

## **Form ADV Part 2A: Firm Brochure**

### **Àshe Capital Management, LP**

March 29, 2019

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201-464-0962

This brochure provides information about the qualifications and business practices of Àshe Capital Management, LP (“Àshe”). If you have any questions about the contents of this brochure, please contact William Harker at 201-464-0962 or email wrh@ashecap.com. 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 Àshe is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

This brochure serves as an update of the brochure dated March 31, 2018. While Àshe does not believe that there have been any material changes to this brochure, this brochure contains routine annual updates to the disclosure concerning risk factors and conflicts of interest.

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## Item 4: Advisory Business

Àshe is a limited partnership organized under the laws of the State of Delaware to provide investment management services to a related pooled investment vehicle. Àshe is primarily owned and controlled by William C. Crowley, Stephen M. Blass and William R. Harker (together, the “Founders”), and is the successor entity to Àshe Capital Management, LLC, which the Founders caused to be formed in 2013.

Àshe provides discretionary investment advice to Àshe Capital Partners, LP, a Delaware limited partnership (the “Partnership”). An affiliate, Àshe Capital Partners (GP) LLC, (the “General Partner”) a Delaware limited liability company serves as the general partner to the Partnership. The General Partner is owned and controlled by the Founders.

The Partnership will seek to generate high, risk-adjusted returns by making investments broadly in securities and other instruments including without limitation, publicly-traded equities and other instruments, equity equivalent positions, debt and other financial instruments, rights, options and interests across a range of industries and markets. In providing services to the Partnership, among otherthings, Àshe (i) manages the Partnership’s assets in accordance with the terms of the

applicable governing documents; (ii) formulates investment objectives; (iii) directs and manages the investment and reinvestment of the Partnership's assets; and (iv) provides periodic reports to investors. Àshe provides investment advice directly to the Partnership and not individually to the Partnership's limited partners or investors. Investment restrictions for the Partnership, if any, are generally established in the applicable Partnership's governing document.

Àshe also provides discretionary investment advice to Àshe Capital Partners Co-Invest I, LP, a Delaware limited partnership ("Co-Invest Fund I"). An affiliate, Àshe Capital Partners Co-Invest (GP), LLC ("Co-Invest GP I") a Delaware limited liability company, serves as the general partner to Co-Invest Fund I. Co-Invest GP I is owned and controlled by the Founders.

Àshe also provides discretionary investment advice to Àshe Capital Partners Co-Invest II, LP, a Delaware limited partnership ("Co-Invest Fund II"). An affiliate, Àshe Capital Partners Co-Invest II (GP), LLC ("Co-Invest GP II") a Delaware limited liability company, serves as the general partner to Co-Invest Fund II. Co-Invest GP II is owned and controlled by the Founders.

Àshe also provides discretionary investment advice to Àshe Capital Partners Co-Invest III, LP, a Delaware limited partnership ("Co-Invest Fund III," and together with Co-Invest Fund I and Co-Invest Fund II, the "Co-Invest Funds"). An affiliate, Àshe Capital Partners Co-Invest III (GP), LLC ("Co-Invest GP III" and together with Co-Invest GP I and Co-Invest GP II, the "Co-Invest GPs"), a Delaware limited liability company, serves as the general partner to Co-Invest Fund III. Co-Invest GP III is owned and controlled by the Founders.

The Co-Invest Funds and similar funds that Àshe may offer generally provide investors the ability to increase exposure to certain positions held by the Partnership and provides Àshe with the opportunity to outsize investments that it deems to be more opportunistic without distorting the overall risk/return profile of the Partnership via excess concentration in one or more positions held in the Partnership.

Àshe may, in the future, organize additional investment vehicles that follow an investment strategy similar to or different from the investment program of the Partnership and the Co-Invest Funds.

From time to time, the Partnership and Co-Invest Funds may, to the extent permitted by the Rules of the U.S. Financial Industry Regulatory Authority ("FINRA") as may be amended from time to time (the "Rules"), purchase equity securities that are part of an initial public offering (sometimes referred to as "IPOs" or "new issues"). Under the Rules, brokers may not sell such securities to a private investment partnership, if the partnership has investors who are "Restricted Persons," which category includes persons employed by or affiliated with a broker and portfolio managers of hedge funds and other registered and unregistered investment advisory firms, unless the partnership has a mechanism in place that excludes such Restricted Persons from receiving allocations of profits from new issues. The profits and losses with respect to new issues will generally be allocated to investors in the Partnership and Co-Invest Funds that are Unrestricted Persons.

As of December 31, 2018, Àshe had approximately \$1.25 billion of assets under management.

## Item 5: Fees and Compensation

Àshe's compensation for the investment advisory services it provides to the Partnership is comprised of an asset-based management fee and an incentive allocation that is based on the performance achieved for the account of each investor. The fees and expenses applicable to the Partnership are set forth in detail in the Partnership's confidential private placement memorandum. A brief summary of fees and expenses is provided below.

### Management Fee

Each Investor will effectively be charged an annual asset based charge and payment (the "Management Fee") equal to no more than 1.5% per annum of the net asset value of an investor's investment in the Partnership. The Management Fee will be paid quarterly in advance and will be deducted from the relevant accounts. Capital contributions made as of times other than the first day of a calendar quarter will be assessed a pro rata Management Fee at the time such contribution is made. In the case of a withdrawal by an Investor other than as of the last day of a calendar quarter, a pro rata refund will be repaid by Àshe to the Partnership and credited to the withdrawing Investor.

### Incentive Allocation

Investors will also bear an annual performance-based amount (the "Incentive Allocation") which is calculated and charged separately with respect to each investor's capital account, equal to no more than 18% of the performance (for that year) attributable to each investor's capital account, subject to a standard high-water mark. The Incentive Allocation will also be charged on the day on which an investor makes a partial or total withdrawal from the Partnership, or an investor receives a distribution, and on the day on which the Partnership finally liquidates.

The Management Fee and Incentive Allocation may be reduced, waived or calculated differently with respect to any person, including through separate written agreements with investors.

### Other Expenses

The Partnership will bear all of its administrative and operating expenses (including, without limitation, the Management Fee, legal, bookkeeping, accounting, auditing, compliance, operations systems, investment banking, research (including Bloomberg fees and expenses), technology and professional expenses, professional liability insurance, bank service fees, expenses incurred in preparing, printing and delivering all reports, Partnership documents and tax information for investors and regulatory authorities, and all filing costs and fees) and all of its investment fees and expenses, including, without limitation, fees and expenses of any external consultants and administrators, SEC, Hart-Scott-Rodino Act and other reporting and filing expenses and costs incurred by the General Partner generally or in connection with specific shareholder initiatives (such as the costs of calling shareholder meetings, proxy solicitation fees and costs, and professional consulting fees), Form PF expenses, custodial costs, prime brokerage costs, valuation costs (including expenses incurred in connection with services performed by the valuation agent), due diligence (including related travel expenses), purchase or sale of investments whether or not the investment is consummated, any taxes, fees or other governmental charges levied against the Partnership, any information technology expenses incurred in connection with the Partnership's

activities, brokerage costs and interest on any indebtedness, expenses related to the advisory committee, costs of certain communications with prospective investors and limited partners, costs of holding meetings of investors as will be determined by Àshe or the General Partner and costs of any other service providers. The Partnership will also bear any extraordinary expenses it may incur, including any litigation expenses. The Partnership will bear a pro rata share of the (i) organizational and other expenses relating to the formation of the Partnership and any investment vehicle formed on behalf of the Partnership and (ii) expenses related to the offering of interests. The General Partner and Àshe are authorized to incur and pay in the name and on the behalf of the Partnership all expenses that they deem necessary or advisable. Organizational expenses may, for net asset value purposes, be amortized over a period of up to sixty (60) months from the date the Partnership commences operations.

For more information regarding Àshe's brokerage practices and brokerage expenses discussed herein, please see Item 12.

The Partnership may enter into separate agreements, commonly referred to as "side letters", or other similar agreements with a particular investor in connection with its admission to the Partnership without the approval of any other investors, which would have the effect of establishing rights under or supplementing the terms of the Partnership's subscription agreement with respect to such investor in a manner more favorable to such investor than those applicable to other investors. Such rights or terms in any such side letter or other similar agreement may include, without limitation: (i) the General Partner's agreement to exercise its discretionary authority under the partnership agreement and herein in certain respects for the benefit of such investor, including, to alter the Incentive Allocation, Management Fee or applicable lock-up period, (ii) the General Partner's agreement to extend certain information rights or additional reporting to such investor, (iii) restrictions on, or special rights of such investor with respect to activities of the General Partner or (iv) withdrawal rights due to regulatory, legal or policy matters.

Àshe's compensation for the investment advisory services it provides to the Co-Invest Funds is an incentive allocation that is earned after the achievement of a preferred rate-of-return. Any expenses shared between the Partnership and Co-Invest Funds will generally be allocated pro-rata based on overall entity assets, or in case of investment-related expenses, will be in proportion to the amount of the investment held by the Partnership and Co-Invest Funds.

## **Item 6: Performance Based Fees and Side-by-Side Management**

Àshe or its affiliates receive annual performance-based allocations from the Partnership, which are based on a percentage of the net capital appreciation of their assets. As noted above, the Co-Invest Funds would pay an incentive allocation following the achievement of a preferred rate-of-return. These allocations may create an incentive for Àshe to make more speculative investments than would otherwise be made, or make decisions regarding the timing and manner of realization of investments differently than if such allocations were not received.

## **Item 7: Types of Clients**

Àshe provides investment advisory services to the Partnership and Co-Invest Funds subject to the direction and control of the General Partner and Co-Invest GPs and not individually to the investors. Investors in the Partnership may include, but are not limited to, high net worth

individuals, family offices, endowments, foundations, trusts, charitable organizations, pension plans, and corporate or business entities.

Details concerning applicable investor suitability criteria are set forth in the Partnership's offering documents and subscription materials. The same investor suitability criteria exist for the Co-Invest Funds. The minimum commitment for an investor is outlined in the Partnership's governing documents, but is generally \$5 million. However, Àshe and the General Partner maintain discretion to accept less than the minimum investment threshold. Each investor is required to meet certain suitability qualifications, such as being an "accredited investor" within the meaning set forth in Regulation D under the Securities Act, as amended, and a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act, as amended.

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

While the disclosures below apply directly to the Partnership, the information generally applies to the Co-Invest Funds as well. Notwithstanding, an investment in the Co-Invest Funds may present different risks than outlined below; accordingly, investors in the Co-Invest Funds are encouraged to contact William Harker at 201-464-0962 or email [wrh@ashecap.com](mailto:wrh@ashecap.com) with any additional questions.

### Methods of Analysis and Investment Strategies

Àshe will seek to earn high risk-adjusted returns by investing in a select number of extraordinary companies based on exhaustive proprietary research and an extensive understanding of the underlying businesses, industries and management teams. Àshe generally looks for either (a) operating companies that already have high or improving returns on invested capital or (b) businesses that are rich in undervalued assets and have an owner and/or management team committed to realizing that value.

The foundation for extraordinary long-term investment returns is the preservation of capital. As such, Àshe will focus on paying conservative prices for businesses that have owner-oriented management teams committed to growing shareholder value through a thoughtful reinvestment strategy. In addition to finding safety in conservative pricing and management alignment, Àshe will also place significant emphasis on favorable long-term business characteristics, such as dominant market shares, demonstrable barriers to entry, growing end markets, strong cash flow generation, and the ability to reinvest at high returns on invested capital. Àshe believes that characteristics such as these will help protect and grow the real value of the capital invested in the underlying businesses.

Àshe will primarily invest in U.S. and Canadian publicly-traded equity securities. Àshe may also invest in equity securities in other markets, debt, preferred equity, warrants, convertibles and other securities that Àshe believe offer high, risk-adjusted returns. Àshe does not rely on leverage to augment returns and does not expect short selling, swaps, derivatives or hedging to be a significant component of its portfolio. In certain instances, Àshe may acquire securities of companies that are experiencing significant financial or operational difficulties and of companies that are, or appear likely to become, bankrupt or involved in a debt restructuring or other major capital transaction.

Àshe conducts extensive fieldwork for its investments, including interviews with current and

former employees, customers, suppliers and competitors. Where appropriate for the industry, this work will include site visits in addition to extensive phone calls and document retrieval. The investment team believes in the value of reviewing key contracts and source documents available only by poring through often obscure public filings including leases, permit applications and mortgage and insurance filings to understand the unit economics and drivers of a particular business.

Because all companies compete within an industrial ecosystem, Àshe works to understand how and why long-term industry fundamentals may be evolving. Given the paramount importance of management in the process of reinvestment, Àshe conducts thorough diligence on key members of a company's management team and its board of directors prior to making a significant commitment of capital.

Àshe invests either where a company's management and board of directors has demonstrated alignment with its owners, or where Àshe believe they can help create the appropriate alignment, including by joining the board of directors. When evaluating alignment, Àshe's primary focus is capital allocation, which Àshe believe is the most important lever for creating value over time.

### Risk of Loss

Investing involves substantial risks, including the risk of total loss of capital, and may not be suitable for all investors. No guarantee or representation is made that the Partnership's investment program, including, without limitation, the Partnership's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of investments otherwise made by the investment professionals of Àshe are not necessarily indicative of the Partnership's or Àshe's future performance.

The following are certain of the principal risks associated with the investment activities of the Partnership:

**Investments in Undervalued Securities.** One of the primary objectives of Àshe's investment strategy is to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there can be no assurance that such investment opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the investment strategy may not adequately compensate investors for the business and financial risks assumed. A prospective investor should be aware that it may lose all or part of its investment in the Partnership because the Partnership may be forced to sell, at a substantial loss, undervalued securities that have not achieved projected value. In addition, the Partnership may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Partnership's funds would be committed to the securities purchased, thus possibly preventing the Partnership from investing in other opportunities.

**Investments in Publicly-Traded Securities.** Àshe will primarily invest in securities that are publicly traded and are therefore subject to the risks inherent in investing in public securities. When investing in public securities, Àshe may be unable to obtain financial covenants or other contractual rights, including management rights that it might otherwise be able to obtain in

making privately negotiated investments. Moreover, Àshe may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to privately negotiated investments.

**Debt Investments.** Àshe may make investments in debt instruments or convertible debt securities. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including, investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions.

**Use of Leverage.** Certain of the companies in which Àshe may invest may have significant leverage. The leveraged capital structures of such companies increases exposure to adverse economic factors such as rising interest rates, downturns in the economy and/or deterioration in the condition of the company or its industry. Such increased exposure to adverse economic factors may decrease the overall return realized by the Partnership compared to the overall return that may have been realized if leveraged capital structures had not been used.

While Àshe does not intend to use leverage to augment returns, it is authorized to borrow money from third parties or guarantee the obligations of others for any purpose consistent with the Partnership's objectives in the discretion of the General Partner, subject to a cap of 20% of the aggregate Net Asset Value of the Partnership as of the time such borrowings are made. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the investments purchased or carried. If investment results fail to cover the cost of borrowings, the Partnership's Net Asset Value could decrease faster than if there had been no borrowings.

**Distressed Securities.** Certain of the Partnership's assets may be invested in distressed securities. Investments in distressed securities involve acquiring securities of companies that are experiencing significant financial or operating difficulties and of companies that are, or appear likely to become, bankrupt or involved in a debt restructuring or other major capital transaction.

Investment in distressed securities involves a high degree of credit and market risk. There can be no assurance that such financially or operationally troubled issuers can be successfully restructured or transformed into profitable operating companies. Distressed securities are less liquid and more volatile than securities of companies not experiencing financial or operating difficulties. As a result, the Partnership may experience delays and incur losses and other costs in connection with the sale of such securities.

Àshe may invest Partnership assets in the securities of companies involved in bankruptcy proceedings, reorganizations and financial restructurings and may have a more active participation in the affairs of the issuer than is typically assumed by an investor. This may subject the Partnership to litigation risks or prevent the Partnership from disposing of securities. In addition, under certain circumstances, payments to the Partnership and distributions by the Partnership to the investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment under applicable law.

**Investment in Small Companies.** There is no limitation on the size or operating experience of



the companies in which the Partnership may invest. Some small companies in which the Partnership may invest may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small factors in their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

**Hedging and Derivatives.** Àshe may employ, from time to time, a wide variety of hedging techniques to reduce the risk of speculative investments in securities and hedge against the effects of market conditions. Such techniques include taking long and short positions in related securities and the use of futures, swaps, forwards, options and other derivative instruments. There remains a substantial risk that such hedging techniques may not always be possible or effective in limiting potential risks or losses. Furthermore, in certain transactions, Àshe may not be “hedging” against market fluctuations. If Àshe’s judgment about the general direction of the securities markets or other economic conditions is incorrect, the Partnership could incur losses on such transactions. It is not possible to hedge fully or perfectly against any risk, and a hedge transaction might nevertheless produce a net loss. Àshe may determine in its sole discretion not to hedge against certain risks, and certain risks may exist that Àshe may not be able to effectively hedge against or accurately anticipate.

**Short Sales.** Àshe may effect short sales, although it is not expected to be a significant activity. Short selling is the practice of selling securities that are not owned by the seller, generally when the seller anticipates a decline in the price of the securities or for hedging purposes. This practice runs the risk of losing an amount greater than the amount invested. Short selling may be subject to unlimited risk of loss because there may be no limit on how much the price of a security may appreciate before the short position is closed out. An increase in the value of any security that is the subject of short selling by Àshe may have a material adverse effect on the assets of the Partnership, and therefore the return on investment of the Partnership. In addition, the supply of securities which can be borrowed fluctuates from time to time. The Partnership may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if the Partnership is otherwise unable to borrow securities which are necessary to maintain its short positions.

**Put and Call Options.** Àshe may purchase exchange-listed and over-the counter put and call options on specific securities, or may write and sell covered or uncovered call and put option contracts. Options on specific securities may be used by Àshe to seek enhanced profits with respect to a particular security or may be used for various defensive or hedging purposes. Use of put and call options may result in losses to the Partnership, force the sale or purchase of portfolio securities at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation the Partnership can realize on its investments or cause the Partnership to hold a security it might otherwise sell. An adverse price movement may result in unanticipated losses with respect to covered options sold by the Partnership. The use of uncovered option writing techniques may entail greater risks of potential loss to the Partnership than other forms of options transactions.

**Concentration of Investments.** The Partnership’s assets may not be diversified. While a single investment generally may not exceed 25% or more of the Partnership’s net asset value at the time of investment, future performance could result in higher concentration. Any such non-diversification would increase the risk of loss to the Partnership if there was a decline in the

market value of any security or sector in which the Partnership had invested a large percentage of its assets. Investment in a non-diversified fund will generally entail greater risks than investments in a diversified fund.

**Cybersecurity.** With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, the Partnership and its service providers (including Àshe) may be prone to operational and information security risks resulting from cyber-attacks and/or other technological malfunctions. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks include, among other things, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Partnership, Àshe or a custodian or other third-party service provider may adversely affect the Partnership or investors. For instance, cyber-attacks may affect the Partnership's ability to calculate its net asset value, cause the release of private investor information or confidential Partnership information, impede trading, expose Partnership, Àshe or investor assets to theft or embezzlement, cause reputational damage, and subject the Partnership to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. While Àshe has established business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, similar risks apply to many portfolio companies that the Partnership may invest in, and any such adverse impact to those portfolio companies could adversely impact the Partnership.

**Systems Risks.** The Partnership may rely on computer programs to evaluate certain securities and other investments, to monitor the Partnership's portfolio, to trade, clear and settle securities transactions, and to generate asset, risk management and other reports that are utilized in the oversight of the Partnership's activities. In addition, certain of the Partnership's and Àshe's operations interface with or depend on systems operated by third parties, including custodians and the fund administrator, and Àshe may not always be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer 'worms,' viruses and power failures. Such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Partnership's ability to monitor its investment portfolio and risk. Any such defect or failure could cause the Partnership to suffer financial loss, the disruption of its business, liability to clients or third parties, regulatory intervention or reputational damage.

The descriptions of risk factors contained above are a brief overview of different market risks related to Àshe's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Partnership. In addition, key risk areas inherent to investing also include risks related to the operations and investment activities of the Partnership, risks related to specific investments, and risks related to non-U.S. securities and non-U.S. jurisdictions.

Investors are recommended to review the Partnership's confidential private placement memorandum and other governing documents for a more complete discussion of the risk factors associated with the Partnership.

## Item 9: Disciplinary Information

Neither Àshe nor any of its officers, directors, or employees or other management persons, has been involved in any legal or disciplinary events that would require disclosure in response to this Item.

## **Item 10: Other Financial Industry Activities and Affiliations**

As noted, Ashe Capital Partners (GP) LLC, an affiliate, is the General Partner of the Partnership, Co-Invest GP I is the General Partner of Co-Invest Fund I, Co-Invest GP II is the General Partner of Co-Invest Fund II and Co-Invest GP III is the General Partner of Co-Invest Fund III. While none of the general partners are separately registered as investment advisers with the SEC, all of their investment advisory activities are subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and the rules thereunder. In addition, employees and persons acting on behalf of the general partners, if any, are subject to the supervision and control of Àshe.

Other than the relationship described above, neither Àshe nor its employees have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

### Code of Ethics

Àshe has adopted a written Code of Ethics (the “Code”) that is applicable to all employees. Among other things, the Code requires Àshe and its employees to act in clients’ best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. Àshe's restrictions on personal securities trading apply to employees, as well as employees’ family members living in the same household. A copy of Àshe’s Code is available upon request by contacting William Harker at 201-464-0962 or email [wrh@ashecap.com](mailto:wrh@ashecap.com).

### Participation or Interest in Client Transactions

Àshe, its employees or a related entity (collectively “Related Persons”), will have an investment in the Partnership and Co-Invest Funds. Consequently, Related Persons have an interest in an investment that may also be recommended to the Partnership and/or Co-Invest Funds.

### Personal Trading

Employees must pre-clear certain personal securities transactions, including IPO’s and securities obtained through a private placement, before completing the transactions. Àshe may deny any proposed transaction, particularly if the transaction poses a conflict of interest or if Àshe is evaluating transacting the same security at or about the same time in the Partnership and/or Co-Invest Funds. Employees are also required to provide quarterly reports regarding transactions and holdings in “Reportable Securities” as defined in the Advisers Act. Employees must disclose all personal trading accounts initially upon commencement of employment and annually thereafter.

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## **Item 12: Brokerage Practices**

### Selection of Brokers and Dealers

Àshe will be responsible for the placement of the portfolio transactions of the Partnership and Co-Invest Funds and the negotiation of any commissions or spreads paid on such transactions. Portfolio transactions normally will be effected through brokers on securities exchanges or directly with the issuer, or through an underwriter, or market maker or other dealer for the investments. Portfolio transactions will be executed by brokers selected solely by Àshe in its absolute discretion.

In selecting brokers to effect portfolio transactions for the Partnership and Co-Invest Funds, Àshe considers such factors as the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of related services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying our selection criteria. Accordingly, if Àshe determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, the Partnership and Co-Invest Funds may pay commissions to such broker in an amount greater than the amount another broker might charge for effecting the same transaction.

### Receipt of Research and Other Benefits

Àshe may effect securities transactions through a number of broker-dealers. By virtue of it conducting business with broker-dealers, Àshe may receive certain economic benefits from such broker-dealers which would not be received if Àshe did not transact through the broker-dealers. These benefits may include, but are not limited to: access to an electronic communication network for order entry and account information; receipt of proprietary research; and participation in broker-dealer sponsored research and capital introduction conferences. Àshe understands that the benefits received through its relationship with the broker-dealers (including prime brokers) generally do not depend upon the amount of transactions directed to, or amount of assets custodied by, the broker-dealers.

### Trade Errors

Àshe seeks to detect trade errors prior to settlement and to correct and/or mitigate them in an expeditious manner.

To the extent an error is caused by a third party, such as a broker, Àshe will seek to recover any losses associated with the error from that third party. However, there is no guarantee that Àshe will be able to do so. In the event that the Partnership or the Co-Invest Funds incur a trade error solely as a result of Àshe's bad faith, gross negligence, or willful misconduct, such error will be corrected by Àshe as soon as practicable and in a manner such that the Partnership and Co-Invest Funds incur no loss. Trade errors that result from other than by breach of the standard of care stated in the previous sentence will be borne by the Partnership and Co-Invest Funds. To the extent that any gains arise from trading errors then such gains will be retained by the Partnership

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and Co-Invest Funds that benefited from such errors.

### Investor Introductions

Prime brokers or their affiliates may provide capital introduction or other placement services to the Partnership, the Co-Invest Funds, and Àshe (with or without separate charges for such other services). To the extent the General Partner and/or the Co-Invest GPs use a placement agent or similar agent with respect to the placement of interests of any investor, which prospective investors solicited by such placement agent or similar agent may be asked to acknowledge, the related placement fees and/or sales charges may be paid by the Partnership and/or Co-Invest Funds, in which case the Management Fee charged to the investor (in the case of the Partnership) in question will be reduced on a dollar-for-dollar basis by the amount of any such placement fees or sales charges advanced by the Partnership (but in no event will the Management Fee be reduced below zero).

## **Item 13: Review of Accounts**

The holdings of the Partnership and the Co-Invest Funds are reviewed on a continuous basis. Àshe's investment personnel hold investment meetings, as necessary, to discuss investment ideas, investment strategies, economic developments, current events, and other issues related to current portfolio holdings and potential investment opportunities.

Investors are provided with the following reports in accordance with the terms of the Partnership's offering memorandum and partnership agreement: (i) quarterly capital account statements, (ii) annual audited financial reports; and (iii) annual tax information necessary to complete any applicable tax returns. Investors in the Co-Invest Funds are provided with similar reports.

## **Item 14: Client Referrals**

To the extent Àshe uses a placement agent or similar agent with respect to the placement of interests of any investor, the related placement fees and/or sales charges may be paid by the Partnership, in which case the Management Fee charged to the investor in question will be reduced on a dollar-for-dollar basis by the amount of any such placement fees or sales charges advanced by the Partnership (but in no event will the Management Fee be reduced below zero).

## **Item 15: Custody**

Àshe is deemed to have custody of the assets of the Partnership and the Co-Invest Funds because of the authority that Àshe and/or its affiliated entities have over those assets. The financial statements of the Partnership and the Co-Invest Funds 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 investor. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of the fiscal year end of the Partnership and Co-Invest Funds.

## **Item 16: Investment Discretion**

Àshe generally has discretionary authority to determine, without obtaining specific consent from the Partnership and Co-Invest Funds or their investors, the securities and the amounts to be bought or sold on behalf of the Partnership and Co-Invest Funds. Any limitations on such authority are included in the Partnership's Offering Memorandum and Partnership Agreement, and are generally applicable to the Co-Invest Funds.

### **Item 17: Voting Client Securities**

Àshe will be responsible for voting client proxies. Àshe has developed a written policy and procedures governing its activities in this area. In general, the policy requires Àshe to vote proxies in the interest of maximizing shareholder value. In addition, Àshe maintains a record of all proxy votes cast on behalf of the Partnership and the Co-Invest Funds. Investors wishing to obtain a copy of Àshe's complete proxy voting policy or a copy of Àshe's proxy voting record may contact Àshe at the number listed on the cover page of this brochure.

In addition, if "Class Action" documents are received by Àshe on behalf of the Partnership and Co-Invest Funds, Àshe and/or the General Partner will ensure that the Partnership and Co-Invest Funds either participate in, or opt out of, any class action settlements received. Àshe will determine if it is in the best interest of the Partnership and the Co-Invest Funds to recover monies from a class action. In the event Àshe opts out of a class action settlement, Àshe will maintain documentation of any cost/benefit analysis to support its decision.

### **Item 18: Financial Information**

Àshe has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.