

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

**Ottawa Avenue Private Capital, LLC**

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March 29, 2019

*This brochure provides information about the qualifications and business practices of Ottawa Avenue Private Capital, LLC (the "Company"). If you have any questions about the contents of this brochure, please contact us at (616) 278-6000 or contact our Chief Compliance Officer, Phillip Haan, at [philliph@oapc.com](mailto:philliph@oapc.com). The information in this brochure has not been approved or verified by the SEC or by any state securities authority.*

*Additional information about the Company is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*The Company is an investment adviser that is registered with the United States Securities and Exchange Commission (the "SEC"). Registration with the SEC as an investment adviser does not imply a certain level of skill or training.*

## **Item 2:     Material Changes**

The following material changes have been made to the Company's (as defined below) disclosure brochure since this document was last updated on March 29, 2018.

- Item 4 has been updated to reflect the amount of the Company's regulatory assets under management.
- Item 8 has been updated to disclose a new private fund offering, which included investments in three of the Company's Private Fund Sponsors, and was offered to the third-party investors in the Company's Funds as a separate Fund opportunity.
- As of March 31, 2019, the Company appointed Phillip Haan to take the place of Michael Lunt as Chief Compliance Officer.

Other updates have also been made to this disclosure brochure, some of which enhance prior disclosures, but the Company does not consider those updates to be material.

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## Item 4: Advisory Business

Ottawa Avenue Private Capital, LLC (the “Company”) is an investment advisory firm based in Grand Rapids, Michigan, that was founded in 2015 to manage investments in private equity funds, co-investments in private equity investment opportunities, and other traditional and alternative asset classes. The Company is a wholly-owned, indirect, subsidiary of RDV Corporation. The principal owners of RDV Corporation are members of the Richard and Helen DeVos family.

Historically, the investment team that makes up the Company (the “Investment Team”) operated as a business unit within RDV Corporation and provided investment advisory services to members of the Richard and Helen DeVos family, various family related trusts, charitable foundations and similar vehicles, and certain key employees of RDV Corporation (the “RDV Clients”). RDV Corporation was founded in 1991, primarily to serve as a means to manage the Richard and Helen DeVos family’s wealth and to facilitate opportunities for the DeVos family members to work together cooperatively. The Investment Team has been managing investments in private equity and other illiquid, alternative assets classes on behalf of the RDV Clients since 1991.

In connection with a business initiative to offer investment advisory services to investors not affiliated with the RDV Clients, RDV Corporation’s investment advisory operations have been reorganized into the Company, and the Company has registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). In addition to continuing to manage assets on behalf of the RDV Clients, the Company sponsors a number of private funds (the “Funds”) formed to be the primary vehicles through which select third party investors will participate in certain qualifying investment opportunities side-by-side with the RDV Clients.

As an investment adviser to the RDV Clients, the Company recommends investments in various private equity, private and structured credit, and secondary investment funds, as well as direct investments, and, once approved, executes and manages such investments on behalf of the RDV Clients. In addition, subject to certain budgets, guidelines and other investment restrictions set by the RDV Clients, the Company manages on a discretionary basis a portfolio of investments in various co-investment opportunities generated by its relationships with the private fund sponsors in whose funds the RDV Clients have invested, as well as a small number of other institutional investors (collectively, the “Private Fund Sponsors”). In certain circumstances, the Company will recommend that the RDV Clients make a direct investment in the Private Fund Sponsor itself. Typically, such investment would be offered to the third-party investors in the Company’s Funds as a separate Fund opportunity. The Company works closely with and tailors these investment advisory activities to the individual circumstances of each of the RDV Clients based on various factors, including, without limitation, investment objective, available capital, tax and other estate planning considerations.

As the investment adviser to the Funds, the Company invests each Fund’s assets in various qualifying investment opportunities sourced by the Company during such Fund’s investment period. Generally, each Fund invests alongside the RDV Clients in such qualifying investment opportunities on a *pro rata* basis based on the size of the Fund’s total capital commitments

versus the total amount of capital budgeted to applicable class of investment opportunities by the RDV Clients for the applicable period. These services will be conducted pursuant to an investment advisory agreement that each Fund will enter into with the Company, and in accordance with each Fund's private placement memorandum, limited partnership agreement and other governing documents (the "Fund Governing Documents"). The Company tailors its investment advisory activities to comply with the investment objective, guidelines and restrictions set forth in each Fund's Governing Documents, as the same may be amended from time to time. However, because the Funds will be pooled investment vehicles, the Company will not take the individual circumstances of Funds' investors into consideration when providing investment advice to the Funds. In 2017 and 2018, the Company sponsored Funds which hold investments in certain Private Fund Sponsors (the "GP Funds"), and which were offered to the third-party investors as stand-alone Fund investment opportunities.

As of December 31, 2018, the Company had approximately \$9.4 billion in regulatory assets under management, of which approximately \$3.6 billion was managed on a discretionary basis.

## **Item 5: Fees and Compensation**

### **RDV Clients**

With respect the RDV Clients, the Company has entered into an "all-inclusive" fee arrangement, under which the Company receives a fee from each of the RDV Clients based on a percentage of the assets under management the Company has with such RDV Client. The percentage fee rate is reset by the Company and the RDV Clients on an annual basis. Out of this fee, all internal (e.g., overhead) and out-of-pocket (e.g., external audits, and outside legal) costs, fees and expenses incurred in connection with the Company's investment activities on behalf of the RDV Clients are paid by the Company. In addition, at the RDV Clients' discretion, the Company may also receive an additional fee at the end of each fiscal year based on the overall performance of the RDV Clients' portfolios.

### **The Funds**

With respect to the Funds, the Company receives an asset-based management fee borne by the third-party investors in each Fund that is payable quarterly in advance, as further described in the Fund's Governing Documents. To the extent the Company's advisory agreement with a Fund is terminated, management fees will be charged on a pro rata basis through to the date of termination, and any fees paid in advance but not earned will be refunded. The general partner of the Fund will generally make capital calls on the Fund's investors for the amount of the Company's management fees and pay the amounts received to the Company. In addition to the management fees described above, the Company will also be entitled to receive a carried interest allocation from each Fund after certain performance hurdles have been met, as further described in each Fund's Governing Documents. Such carried interest represents a portion of the Funds' net investment profits. The management fees and carried interest are generally subject to waiver or reduction by the general partner

with respect to some or all of the Fund's limited partners in the general partner's sole discretion, as further described in each Fund's Governing Documents.

Each Fund bears all costs and expenses incurred in connection with the organization of the Fund, including legal and accounting fees, printing costs, travel and out-of-pocket expenses, and all costs and expenses incurred in connection with the offering of interests in the Fund (but excluding any placement fees). In addition, each Fund is responsible for all expenses relating to its own operations, including fees, costs and expenses directly related to the purchase and sale of investments, principal, interest, fees, expenses and other amounts payable in respect of financings, custody fees and costs of other third-party services, legal, accounting and other professional costs, any insurance, indemnity or litigation expenses, all costs of the Fund's administration, including preparation of its financial statements and reports to Limited Partners, costs of meetings of Partners, expenses relating to the Limited Partner Advisory Committee, including out-of-pocket expenses of its members, and any taxes, fees or other governmental charges levied against the Fund. In addition, each Fund is responsible for its pro rata share of all out-of-pocket costs and expenses in connection with prospective Investments that are not consummated.

100% of each Fund's pro rata share of any transaction, directors', management, monitoring, consulting, break-up, and other similar fees received by the Company and its affiliates and employees in connection with the Fund and its investments, net of unreimbursed transaction expenses incurred by the Company or its affiliates, is credited to the Fund and distributed to its investors in accordance with that Fund's Governing Documents.

The applicable limited partnership agreements for each Fund have provisions that allow the Funds to borrow money for investment and other purposes. Such borrowings may be made prior to capital being called from the Fund's investors. This mechanism may defer investor capital calls and provides a form of leverage that can have the effect of amplifying a Fund's reported net internal rate of return (IRR), particularly in the early years of a Fund's investment cycle. Such borrowings can also accelerate the date upon which a Fund's preferred return will be achieved for purposes of determining when the General Partner (or affiliates which earn carried interest) are entitled to begin receiving carried interest payments on distributions from a Fund. In accordance with the terms of the applicable limited partnership agreements, interest payments and other fees and expenses incurred in respect of such borrowings are partnership expenses and such expenses will decrease a Fund's net returns over time. The terms of each Fund's borrowing arrangement and borrowings outstanding, if any, are disclosed to the investors in the annual financial statements of each Fund.

Investors and prospective investors in a Fund should refer to the Fund's Governing Documents for more detailed information concerning the fees, carried interest and other expenses that the Fund will bear.

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

As noted in Item 5 above, the Company will be entitled to receive carried interest allocation from each Fund after certain performance hurdles have been met. In addition, at the RDV

Clients' discretion, the Company may receive additional fees based on the overall performance of the RDV Clients' portfolios. These performance-based fee and carried interest distributions may create conflicts of interest, including an incentive for the Company to take risks in managing its clients' assets that it might not otherwise take.

In addition, in allocating investment opportunities, the Company may have an incentive to favor clients with a potential for performance-based compensation over clients with lesser or no performance-based compensation. The Company has adopted policies and procedures in an effort to ensure that all of its clients are treated in a fair and equitable manner with respect to the allocation of investment opportunities. Among other things, these policies and procedures contemplate that co-investment opportunities that are suitable for both the RDV Clients and the Funds will be allocated on a pro rata basis based on the size of the Fund's total capital commitments versus the total amount of co-investments budgeted or committed by the RDV Clients for the applicable period. See Item 8 ("Methods of Analysis, Investment Strategies and Risk of Loss") below.

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

The Company's clients are the RDV Clients and the Funds. The investors in the Funds generally include high net worth families, their related family foundations and investment vehicles, senior executives associated with the family offices of such high net worth families, and, in certain cases, RDV Clients.

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

### **Private Fund Program**

As an investment adviser to the RDV Clients, the Company recommends investments in various private equity, private and structured credit, and secondary investment funds to the RDV Clients and, once approved, executes and manages such investments on behalf of the RDV Clients (the "Private Fund Program"). The Investment Team proactively sources new private fund opportunities from both existing Private Fund Sponsors (e.g., additional fund platforms offered by the same Sponsor) and in the private fund market generally, as well as from its relationships with other limited partners, placement agents, and other market participants. When evaluating a private fund, the Investment Team analyzes multiple factors, including the sponsor's track record, the sponsor's orientation to operational improvements, the sponsor's orientation towards globally-oriented companies or niche sector opportunities, the sponsor's communication with and transparency to its investors, the Company's opportunity to scale the relationship and be a meaningful strategic partner to the sponsor on behalf of its clients; and the Company's opportunity for significant proprietary co-investment opportunities. For a primary commitment to a Private Fund Sponsor, the Company makes a recommendation to a committee of DeVos family members (the "RDV Investment Committee"), which committee has the authority to approve such proposed investment on behalf of all RDV Clients.

### **Co-Investment Program**

The Company seeks to leverage the primary fund commitments made in the Private Fund Program and the Company's relationships with the Private Fund Sponsors to generate preferential deal flow and create a diverse portfolio of favorable co-investments (the "Co-Investment Program").

#### *Investment Process*

The Investment Team proactively sources co-investment opportunities by staying in regular contact with the Private Fund Sponsors in the Private Fund Program through annual meetings and limited partner advisory committees, existing co-investment board observation seats, and regular travel to such Private Fund Sponsors' offices. In addition, at the time of making a primary commitment to a Private Fund Sponsor's fund, the Company stresses the importance of co-investment opportunities as part of such Private Fund Sponsor's overall relationship with the Company.

When presented with a particular co-investment opportunity, the Investment Team will undertake a preliminary screen of the potential co-investment to analyze its suitability for the Co-Investment Program. Typically, this screen includes an evaluation of the investment opportunity itself, the size of the potential co-investment, and the Private Fund Sponsor's and the Investment Team's experience in the industry.

For a typical co-investment, when an investment opportunity is presented to the Company by a Private Fund Sponsor, a member of the Investment Team will gather relevant material made available for review. With this due diligence material in hand, the Company will review the merits of the co-investment opportunity. This review of the Private Fund Sponsor-provided materials is typically supplemented by a review of the Investment Team's experience with the particular Private Fund Sponsor and the particular industry, the key characteristic of the co-investment opportunity, the alignment of interest between a co-investor and the Private Fund Sponsor, and the Investment Team's past experience with other co-investments in the industry. In addition, the Company will analyze the potential risk-adjusted returns of the opportunity against other co-investment opportunities in the Company's pipeline.

#### *Investment Allocation Process*

The Company is authorized to make co-investments on behalf of the RDV Clients alongside any Private Fund Sponsor in the Private Fund Program in an amount not to exceed certain per investment limits established by the RDV Investment Committee (the "RDV Client Exposure Limits"). If the Company sources a co-investment opportunity exceeds an RDV Client Exposure Limit, then the Company must first obtain the consent of the RDV Investment Committee to the extent the co-investment opportunity will cause the RDV Client Exposure Limit to be exceeded.

With respect to each Fund, (1) the RDV Clients will approve a capital commitment to the Fund (in which case the RDV Clients will participate in all eligible co-investment opportunities as investors in the Fund during the Fund's investment period) or, (2) during the Fund's investment period, a specified percentage of each qualifying co-investment opportunity will



be allocated to the applicable Fund and the RDV Clients, respectively. This specified percentage will be set at the beginning of the Fund's investment period, and will generally equal the percentage that the aggregate capital commitments raised by the Fund bears to the total amount of capital available to the Company from both the Fund and the RDV Investors to invest in co-investment opportunities during the applicable Fund's investment period.

During a Fund's investment period, the Company may source, evaluate, and recommend co-investment opportunities that are not suitable for the Fund (as further described in each Fund's Governing Documents) to the RDV Clients. While the Fund will not invest in such co-investment opportunities, the Company may, in its sole discretion, make such opportunities available to limited partners of the Fund.

### **Other Investment Advisory Services**

From time to time, the Company may source, evaluate, and recommend investment opportunities to RDV Clients. These opportunities may include hedge or other non-core fund strategies, direct investments, and co-investments that have been sourced from a private fund sponsor not in the Private Fund Program or another institutional investor. Except for transactions led by an institutional investor already approved by the RDV Investment Committee, such investments must be approved on a case-by-case basis by the RDV Investment Committee. Co-investments will generally be made available to the Funds or investors in the Funds. Generally, direct investments, such as an investment in a Private Fund Sponsor, will be made available to the RDV Clients first and then to third party investors via a Fund or other special purpose investment vehicle.

### **Risk Factors**

#### *General Risks*

The investment strategies pursued by the Company involve a number of significant risks. These investment strategies may be deemed to be speculative, and such investment strategies are not intended as complete investment programs. They are designed for sophisticated investors who fully understand and are capable of bearing the risk of such investments. Investment risks include, but are not limited to, the following:

- The investment strategies pursued by the private funds in which the Company invests tend to involve making illiquid private investments in a relatively small number of portfolio companies. As a result, each fund's portfolio tends to be highly concentrated, and the failure of even one of these investments could have a materially adverse impact on a fund's overall performance.
- The businesses of the portfolio companies in which the Company invests (either directly through co-investments or indirectly through private funds) are subject to significant risks, including strategic, financial or other challenges. Some of these portfolio companies may be highly leveraged, and exit strategies may be uncertain at the time an investment in the portfolio company is made. The success of these investments is highly dependent on the ability of the managers of the portfolio companies to successfully navigate these and other challenges.

- Some private funds in which the Company invests reserve the right to invest overseas. In addition, the Funds reserve the right to invest overseas as well. Investing overseas entails additional investment risks, including currency risk, lack of transparency and the risk of operating in markets with less well-developed legal systems to protect the rights of investors and creditors.
- Investments in private funds are generally illiquid, and interests in such funds may not generally be transferred without the prior consent of the fund's general partner and the satisfaction of certain other conditions. Investors in such funds must be able and prepared to maintain their investments in the funds over the entire life of the fund.
- Investments in private funds are generally passive investments. As limited partners, investors in private funds generally have no control over the day-to-day operations of the funds and limited rights to protect themselves if they are dissatisfied with the manner in which a fund is being operated. Limited partners are highly dependent on the investing skills and management abilities of the private fund sponsor to achieve success.
- The valuation of the portfolio companies in which the Company invests is a difficult task that relies heavily on business judgment. There can be no assurance that clients will be able to realize their investments at a price that is commensurate with the value at which such investments have been carried.
- Private funds are managed in a manner that is consistent with the best interests of the fund, which is not necessarily consistent with the best interests of each individual investor in the fund. In particular, the fund's manager may structure investments so as to maximize tax efficiency for the fund, but which may not be the most tax advantageous structuring possible for an individual investor, depending on that investor's own particular facts and circumstances.
- The competition for sourcing investments in private funds and co-investment opportunities is becoming increasingly intense. There can be no assurance that the Company will be able to source a sufficient number of suitable investments at reasonable valuations to achieve its investment objective. Likewise, the private funds in which the Company invests are facing increasingly intense competition for sourcing investments in suitable portfolio companies. There can be no assurance that the managers of these funds will be able to source a sufficient number of suitable investments at reasonable valuations to achieve the funds' investment objectives.
- Co-investments will typically expose investors to the risks associated with the sponsor of the investment or other control group with whom the investor is co-investing, which could have a negative impact on the value of the co-investment. For example, it is possible that a lead investor may have economic or business interests that are inconsistent with or conflict with those of the other co-investors. In addition, co-investors generally have little opportunity to negotiate the terms of an investment or to direct the affairs of the portfolio company. In particular, co-investors generally will not have the right to determine the timing or terms of the disposition of a portfolio company, but rather will be required to rely on the lead investor to make

such determinations. Further, co-investors may be deemed to be part of a control group and may be exposed to potential liabilities of a controlling person with respect to the portfolio company.

#### *Risks Associated with an Investment in the Company's Funds*

In addition to the investment risks summarized above, an investment in one of the Company's Funds involves other risks inherent in the structure of the Fund. These include:

- The length of a Fund's investment period may be relatively short and all of such Fund's investments will be made within a relatively limited period of time. The performance of the Fund may be significantly and adversely affected by volatility or disruption in the equity and credit markets during the applicable investment period. In addition, there can be no assurance that a Fund will be able to identify and complete an adequate number of investments that satisfy its target return, or that it will be able to fully invest its committed capital during the applicable investment period, each of which could materially and adversely affect the performance of the Fund.
- Affiliates of the Company will occasionally hold non-controlling equity interests in certain Private Fund Sponsors that offer co-investment opportunities to the Funds and the RDV Clients. The existence of such equity interests may create an incentive for the Company to pursue more co-investment opportunities (on behalf of the Funds and the RDV Clients) with such Private Fund Sponsors than it would otherwise pursue in the absence of such equity interests. The Company seeks to mitigate this potential conflict of interest by making decisions regarding the selection, management and disposition of qualifying co-investments based on the merits of each specific co-investment opportunity presented to it.
- Certain Funds will co-invest in qualifying co-investment opportunities alongside the RDV Clients. In making decisions regarding the selection, management and disposition of qualifying co-investments, the Company will need to consider the interests of the RDV Clients as well as the interests of the Fund. The RDV Clients may have different interests from those of the investors in the Fund, including tax planning, liquidity needs and other matters. In addition, the relationships and arrangements between the Company and the RDV Clients are different from the relationships and arrangements between the Company and the Funds and their general and limited partners. As a result, the Company may face conflicts of interest when making decisions regarding the timing and structure of investments, financing and dispositions by a Fund.

No guarantee or representation can be made that a Fund will achieve its investment objective or that limited partners will receive a return of their capital. All investing involves a risk of loss and the investment strategies pursued by the Funds could lose money over short or even long periods. Prospective and existing investors are advised to review the offering materials and other constituent documents for full details on each applicable Fund's investment, operational and other actual and potential risks.

## **Item 9:      Disciplinary Information**

Not applicable.

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

As noted in Item 4 above, the Company is a wholly-owned indirect subsidiary of RDV Corporation, a family office founded in 1991 to serve primarily as a means to manage the Richard and Helen DeVos family's wealth and to facilitate opportunities for the DeVos family members to work together cooperatively. In addition to the investment advisory services that are provided through the Company, RDV Corporation provides a number of other non-investment advisory services to the DeVos family, including administration of the family's foundations and philanthropic activities and various other family-related services.

In addition to being indirectly owned and controlled by the DeVos family, the DeVos family is the Company's largest client. A potential conflict therefore exists insofar as the Company may be incented to favor the RDV Clients over the Funds as a result of its relationship with the DeVos family. The Company has taken a number of steps to address this potential conflict and to ensure that all of the Company's clients are treated in a fair and equitable manner. These include generally separating most of the Company's operations from those of RDV Corporation, adopting the investment allocation procedures described in Item 8 above to ensure that investment opportunities are allocated fairly among all of the Company's clients, and by having the RDV Clients invest in certain asset classes through the same Funds as the non-family investors, such that the RDV Clients participate on such asset class on a pro rata basis with the other non-family investors. Nevertheless, the Company retains a unique relationship with the DeVos family, and investors in the Funds should be aware that not all asset classes in which the Company invests on behalf of the RDV Clients will necessarily be made available to non-family investors through the Funds. In addition, as discussed in Item 5 above, the economic terms on which the Company provides investment advisory services to the RDV Clients are, and will continue to be, substantially different from the economic terms on which the Company provides investment advisory services to non-family investors through the Funds.

Neither the Company nor any of its directors, officers or principals is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither the Company nor any of its directors, officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or is an associated person of any of the above.

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

The Company has established a code of ethics (the "Code of Ethics") that sets forth standards of ethical conduct for its professionals. The Code of Ethics addresses standards for treating clients ethically, addressing potential conflicts of interest and monitoring and restricting personal trading by the Company and its affiliates and professionals. In addition, the

Company has established policies and procedures that address, among other things, potential conflicts of interest that might arise in the management of client assets.

As a general rule, the Company does not buy or sell securities of public companies. Consequently, except in special circumstances, no conflict typically arises when an employee of the Company buys, holds or sells a publicly-traded security. However, from time to time, personnel at the Company may come into possession of material, non-public information related to public companies. In such circumstances, employees must comply with all applicable securities laws. The Company will at all times maintain a list of securities of companies that the Company is actively evaluating for purchase or sale in a client's account, in which a client owns a material interest, or about which the Company might have received material non-public information (the "Restricted Securities List"). The Chief Compliance Officer will update the Restricted Securities List as appropriate. Securities will be removed from the Restricted List when information is no longer material and an appropriate "cooling off period" has lapsed.

The Company's employees may not take for their own advantage an opportunity that rightfully belongs to the Company or its clients, may not use Company or client property, information or position for personal gain, and may not compete directly or indirectly with the Company or its clients.

The Company's employees and controlled persons must certify annually that they have read and agree to comply in all respects with the Code of Ethics and that they have disclosed or reported all personal securities transactions, holdings and accounts required to be disclosed or reported by the Code of Ethics.

Additionally, the Code of Ethics provides for a range of sanctions should anyone violate the Code of Ethics. These sanctions include, but are not limited to, a warning, fines, disgorgement, suspension or termination of employment.

The paragraphs above only represent a summary of key provisions in the Code of Ethics. The Company will provide a copy of the entire Code of Ethics to any client or prospective client (including any investor therein) upon request.

Because the general partner of each Fund is an affiliate of the Company, the Company has a material interest that could create conflicts that must be managed. The general partner of each Fund may form a Limited Partner Advisory Committee (the seats of which are filled by limited partners that represent a significant percentage of the Fund's committed capital and that are not affiliates of the Company or the General Partner) to review transactions where a potential conflict of interest exists, pursuant to the applicable provisions of such Fund's limited partnership agreement. Alternatively, the general partner may seek limited partner approval of a potential conflict of interest, pursuant to the applicable provisions of such Fund's limited partnership agreement.

In addition, certain members of the Investment Team may be given the opportunity to invest in various private fund investments and co-investment opportunities in which the RDV Clients and the Funds may invest. Such investments will be made on a strictly parallel basis,

meaning that the Investment Team members will only invest in and divest from such investments at the same time and on the same terms and conditions as the RDV Clients and Funds. In addition, RDV Corporation maintains a program whereby affiliates of the RDV Clients may provide financing to facilitate certain Investment Team members' participation in such investment opportunities.

## **Item 12: Brokerage Practices**

The Company's advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly-traded securities. With respect to such private transactions, the Company believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

However, the Company may from time to time purchase or sell publicly-traded securities. In such circumstances, the Company considers various factors in determining which broker is most likely to deliver best execution including, but are not limited to, the Company's knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, and settlement capabilities as well as the reputation and perceived soundness of the broker selected and other brokers considered; the Company's knowledge of actual or apparent operational problems of any broker; the broker or dealer's execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions.

The Company does not maintain relationships with broker-dealers that feature soft-dollar benefits or referral arrangements.

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

The Company monitors the performance of its direct investments and its primary and co-investments with Private Fund Sponsors through periodic financial reviews and frequent discussions with the Private Fund Sponsor, and in certain cases, the senior management of the applicable portfolio company. In addition, a member of the Investment Team will often have a board observation rights for equity co-investments and a seat on a fund's limited partner advisory committee for private fund investments. While the Company typically receives at least quarterly reporting from the Private Fund Sponsor, members of the Investment Team generally communicate with key members of the Private Fund Sponsor's deal team on a more frequent basis.

Generally, investors in the Funds will receive written financial reports, including an unaudited balance sheet, a statement of net income or net loss, a statement of changes in financial position or a cash flow statement, and a supplemental statement of such investor's capital account on a quarterly basis. Investors in the GP Funds and other stand-alone Funds receive this information on an annual basis, as described in such Fund's Fund Governing

Documents. On an annual basis, investors in the Fund also will receive audited financial statements of the Fund, valuations of all of the Fund's investments and tax information necessary for the completion of U.S. tax returns.

The RDV Investment Committee, on behalf of RDV Clients, will receive valuations of all of their investments on a semi-annual basis and tax information annually, as necessary for the completion of U.S. tax returns.

#### **Item 14: Client Referrals and Other Compensation**

The Company may, from time to time, determine to engage a third party placement agent to introduce potential investors to the Funds. Depending on the specific arrangement, the Company may pay a placement fee, which may be calculated as a percentage of the commitment amount of the investor. If the Company compensates a placement agent for referring an investor, such arrangements will be disclosed in writing to the investor. In all cases, placement fees will be borne entirely by the Company. To-date, the Company has never engaged a third-party placement agent.

As noted in Item 5 above, 100% of each Fund's pro rata share of any transaction, directors', management, monitoring, consulting, break-up, and other similar fees received by the Company and its affiliates and employees in connection with the Fund and its investments, net of unreimbursed transaction expenses incurred by the Company or its affiliates, will be credited to the Fund and distributed to its investors in accordance with that Fund's Governing Documents.

#### **Item 15: Custody**

The Company will conduct all business operations in such a way that client cash and securities, other than privately offered, non-certificated securities, will be preserved in the safekeeping of independent qualified custodians.

With respect to the RDV Client accounts, such custodians deliver quarterly statements to the RDV Clients (or an independent representative). RDV Clients are strongly urged to review such account statements carefully and to compare them to the reports that the Company will provide them on a quarterly and annual basis. In addition, the assets in the RDV Client accounts are verified annually by an independent public accountant on a random basis without prior notice to the Company.

With respect to the Funds, an independent public accountant will audit the Funds' financial statements annually, and the audited financial statements are distributed to the investors of the Fund.

#### **Item 16: Investment Discretion**

In general, advice to the RDV Clients in respect of the Private Fund Program and direct investments is provided on a non-discretionary basis, and advice to the RDV Clients and the Funds in respect of the Co-Investment Program is provided on a discretionary basis. The



terms and conditions governing the Company's discretion over the investments made on behalf of the RDV Clients and the Funds pursuant to the Co-Investment Program are set forth in writing by the RDV Investment Committee and in the Fund Governing Documents.

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

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, the Company has adopted and implemented written policies and procedures governing the voting of client securities. The RDV Clients and the Funds are primarily invested in private funds and privately-held portfolio companies that do not typically issue proxies. However, in the event proxies have to be voted, the Company shall be responsible for voting proxies on behalf of its clients. The Company shall vote client proxies in a way that it believes will maximize value for its clients. The Company's investment professionals are generally responsible for making voting decisions with respect to proxies received. In exercising its voting discretion, the Company and its employees will seek to avoid any direct or indirect conflict of interest raised by such voting decision. All conflicts of interest will be resolved in the interests of the Company's clients.

Certain investment professionals of the Company may have board observation rights with respect to some of the portfolio companies. In situations where the Company votes the proxy for a company in which an employee of the Company has a board observation right, the Company has determined that this does not inherently present a conflict of interest, as the purpose for having a board observation right is to maximize the return on the clients' investment and to ensure that the clients' interests are protected.

A copy of the Company's written proxy voting policies and procedures, as well as a record of how the Company has voted in the past, will be maintained and available for client review upon written request.

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

The Company is not aware of any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to its clients. The Company has never been the subject of a bankruptcy petition.