



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

**Item 1
Cover Page**

March 27, 2024

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Osceola Capital Management, LLC (“OCM”, or the “Firm”) is a federally registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). Being registered as an investment adviser does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of OCM. If you have any questions about the contents of this brochure, please contact us at (813) 792-6559. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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Material Changes

OCM is providing this update to the Form ADV Part 2A Brochure (the “Brochure”) since its last update, dated March 30, 2023. This Brochure does not contain any amendments that OCM deems as material.

Pursuant to SEC rules, the Firm will ensure that its clients receive a summary of any material changes to this and subsequent Brochures within one hundred and twenty (120) days of the close of its fiscal year. The Firm may further provide other ongoing disclosure information about material changes, as necessary.

Currently, the Brochure may be requested by contacting William Newbrander, the Firm’s Chief Compliance Officer at wnewbrander@osceola.com.

Investors are encouraged to read this Brochure in its entirety.

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Advisory Business

OCM is a Florida limited liability company formed on April 2, 2014, and maintains its principal place of business in Tampa, Florida. OCM provides discretionary investment advisory services to privately offered pooled investment vehicles (each a “Fund” and, collectively, the “Funds”) exempt from registration under the Investment Company Act of 1940, as amended. OCM’s principal owners are Michael Babb and Benjamin Moe. Mr. Babb serves as the Firm’s Chairman and Mr. Moe serves as the Firm’s sole Managing Partner.

OCM pursues its investment strategy through managing the Funds and will have broad discretion with respect to investment decisions made for the Funds. OCM provides investment advisory services to a Fund based on the investment objectives and strategies described in each Fund’s confidential offering memorandum and governing documents (referred to collectively as “Offering Documents”). Through each Fund’s investment committee (the “Investment Committee”), OCM will provide advisory services to each Fund by seeking to invest in opportunities where the target business exhibits certain fundamental attributes, including: (i) proven, experienced management, (ii) profitability, (iii) appropriate size, and (iv) low customer concentration.

For purposes of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), OCM’s advisory clients are the Funds. OCM will follow the investment strategy described in the relevant Fund’s Offering Documents.

OCM does not tailor its advisory services to the individual needs of underlying investors in the Funds. However, OCM reserves the right to enter into side letters and other agreements and arrangements with certain investors in the Funds that may be provided terms and conditions that are more advantageous than those set forth in the respective Funds’ offering materials. Such terms and conditions may include special rights to make future investments in the Funds or other investment vehicles or accounts managed by OCM, different transparency rights, reporting rights, different withdrawal/redemption rights, different fee terms, and/or terms to accommodate an investor’s particular legal, tax or regulatory requirements.

OCM does not participate in wrap fee programs.

As of December 31, 2023, OCM manages approximately \$361,219,000 in regulatory assets under management, all of which is managed on a discretionary basis.

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Fees and Compensation

The fees and expenses associated with investments in a Fund are described in detail in each Fund's Offering Documents. OCM acts as investment adviser to the Funds. Either an affiliate of OCM or OCM will act as a general partner to each Fund (each a "General Partner").

OCM may, in its sole discretion, manage other funds or accounts with higher or lower fees, different fee structures and different expense payment arrangements than a Fund. Further, OCM, in its sole discretion, may agree with a Fund investor to waive or modify the application provisions of a Fund's Offering Documents, including the fees charged, with respect to such investor, without obtaining the consent of any other investor.

Set forth below is a summary schedule of a Fund's fees and expenses.

Management Fee. With respect to each Fund, OCM is entitled to fee equal to a percentage of aggregate Commitments held by investors not designated as "affiliated partners" by a general partner, paid quarterly in advance (the "Management Fee").

Expenses of the Fund and Other Expenses. Subject to the terms of the applicable Offering Documents, a Fund will be responsible for, or will reimburse OCM for, all organizational and offering costs of the Fund. Furthermore, a Fund shall bear all costs and expenses related to: (i) organizing, starting up and closing the Fund and offering the Fund interests to potential investors, including legal, accounting, filing, capital raising, offering, and other expenses; (ii) the activities of the Fund (to the extent not reimbursed by a portfolio investment), including the Management Fee, legal, auditing, consulting and accounting expenses (including expenses associated with the preparation of the Fund's financial statements, tax returns and K-1s), insurance and expenses associated with the identification, evaluation, acquisition, holding, valuation and disposition of Fund investment, all expenses in connection with transactions not consummated, and extraordinary expenses (such as litigation, if any).

OCM will render its services to the Funds at its own expense and will be responsible for its overhead expenses including: office rent; utilities; furniture and fixtures; stationery; secretarial/internal administrative services; salaries and bonuses; entertainment expenses; employee insurance and payroll taxes.

Carried Interest Payment. With respect to each Fund, net proceeds from the disposition of the Fund's investments are first distributed to each participating investor (including the general partner) until said investor receives a return of paid-in capital. Thereafter, the remaining proceeds will be distributed to participating investors and to OCM or its affiliate as its carried interest ("Carried Interest").

With respect to payment of the Management Fees as well as expenses of the Fund and other expenses, OCM, or the general partner of the applicable Fund, may draw-down capital commitments from the investors in the Fund, or may use amounts that would otherwise be available for distribution to such investors, in order to meet the Fund's

obligation to pay the Management Fee or applicable expenses. OCM will charge Management Fees quarterly in advance. Management Fee installments for any period other than a full quarterly period shall be adjusted on a pro rata basis according to the actual number of days elapsed.

Other than as described above, as a matter of practice, we are typically paid certain fees with respect to co-investors in an investment. The receipt of such fees will not reduce the management fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors. However, in connection with each Fund investment, OCM or one of its affiliates may enter into a service agreement with the portfolio company for certain consulting, operational and business advisory services, and in connection therewith may earn certain advisory, monitoring, break-up, commitment, directors' or similar fees.

It is very important that investors refer to their respective Fund's governing documents for a complete understanding of how the Firm is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund governing documents.

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Performance-Based Fees and Side-By-Side Management

As stated in Item 5 above, OCM is entitled to receive Carried Interest, to the extent earned, from a Fund. These payments are subject to Section 205(a)(1) of the Advisers Act, in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee-paying clients over other clients in the allocation of investment opportunities. Investors are provided with clear disclosure as to how performance-based fees are charged with respect to a particular Fund and the risks associated with such performance-based compensation prior to making an investment.

Fund assets and liabilities are valued in accordance with OCM's valuation policy. In making valuation determinations, the Firm may be deemed subject to a conflict of interest, especially with respect to illiquid securities, as the valuation of such assets and liabilities affects its compensation. There is no guarantee that the value determined with respect to a particular asset or liability by the Firm will represent the value that will be realized by the Funds on the eventual disposition of the related investment or that would, in fact, be realized upon an immediate disposition of the investment.

The Firm and its respective officers, directors, members or employees will devote such time to the management of the Funds as they deem necessary. However, they are also responsible for advising or providing advisory services to other accounts, and may in the future organize, manage and advise investment funds or other entities with objectives similar to or different from those of the Funds. Conflicts of interest may arise in allocating investment opportunities, management time, services or other functions amongst Funds and such other accounts.

However, the Firm recognizes that it is a fiduciary and, as such, must act in the best interests of Clients. Further, OCM recognizes that it must treat all Funds fairly and must refrain from favoring one Fund's interests over another. The Firm has adopted policies and procedures designed to address conflicts of interest, including procedures regarding the allocation and aggregation of investment opportunities among Funds and a Code of Ethics, which includes a standard of business conduct and establishes policies and procedures with regard to personal securities transactions of OCM personnel.

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Types of Clients

OCM intends to provide investment advisory services to a Fund based on the investment objectives and strategies described in that Fund's Offering Documents. OCM, in its sole discretion, may manage other funds or accounts with different objectives, higher or lower fees and different fee structures.

Investors in a Fund will be required to complete and submit a subscription agreement binding them to the terms of the Fund's governing documents. OCM only admits "accredited investors", as defined in Rule 501(a) of Regulation D under the Securities Act of 1933 and "qualified clients" as defined in Rule 205-3 under the Advisers Act. The minimum investment varies depending on the Fund and may be as much as \$1,000,000, although a General Partner may accept investments in a lesser amount at its sole discretion.

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Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS AND INVESTMENT STRATEGY

The Adviser's principal investment strategies are, as follows. Generally, the Adviser considers investment opportunities where the target business exhibits certain fundamental attributes that the Adviser has found to be the foundations of successful investments. Those attributes include:

Proven, Experienced Management. Management is the most critical factor that determines the success or failure of a lower middle market company. It is not enough to have educated managers to run the various segments of the business. A company must have a strong leader who understands the industry, marketplace, competition, customers, and most importantly his or her company and employees.

Profitability. Profitability is a historical reflection of the strength of a company's management, product lines, and distribution. Since the partnerships are financial investors, it is critical that they align themselves with successful companies, rather than with startups, turn-arounds, or commodity/competitive businesses. Therefore, a target business will have gross margins in its industry which reflect a business with a defensible position and strong value proposition.

Size. A company that is worth investing in should have some amount of critical mass in order to be successful and to have the ability to fund and absorb additional resources. Therefore, any investment candidate should typically have sufficient annual revenue and adjusted operating profit to provide such critical mass. In considering size, the Company will, generally, review the company's EBITDA and profit margin.

Low Customer Concentration. Customer and vendor diversification limits the influence that any one company has on a business. In today's world of mergers, acquisitions, supplier preference agreements, and bankruptcies, companies must be prudent and protect against customer and vendor concentration that can have severe or grave consequences on a company should a customer or vendor change suppliers or go out of business. The Adviser will typically invest in companies where customer and vendor concentration does not exceed the Adviser's targets. However, the Adviser may invest in companies that exceed its threshold if there are extraneous circumstances that justify taking such concentration risk, such as a compelling purchase price, structured payments or guaranteed contracts coupled with powerful return expectations. Of course, in such circumstances, the Adviser will further scrutinize the opportunity in order to understand how such concentration will be mitigated with reasonable profitability during the investment horizon.

RISK OF LOSS: GENERAL AND INVESTMENT (PORTFOLIO COMPANY) RISKS

The below discussion includes and is based upon numerous assumptions and opinions

of OCM, the accuracy of which cannot be assured. There can be no assurance that a Fund's investment strategy will achieve profitable results or that investor ("Fund investors" or "Limited Partners") will not incur substantial or total losses.

An investment in a Fund involves significant risks and other considerations and, therefore, should be undertaken only by prospective investors capable of evaluating and bearing such risks. Fund returns may be unpredictable and, accordingly, a Fund's investment program is not suitable as the sole investment vehicle for an investor. A prospective investor should only invest in a Fund as part of a broad overall investment strategy, and only if the prospective investor is able to withstand both extended periods of illiquidity and a total loss of its investment in a Fund. Prospective investors should carefully consider, among other factors, the matters described below each of which could have an adverse effect on the value of the limited partner interests in the Fund. As a result of these factors, as well as other risks inherent in any investment or set forth elsewhere in this Brochure or various offering documents, there can be no assurance that a Fund will meet its investment objectives or otherwise be able to successfully carry out its investment program. The following list is not a complete list of all risks and other considerations involved in connection with an investment in a Fund. Investors should make their own inquiries and investigation of the investment described herein, including the merits and risks involved and the legality and tax consequences of such an investment, and consult their own advisors as to a Fund, the offering of limited partner interests described herein and the legal, tax and related matters concerning an investment in the Fund.

General Investment Risks

Forward-Looking Information. This Brochure includes forward-looking statements that involve risk and uncertainty including, without limitation, risks involved in the real estate industry. Sentences or phrases that use the words such as "expects," "believes," "anticipates," "hopes," "plans," "may," "can," "will," and others, are often used to flag forward-looking statements, but their absence does not mean a statement is not forward-looking. Such statements reflect the Funds' current opinion and are designed to help readers understand the Fund's thinking. By their very nature, however, such statements are subject to certain risks and uncertainties that could cause actual results to differ materially and adversely from those illustrated herein. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Funds undertake no obligation to release publicly any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

New Venture

The Funds have limited financial and operating history. The Funds' future prospects must be weighed against the risks and difficulties frequently encountered by companies in the early stages of a business enterprise. The Funds cannot provide any assurances that it will be successful in addressing these risks or achieving its objectives.

No Assurance of Investment Return

The Funds' investment portfolio will consist primarily of investments in privately held entities, and results in a specified period will be difficult to predict. While private equity investments offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. There is no assurance that the Funds will be able to invest its capital with attractive terms or generate returns for its investors. Past investment performance is not necessarily indicative of any one Funds' future results. While the applicable General Partner intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that any rate of return will be achieved.

No Assurance of Projected Results

The General Partner will generally determine the appropriate capital structure for each entity in which the Fund invests based upon financial projections for that company. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projection. General economic conditions, which are not predictable, can have a material adverse impact on the accuracy of projections.

Portfolio Company Investment Risk

The Funds will invest in a limited number of portfolio companies. Hence, the aggregate return of the Funds may be affected by the performance of a few holdings. To the extent that less capital is raised than targeted, the Funds may make fewer investments and thus be less diversified. It is possible that the Funds will never be fully invested if not enough quality investments are available or identified by the General Partner due to intense competition or the marketplace. However, Limited Partners will be required to pay annual Management Fees based on the entire amount of their Commitments, or the amount of their unreturned capital contributions, as applicable.

Dilution

Limited Partners admitted to the Funds at subsequent closings will participate in then existing investments of the Funds, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Funds' existing investments at the time of such contributions.

Reliance on Key Persons

The ability of the General Partner to manage the Funds' affairs currently depends on the management team of OCM. There can be no assurance that the members of the management team will remain affiliated with OCM throughout the term of the Funds or otherwise be able to continue to carry on their current duties throughout such term. The

loss of the services of one or more of these individuals, and the inability to recruit and hire replacement or additional key personnel as needed, could have a material adverse effect on the Funds' operations. Furthermore, although investment professionals employed by OCM will commit a significant amount of their business efforts to the Funds, they will not be required to devote all of their business time to the Funds' affairs.

Different Rights Among Investors

The General Partner may, in its sole discretion, enter into side letters and create parallel investment vehicles that provide concessions or different investment rights and obligations with respect to certain investors. The Funds has no obligation to offer such concessions or modify the rights and obligations of investors in the Partnership by reason of the fact that such opportunities were made available pursuant to any side letter or in connection with the creation of any parallel vehicle.

General Economic and Other Conditions

The Partnership's properties may be adversely affected from time to time by such matters as changes in general economic, industrial and international conditions, changes in taxes, prices and costs, and other factors of a general nature that are beyond the control of the Funds.

Conflicts of Interest

An investment in the Funds involves a number of inherent or potential conflicts of interest, which prospective investors should carefully consider before subscribing. Among other things, investors should note that the General Partner or an affiliate will receive management fees. The principals and senior executives of OCM may devote significant time in the future to the management of their other existing investments and professional activities, although certain principals of OCM will devote substantially all of their business activities to the Funds during the respective Funds' investment period, except as otherwise described herein, including any successor fund formed in accordance with applicable offering documents.

Cybersecurity

We collect and hold personally identifiable information of our investors, our employees and their dependents, and in some cases in connection with our investments. In addition, we engage third party service providers that may have access to such personally identifiable information in connection with providing necessary information technology and security and other business services to us. Although we make efforts to maintain the security and integrity of these types of information technology networks and related systems and we have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging.

We face risks associated with security breaches, whether through cyber-attacks or cyber intrusions over the internet, malware, computer viruses, attachments to emails, phishing attempts or other scams, persons inside our organization or persons/vendors with access to

our systems and other significant disruptions of our information technology networks and related systems. Our information technology networks and related systems are essential to the operation of our business and our ability to perform day-to-day operations. Even the most well-protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases, are designed not to be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

A breach or significant and extended disruption in the function of our systems could damage our reputation, generate third party claims, result in the unintended and/or unauthorized public disclosure or the misappropriation of proprietary, personally identifiable and confidential information and require us to incur significant expenses to address and remediate or otherwise resolve these kinds of issues. We may not be able to recover these expenses in whole or in any part from our service providers, our insurers or any other responsible parties. As a result, there can be no assurance that the Funds would not be adversely impacted.

Reliance on Third Parties

The Funds rely on certain third parties to provide certain services, which reliance may ultimately not be justified. Any default by such service provider could have an adverse effect on the Funds, its assets, and the interests of the investors. In addition, the Funds may be liable for actions of its service providers. While the General Partner will attempt to limit the liability of the Funds by reviewing qualifications and previous experience of all service providers, such action may not be sufficient to protect the Funds from liability or loss.

Inflation Risk

In 2022 and 2023, in light of increasing inflation, the U.S. Federal Reserve (the “Fed”) increased interest rates multiple times. Although interest rates have come down slightly in the latter half of 2023, inflation is still a concern and the Fed could raise interest rates again because of the current robust economy, which could create downward pressure on the value of certain investments made by OCM. Further, OCM may face difficulty in realizing value from investments due to sustained declines in equity market values as a result of concerns regarding interest rates. Inflation and rapid fluctuations in inflation rates have in the past had, and may in the future have, negative effects on economies and financial markets. In an attempt to stabilize inflation, governments have imposed changes in interest rates and will likely continue to intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. If inflation were to decrease at rates slower than those anticipated in underwriting investments, the effective rate of return on such investments may be reduced and as a result, could have a material and adverse impact on OCM and its investments.

Financial Institutions Risk

OCM relies upon third-party banks or other custodians to hold and safeguard client assets. While OCM carefully selects and monitors its custodians, there is no guarantee that such custodians will not experience financial difficulties or otherwise fail, which could prevent OCM from accessing client funds, securities, or credit facilities. These events could negatively impact Firm performance or result in substantial delays in the return of capital to investors.

Events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or the financial services industry generally, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. Despite subsequent actions taken by the U.S. Department of the Treasury, the U.S. Federal Reserve and the FDIC to ensure that all depositors of SVB had access to all of their cash deposits following the closure of SVB, uncertainty and liquidity concerns in the broader financial services industry remain.

OCM regularly maintains cash balances at banks or other custodians in excess of the FDIC insurance limit. Each of these parties' access to cash in amounts adequate to pay expenses, purchase new investments and otherwise operate its business could be significantly impaired by the financial institutions with which it maintains cash balances to the extent such financial institutions face liquidity constraints or failures. In addition, investor concerns regarding the U.S. or international financial systems may increase the risk of default of particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have a material adverse effect on the performance of the Firm's investments, returns and the ability of the Firm to make and/or dispose of investments. No assurance can be given as to the effect of these events on the value of, or markets for, investments, or the Firm's ability to recover therefrom. In addition, while it is not always possible to predict the extent of the impact that the failure of any financial institution or the high market volatility and instability of the banking sector could have on economic activity and OCM in particular, the failure of other banks and financial institutions and the measures taken by governments, businesses and other organizations in response to these events could adversely impact the Firm and its investments.

Uncertain Economic, Social and Political Environment

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, pandemics, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect

on the economy generally and on the ability OCM to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Firm and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such on OCM.

It has become common for politicians in the U.S. Congress to use the statutory debt limit of the United States (“Debt Ceiling”) for political gain. If the Debt Ceiling is breached, the U.S. Department of the Treasury may take extraordinary measures to prevent the U.S. from defaulting on its obligations. If Congress does not raise the Debt Ceiling, the U.S. could default on its obligations, including Treasury securities that play an integral role in financial markets. A default by the U.S. could result in unprecedented market volatility and illiquidity, heightened operational risks relating to the clearance and settlement of transactions, margin and other disputes with clients and counterparties, an adverse impact to investors, downgrades in the U.S. credit rating, further increases in interest rates and borrowing costs and a recession in the U.S. or other economies. Even if the U.S. does not default, continued uncertainty relating to the Debt Ceiling could result in downgrades of the U.S. credit rating, which could adversely affect market conditions.

No Guaranteed Distribution

The date that distributions to Limited Partners will actually commence, or their subsequent timing or amount, cannot be accurately predicted. There is no guarantee that such distributions will, in fact, be made, or whether they will be made when anticipated. Delays in making distributions could result from the inability of the Funds to make profitable investments or liquidate such investments at a gain once made. In addition, the terms of any Funds borrowings may also limit the Funds’ ability to make distributions to Limited Partners.

Income, if any, from the Funds will be taxable to the Limited Partners whether or not any amounts are actually distributed to them. There can be no assurance that distributions will be regularly made or that such distributions, if made, will exceed the amount of a Limited Partner’s investment or the amount of taxes payable by a Limited Partner with respect to its investment in the Funds.

Liability of Partners for Repayment of Certain Distributions

Under Delaware law (applicable to an investment in the Funds), if an investor has knowingly received a distribution from the Funds at a time when its liabilities exceed the fair market value of its assets after giving effect to the distribution, the investor is liable to the Funds for a period of three years thereafter for the amount of the distribution. If the Funds are otherwise unable to meet its obligations, the investors may, under applicable law, be obligated to return, with interest, cash distributions previously received by them to the extent such distributions are deemed to constitute a return of their capital contributions or are deemed to have been wrongfully paid to them. In addition, an investor may be liable under applicable Federal and State bankruptcy or insolvency laws to return a distribution made during the Funds’ insolvency.

Illiquidity of Investments

An investment in the Funds should be viewed as illiquid. It is uncertain when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Prior to such time, there often will be no current return on the investments.

Restricted Nature of Investment Positions

Generally, there will be no readily available market for a substantial number of the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Disposition of such investments may require a lengthy time period or may result in distributions in kind to Limited Partners.

Limited Transferability

There will be no public market for subscriptions into the Funds, and none is expected to develop. There are substantial restrictions upon the transferability of subscriptions under the various offering documents and applicable securities laws. In general, withdrawals of investment in the Funds are not permitted.

Leverage

The Funds may utilize a leveraged capital structure to finance its investments, in which case the lender would be entitled to cash flow generated by such investments prior to the Funds or the Limited Partners, as applicable, receiving any distributions. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also increase the risk that actual returns may be lower than targeted and that losses of capital may occur. Rising interest rates, downturns in the economy and other factors may adversely affect the ability of the Funds successfully to utilize leverage financing for investments and may also adversely affect the performance of the investments and the Funds.

Experience of and Reliance upon the General Partner

Management of the Funds, including the right to exercise control over the Funds' investment decisions, is vested exclusively in the General Partner in accordance with the offering documents. The General Partner has authority to manage, control and operate the affairs and business of the Funds and to make decisions in relation thereto, and will have broad discretion with respect to such matters. Limited Partners generally have no right or power to take part in the management of the partnership and, as a result, the investment performance of the Funds will depend entirely on the actions of the General Partner. Although the General Partner will monitor the performance of each portfolio company, it will primarily be the responsibility of each portfolio company's management team to operate such company on a day-to-day basis.

Absence of Recourse

The Partnership Agreement limits the circumstances under which the General Partner and its affiliates will be held to be liable to the Funds. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the applicable offering documents provides that the Funds will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Funds. Such indemnification obligations could have a material effect on the investment returns to Limited Partners.

No Protection Under the Investment Company Act

In reliance upon a statutory exemption for privately offered securities by entities that would otherwise be deemed to be “investment companies,” the Funds are not registered as an investment company under the Investment Company Act of 1940, as amended (the “40 Act”). Thus, the protections afforded by the 40 Act, will not be applicable to the Funds and the Limited Partners.

Recourse to the Funds’ Assets

The Funds’ assets, including any investments made by the Funds and any funds held by the Funds, are available to satisfy all liabilities and other obligations of the Funds. If the Funds becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Funds’ assets generally and not be limited to any particular asset, such as the asset representing the investment giving rise to the liability.

Failure of other Investors to Invest

If a Limited Partner defaults on its obligation to make required capital contributions, it may be difficult for the Partnership to make up the shortfall from other sources. Limited Partners may be required to make additional contributions to replace such shortfall. Any default by one or more Limited Partners could have a negative effect on the Funds, its assets and the interests of the other Limited Partners.

Significant Adverse Consequences for Default

The offering documents provide for onerous consequences in the event a Limited Partner defaults on its capital commitment or other payment obligations. If a Limited Partner fails to pay any of such Limited Partner’s capital commitment to the Partnership when required, such Limited Partner’s subscription may be reduced or sold at a price below cost or fair market value and the Limited Partner may be precluded from further investment in the Funds. Additionally, the General Partner may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including interest and costs, to be paid by the defaulting Limited Partner. The General Partner will be granted additional powers to deal with defaulting Limited Partners in the offering documents. Also, such Limited Partner may be required to indemnify the Funds and the other investors against the consequences of such Limited Partner’s default.

Impact of State and Federal Securities Laws

Fund offerings are not registered under the Securities Act in reliance upon Rule 506 of Regulation D promulgated by the SEC pursuant to Section 4(a)(2) of the Securities Act and upon apparently available exemptions from securities registration under the “blue sky” laws of states in which subscriptions are offered and sold. Investors in the Funds, therefore, will not receive any of the benefits that registration may be deemed to afford. There is no assurance that the offering presently qualifies or will continue to qualify under exemptive provisions. If suits for rescission are brought under the Securities Act and successfully concluded for failure to register this offering, or for acts or omissions constituting offenses under the Securities Act, the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or applicable state securities laws, the assets of the Funds could be adversely affected, thus jeopardizing the ability of the Funds to operate successfully.

Income Tax Risks

An investment in the Funds entails significant tax risks, including: (i) the possibility that certain deductions claimed by the Funds may be disallowed and that any audit of the Funds’ tax return may result in an audit of any Limited Partner’s tax return; (ii) the possibility that the Funds may have taxable income allocable to Limited Partners in an amount greater than the cash available for distribution; (iii) the possibility that the Funds may generate unrelated business taxable income for tax-exempt investors; and (iv) the possibility that future legislative, administrative or judicial interpretations of current law or future legislation will change the tax treatment of investors described herein.

Foreign Investors

Prospective investors that are foreign persons that invest directly in the Funds generally will be subject to federal income tax each year on their distributive share of the taxable income of the Funds that is deemed to be “effectively connected” with a U.S. trade or business as if they were U.S. citizens or residents, regardless of whether the Funds makes any cash distributions. It is expected that at least a significant portion of the Funds’ taxable income may be deemed “effectively connected.” Foreign investors generally will be personally liable to the Funds with respect to any withholding tax not satisfied out of their share of any distributions by the Funds.

Limited Partners may incur UBTI

The Funds’ investments may generate unrelated business taxable income (“UBTI”) for tax-exempt Limited Partners. Investment in the Funds made by a Limited Partner through an individual retirement account (IRA) will be subject to income tax on the amount of UBTI attributable to such investment. Each prospective Limited Partner should consult with its own tax advisor regarding the federal, state, local and foreign tax considerations applicable to an investment in the Funds.

ERISA and Pension Plan Investors

Special considerations apply to employee benefit plans subject to ERISA and other retirement plans and arrangements (such as Individual Retirement Accounts) subject to

Section 4975 of the Code. Fiduciaries investing the assets of such a plan in the Units should satisfy themselves that the investment is consistent with their fiduciary duties under ERISA, including the requirement to diversify the plan's assets, to take into account the liquidity needs of the plan and to comply with plan documents. In addition, fiduciaries should confirm that the investment will not constitute a non-exempt prohibited transaction under ERISA or the Code. Fiduciaries who fail to satisfy their fiduciary duties or who cause a plan to participate in a prohibited transaction can be subject to liability for plan losses, in addition to civil and criminal penalties.

The General Partner intends to rely on exceptions provided by Department of Labor regulations so that the Partnership will not hold the "plan assets" of a plan or arrangement that is subject to ERISA or to Section 4975 of the Code. Despite this intention, there is no assurance that the Partnership will be successful in satisfying the requirements for a plan assets exception under such regulations, in which case the General Partner would become a fiduciary and the Partnership would be subject to significant restrictions which could adversely affect its operations and investments. Also, if the General Partner relies on the plan asset exemption for a "venture capital operating company," the requirements that must be satisfied in order to maintain such qualification could affect the Partnership's choice of investments which could reduce the potential returns to investors.

Fiduciaries investing the assets of an employee benefit plan or other arrangement that is subject to ERISA or Section 4975 of the Code are advised to consult with their own counsel regarding these and other ERISA risks.

Conflicting Interests among Limited Partners

Limited Partners in the Partnership may include persons or entities organized in various jurisdictions who may have conflicting investment, tax and other interests with respect to their investment in the Units. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments, the structuring of the acquisition of investments and the timing of the disposition of investments. Such structuring of investments may result in different after tax returns being realized by different Limited Partners. As a consequence, conflicts of interest may arise in connection with decisions to be made by the General Partner, including, without limitation, with respect to the nature or structuring of investments that may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to a Limited Partner's individual tax situation. In selecting and structuring investments, the General Partner will consider the investment and tax objectives of the Partnership as a whole, not the investment, tax or other objectives of any Limited Partner individually.

Carried Interest of the General Partner

Because the percentage of the Funds' profits allocated to the General Partner in respect of its carried interest and capital contributions will exceed the capital contributions of the General Partner as a percentage of the aggregate capital contributions of the Fund, the General Partner may have an incentive to make investments that involve greater risk or speculation than would be the case in the absence of such performance-based compensation.

Legal Counsel

DLA Piper LLP (US) (“DLA Piper”) is acting as legal counsel to the Funds and the General Partner in connection with offering of subscriptions. Potential investors should be aware that DLA Piper represents or has represented OCM and its affiliates in prior transactions and may represent OCM and its affiliates in other transactions in the future. DLA Piper is not acting as legal counsel for any third-party Limited Partners or potential Limited Partners and disclaims any fiduciary or attorney-client relationship with the Limited Partners and potential Limited Partners. Investors are advised to retain and consult with their own legal counsel. It is possible that in the future, the interests of the Funds, the General Partner and OCM may preclude DLA Piper from representing all parties. In such a circumstance, additional legal counsel may need to be retained in order to assure all parties that their respective legal interests are adequately represented.

Item 9

Disciplinary Information

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

There are no legal or disciplinary events with respect to an evaluation of OCM's advisory services or the integrity of management.

Item 10

Other Financial Industry Activities and Affiliations

OCM is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of OCM are registered representatives of a broker-dealer.

Neither OCM nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

As discussed in Items 4 and 8, each Fund has one or more Advisory Committee(s) consisting of the Partners. Functions of the Strategic Advisory Committees generally include (i) interacting with portfolio company management teams by providing operational support and systematic market and client feedback, (ii) incubating new ideas and (iii) generally advising OCM with respect to portfolio investments. The Partners do not provide investment advice on behalf of OCM and are not subject to the supervision and control of OCM.

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

Item 11

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

OCM has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Adviser Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of OCM’s supervised persons. The Code contains policies and procedures that supervised persons execute personal securities trading in a manner that mitigates actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. OCM requires pre-clearance of purchases of securities, an IPO or a new private placement; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

As part of its Code, OCM has established procedures to reduce the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of OCM would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of OCM has received material, non-public information, and, therefore, may not trade due to the receipt of that information.

OCM will provide a copy of the Code to any Fund investor or prospective Fund investor, upon request, by contacting William Newbrander, the Firm’s Chief Compliance Officer, at wnewbrander@osceola.com.

In connection with sponsoring a Fund, OCM and certain affiliates may have an economic interest in the Fund, its General Partner or both. Other than with respect to these interests, neither OCM nor any of its related persons invest in the same or related securities that either OCM or its related persons recommend to the Fund.

Item 12

Brokerage Practices

OCM's investment strategy involves private equity investments. As a result, OCM does not generally select or recommend broker-dealers for the purchase and sales of securities. In the event where the Firm must select broker-dealers for particular transactions, OCM has full discretionary authority with respect to the selection of, and commissions paid to, brokers. If we determine to engage a broker, we will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness to us, and the value to us of research provided, if any.

Furthermore, OCM does not maintain any trading accounts and does not use "soft" dollars received from broker-dealers from the purchase and sales of securities for its clients.

Item 13

Review of Accounts

OCM will maintain comprehensive review procedures for the ongoing monitoring of the portfolio investments of the Funds. In connection therewith, OCM conducts periodic reviews of all portfolio company investments held by the Funds as it deems appropriate. All of OCM's investment and operational staff participate in the ongoing monitoring of a Fund's portfolio, although responsibilities vary by individual. Performance, security positions and investment opportunities are among some of the matters that may be reviewed.

OCM will provide written periodic financial reports, such as audited annual financial statements, to the Investors in the Funds. This reporting includes customary financials relating to the business and operations of the Funds.

Item 14

Client Referrals and Other Compensation

OCM does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Funds.

The Firm utilizes placement agents and has entered into written arrangements with such placement agents to solicit investors into certain of the Funds. All such compensation is fully disclosed to each investor consistent with applicable law. All such referral activities are conducted in accordance with Rule 206(4)-1 under the Advisers Act as well as relevant SEC guidance. As described in the Firm's written service agreements with the placement agents, the placement agents receive compensation ranging from 1.00% to 2.25% on all capital commitments raised and accepted by the Funds' from referred or solicited investors. Due to the agreements the Firm has with the placement agents, the placement agents have an incentive to recommend the Firm, resulting in a material conflict of interest.

Item 15

Custody

OCM will be deemed under Rule 206(4)-2 under the Adviser Act (the “Custody Rule”) to have custody of the assets of the Funds by virtue of its relationship with the General Partner.

The Custody Rule requires that an investment adviser advising pooled investment vehicles that are deemed to have custody pursuant to the Custody Rule undergo an annual GAAP financial statement audit or be subject to a surprise custody examination by a Public Company Accounting Oversight Board-registered accounting firm. With the exception of assets that are considered to be “private offered securities” under Rule 206(4)-2(b), OCM or its affiliates enter into agreements with qualified custodians to maintain custody of the Funds’ assets as required by the Custody Rule. These qualified custodians generally include banks, registered broker dealers and potentially certain foreign financial institutions. The Funds are responsible for all costs of such qualified custodians.

OCM has elected to undergo an annual GAAP financial statement audit of the Funds, copies of which are delivered to each Fund Limited Partner within 120 days of the end of each fiscal year, satisfying the requirements of the Custody Rule.

OCM urges all Fund Limited Partners to carefully review such statements received from the Firm, its administrator and/or custodians.

Item 16

Investment Discretion

OCM will exercise discretion in managing the investments of the Funds, based on each Fund's investment objectives, policies and strategies disclosed in its Offering Documents. The limitations on such authority are described in a Fund's Offering Documents. Side letters with certain limited partners will also alter or vary the terms applicable to such limited partner's investment in a Fund. For example, a side letter may provide a Fund Limited Partner different fee terms. See Item 4 above.

OCM will contractually assume discretionary authority over the assets of the Funds under an investment management agreement entered into among OCM, the Funds and the Funds' General Partner.

Item 17

Voting Client Securities

OCM's investment strategy involves private equity investments. As a result, OCM does not generally hold Fund investments in public equity securities and therefore does not generally receive proxies on behalf of its clients though it has the authority to do so.

Item 18

Financial Information

OCM does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Fund.

OCM has not been the subject of a bankruptcy petition at any time during the past ten years.