operations of such portfolio company. In addition, if one or more of customers were to seek protection under the bankruptcy laws, such portfolio company might not receive payment for services rendered and, under certain circumstances, might have to return payments made by these customers during the 90 days prior to the bankruptcy filing. If a portfolio company were to lose one or more key customers, the portfolio company might not be able to capture additional volume from other customers to offset costs historically covered by the lost revenue.

Transportation and Logistics Companies Operate in a Highly Regulated Industry and Increased Costs of Compliance With, or Liability for Violation of, Existing or Future Regulations Could Have a Material Adverse Effect on A Portfolio Company's Business

Transportation and logistics companies are subject to government regulation, and failure to comply with such regulation could result in substantial fines or possible revocation of their authority to conduct operations. The cost of complying with these regulatory measures, or any future measures, could also have a material adverse effect on a portfolio company's business or results of operations.

A Determination by Regulators that a Portfolio Company's Agents or Owner-Operators are Employees, Rather Than Independent Contractors, Could Expose the Portfolio Company to Various Liabilities and Additional Costs

Tax and other regulatory authorities often seek to assert that independent contractors in the transportation, logistics and distribution sectors, such as owner-operators, are employees rather than independent contractors. There can be no assurance that interpretations and tax laws that consider these persons independent contractors will not change or that these authorities will not successfully assert this position. If a portfolio company's agents or owner-operators are determined to be employees, that determination could materially increase the portfolio company's exposure under a variety of federal and state tax, workers' compensation, unemployment benefits, labor, employment and tort laws, as well as its potential liability for employee benefits. In addition, such changes may be applied retroactively, and if so, a portfolio company may be required to pay additional amounts to compensate for prior periods. Any of the above increased costs would adversely affect a portfolio company's business and operating results.

Difficulty in Obtaining Material, Equipment, Goods, and Services from Vendors and Suppliers Could Adversely Affect a Portfolio Company's Business

Some sub-sectors of the transportation, logistics and distribution sectors are dependent upon transportation equipment such as chassis, containers and rail, truck and ocean services provided by independent third parties. Periods of equipment shortages have occurred historically in the transportation industry, particularly in a strong economy. If the Clients' portfolio companies cannot secure sufficient transportation equipment or transportation services from these third parties to meet their customers' needs, the business, results of operations and financial position of the portfolio

companies could be materially adversely affected and customers could seek to have their transportation and logistics needs met by other third parties on a temporary or permanent basis. The reliance on agents and independent contractors could reduce operating control and the strength of relationships with customers, and the Clients' portfolio companies may have trouble attracting and retaining agents and independent contractors.

Portfolio Companies may be Adversely Impacted by Fluctuations in the Price and Availability of Fuel

The transportation industry is dependent upon the availability of adequate fuel supplies. Fuel shortages, changes in fuel prices, and the inability to collect fuel surcharges could have a material adverse effect on a portfolio company's business, results of operations, financial condition, and cash flows.

Transportation and Logistics Companies Face Risks Related to the Creditworthiness of Customers or Other Business Partners and Their Ability to Pay for Services

The ability of the Clients' portfolio companies to manage customer credit risk is key to the success of those businesses. The failure of customers to pay amounts owed in a timely manner may adversely impact the performance of a portfolio company. If one or more of a portfolio company's customers experiences financial difficulties, including filing for bankruptcy, it may negatively affect the portfolio company's business due to the decreased demand for its services from these customers, or the potential inability of these companies to make full payment on amounts owed to the portfolio company. Customer bankruptcies also entail the risk of potential recovery by the bankruptcy estate of amounts previously paid to a portfolio company that are deemed a preference under bankruptcy laws. The risks associated with these matters will likely increase in the event of an economic downturn. The loss of revenue from these customers or payment of preference claims could have a material adverse effect on a portfolio company's financial condition or results of operations.

ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a Client's or a prospective Limited Partner's evaluation of the Adviser's business or the integrity of its management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

Neither the Adviser nor its management persons are registered as broker-dealers and do not have any application pending to register as a broker-dealer or registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

Neither the Adviser nor its management persons are registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

C. Material Relationships or Arrangements with Related Person Industry Participants

Neither the Adviser nor its management persons have any material relationships or arrangements with related person industry participants.

D. Material Conflicts of Interest Relating to Other Investment Advisers

The Adviser does not recommend or select other investment advisers for the Clients.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

Pursuant to section 204A-1 of the Investment Advisers Act of 1940, as amended (“**Advisers Act**”), the Adviser has adopted a written code of ethics (the “**Code**”) which establishes the standard of business conduct that all Adviser employees must follow in upholding the Adviser’s fiduciary duty to its clients and which incorporates the following general principles that both the Adviser and employees are expected to uphold:

- The interests of the Clients must at all times be placed first;
- All personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest must be mitigated or any abuse of an employee’s position of trust and responsibility must be avoided;
- Employees must not take any inappropriate advantage of their positions;
- Information concerning the identity of securities and financial circumstances of the Clients, including the Limited Partners, must be kept confidential; and
- Independence in the investment decision-making process must be maintained at all times.

The Code also contains controls implemented by the Adviser as means to monitor and mitigate potential conflicts of interest, including specific policies to address, among other things, outside business activities of employees, the prevention of insider trading, restrictions on the acceptance or offer of significant gifts and the pre-clearance and reporting of political contributions.

Further, the Adviser has adopted a personal trading policy that (i) imposes restrictions on employee trading of certain securities without the approval of the Chief Compliance Officer (“**CCO**”); (ii) generally prohibits purchasing securities in an initial public offering without CCO approval; (iii) requires pre-clearance before purchasing securities in a limited offering (i.e., a private placement); and (iv) requires periodic reporting of employees’ personal securities transactions and all holdings. The Adviser regularly monitors the personal trading of employees. Each employee is required to certify annually that the Code has been read and understood and that the employee agrees to abide by the Code and all policies and procedures set forth therein.

A copy of the Code will be provided upon request by contacting the CCO using the information on the cover page of this Brochure.

B. Securities that the Investment Adviser or a Related Person Has a Material Financial Interest

Neither the Adviser nor any of its related persons recommends to the Clients, or buys or sells for any Client accounts, securities in which the Adviser or its related persons have a material financial interest. If the Adviser or a related person recommends securities to a Client, the CCO will make a determination on a case-by-case basis to address such a situation and any conflicts of interest that such a transaction would present.

C. Investing in Securities that the Investment Adviser or a Related Person Recommends to Clients

The Adviser’s employees and Operating Partners make capital commitments in Clients and thus have a direct financial interest in the transactions of the Clients and the performance of the Clients’ investments. Investments by such related persons are intended to align the interests of the Adviser and its related persons with those of the Clients; however, such investments may create conflicts of interest. The CCO will make a determination on a case-by-case basis to address any such conflicts of interest.

D. Conflicts of Interest Created by Contemporaneous Trading

One or more of the Adviser's related persons own an interest in each of the Clients. Other than such Client interest, neither the Adviser nor any of its related persons recommend securities to Clients, or buy or sell securities for Client accounts at or about the same time that the Adviser or its related persons buys or sells the same securities for the Adviser's own (or its related persons' own) account.

ITEM 12: BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

The Clients exclusively invest in private placement securities not facilitated by broker-dealers. Although unlikely, if circumstances arise by which the Clients may transact in publicly traded or other securities, such transactions may be effected through broker-dealers. The Adviser will diligently seek to negotiate and execute such transactions efficiently, adhering to fiduciary obligations regarding best execution on behalf of the Clients.

1. *Research and Other Soft Dollar Benefits*

The Adviser does not engage in soft dollar arrangements with broker-dealers.

2. *Brokerage for Client Referrals*

Neither the Adviser nor any of its related persons receives Client referrals from any broker-dealer or third party.

3. *Directed Brokerage*

The Adviser does not recommend, request or require that the Clients direct it to execute transactions through a specific broker-dealer.

B. Order Aggregation

Due to the nature of the Clients' strategies, there are no purchase or sale orders of securities that are aggregated for various Client accounts.

ITEM 13: REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Accounts or Financial Plans

The General Partners for the Clients have ultimate responsibility for all investment decisions and will continuously review each Client. In addition, the CCO and the Adviser's portfolio managers will periodically monitor the Clients' investment activities to ensure compliance with investment objectives and any investment restrictions set forth in the Governing Documents. The investments made by the Clients are generally private, illiquid and long term in nature.

B. Factors Prompting Review of Accounts Other than a Periodic Review

A review of a Client account may be triggered by any material events, including, without limitation, changes in the financial markets, activity and trends in the political or economic environment, as well as the specific circumstances affecting each Client.

C. Content and Frequency of Account Reports

Limited Partners will receive the following reports and information:

- annual audited financial statements for the Clients upon the earlier of the requirements of the applicable Governing Documents or one hundred twenty (120) days of the Client's fiscal year end;
- information necessary for the preparation of tax returns pursuant to the requirements of each Client's Governing Documents
- unaudited financial statements for the Client pursuant to the requirements of each Client's Governing Documents;
- information necessary to comply with tax filing obligations with respect to the Limited Partners' investment in the Client, with reasonable promptness upon request; and
- quarterly capital accounts statements and annual audited performance reports (or summaries thereof) of the Clients' investments for the for the year.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits From Third-Parties for Providing Services to Clients

The Adviser does not receive economic benefits from persons other than the Clients for providing investment advice or other advisory services to the Clients.

B. Compensation to Non-Supervised Persons for Referrals

Neither the Adviser nor its related persons directly or indirectly compensate any persons who is not a supervised person, including placement agents, for Client referrals. However, the Adviser or its related persons have and may in the future, engage third-party placement agents to introduce prospective Limited Partners to the Clients. The Adviser will seek to comply with Rule 206(4)-1 under the Advisers Act to the extent the rule is applicable to the use of placement agents by the Clients.

ITEM 15: CUSTODY

The Adviser is deemed to have custody of the Clients' assets because its affiliates serve as the General Partners of the Clients and have the authority to direct Client assets or securities. Limited Partners will not receive statements from any custodian. Instead, in compliance with Section 206(4)-2 of the Advisers Act (the "**Custody Rule**"), the Clients are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each Limited Partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed upon the earlier of the requirements of the applicable Governing Documents or one hundred twenty (120) days of the Client's fiscal year end.

ITEM 16: INVESTMENT DISCRETION

In addition to the General Partners, the Adviser or one of its affiliates also has investment discretion over the Clients' assets, in accordance with the Governing Documents, which may set forth certain limitations with respect to the management of the Clients and the activities of the Adviser. Limited Partners may enter into Side Letters with the Adviser, as described in **Item 8**, which may also have the effect of limiting certain of the Advisers' activities.

ITEM 17: VOTING CLIENT SECURITIES

A. Voting Policies and Procedures

The Adviser invests the Clients' assets generally in privately issued securities of small and middle-market companies where voting is generally not applicable. However, in compliance with section 206(4)-6 of the Advisers Act, the Adviser has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (each, a "**Proxy**"; collectively, "**Proxies**") in the best interest of the applicable Client and in line with each Client's investment objectives.

Accordingly, the Adviser will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock. Generally, the Adviser will vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to stagger the board, cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, and create supermajority voting.

The CCO will identify if any conflicts of interest exist between the interests of the Adviser and the Clients by reviewing the relationship of the Adviser and its affiliates with the issuer of each security and any of the issuer's affiliates to determine if the issuer is a Client or an affiliate of the Adviser or has some other relationship with the Adviser. If a material conflict exists, the Adviser will determine whether voting in accordance with the voting guidelines and factors described above is in the best interests of the Clients. The Adviser will also determine whether it is appropriate to disclose the conflict to the affected Clients and give the Clients the opportunity to vote their Proxies themselves.

Limited Partners cannot direct the Adviser's Proxy votes, however, they can obtain information on how the Adviser voted, as well as obtain a copy of the Adviser's Proxy voting policies and procedures by contacting the CCO using the information on the cover page of this Brochure.

B. Inability to Vote Client Securities

This item is not applicable to the Adviser.

ITEM 18: FINANCIAL INFORMATION

A. Prepayment of Fees

The Adviser does not require or solicit prepayment of more than \$1,200 in fees per Client, six (6) months or more in advance.

B. Financial Conditions

The Adviser has discretionary authority over the Client's securities and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Clients.

C. Bankruptcy

The Adviser has not been the subject of a bankruptcy petition any time during the past ten (10) years.