

PART 2A OF FORM ADV: FIRM BROCHURE

ITEM 1. COVER PAGE

Advantage Advisers Private Equity Management, LLC
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This brochure provides information about the qualifications and business practices of Advantage Advisers Private Equity Management, LLC. (“AAPEM”). If you have any questions about the contents of this brochure, please contact Cheryl Cowan, Client Services Supervisor at 212-885-4783 or cheryl.cowan@opco.com or John Karsen at 212-885-4794 or john.karsen@opco.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 AAPEM also is available on the SEC’s website at:
www.adviserinfo.sec.gov.

Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

ITEM 2. Material Changes

There are no material changes from the Form ADV Part 2A dated March 29, 2012. If any material changes are made to this Brochure, this section will be revised to include a summary of such changes.

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ITEM 4. ADVISORY BUSINESS

A. General Description of Advisory Firm

Advantage Advisers Private Equity Management, LLC (“AAPEM”) is a Delaware limited liability company formed November 12, 1998. AAPEM provides general advisory and management services to private equity unregistered fund of funds. AAPEM is a wholly owned subsidiary of Oppenheimer Asset Management Inc. (“OAM”), which is wholly owned by Oppenheimer Holdings, Inc. (“OPY”), a publicly traded company listed on the New York Stock Exchange (“NYSE”), and is controlled by Albert G. Lowenthal, who controls greater than 50% of the voting securities of OPY. OAM is AAPEM’s Managing Member and is affiliated with Oppenheimer & Co. Inc. (“Oppenheimer”), a broker dealer and investment adviser under common control with OAM.

B. Description of Advisory Services

AAPEM acts as the general partner (the “General Partner”) to Advantage Advisers Private Equity Partners, LP (the “Fund” or “AAPEP”), a fund that invests in private equity funds (the “Underlying Funds”) that in turn invest in private equity investments (the “Portfolio Companies”). AAPEM has established Advantage Advisers Private Equity Partners Offshore Fund, Ltd. (“AAPEP Offshore”), an offshore company through which certain foreign and tax-exempt investors may indirectly participate in AAPEP. The Fund is currently closed to new investors and has committed all investors’ capital.

AAPEM manages the Fund’s portfolio under the general supervision and assistance of OAM. Employees of OAM (the “Investment Committee”) make all decisions on behalf of the Fund.

AAPEM does not offer customized services for individual clients. AAPEM’s client is the Fund. AAPEM is closed to new investors. Investors purchased limited partnership interests (“Interests”) in the Fund and investments are made at the fund level, not for individual investors in the Fund. The minimum subscription for Interests, unless waived, reduced or increased by AAPEM was \$500,000.

As of September 31, 2012 AAPEM managed \$6,382,172 (based on the value of the Fund’s assets on an income tax basis) of client assets on a discretionary basis. AAPEM did not manage any client assets on a non-discretionary basis. Financial statements for the Fund for the 2011 fiscal year will be presented on a GAAP basis and the unrealized assets of the underlying funds will be materially different than on an income tax basis.

ITEM 5. FEES AND COMPENSATION

A. Advisory Fees and Compensation

In compensation for the investment advisory services it provides to the Fund, AAPEM receives a percentage of assets under management as well as a performance-based carried interest or allocation. These fee arrangements are negotiable at the sole discretion of AAPEM. Effective February 28, 2012, AAPEM has extended the term of the Fund because one of the underlying funds held by the Fund has extended its term until December 31, 2012. In connection with the term extension of the Fund, AAPEM is no longer charging a management fee to the Fund.

The Fund maintains for each investor a capital account that is adjusted to reflect the performance-based carried interest or allocation, the management fee and other fund expenses, capital contributions, withdrawals and other similar changes during the term of the Fund.

B. Payment of Fees

Management Fee (calculated quarterly in advance)

<u>Timing</u>	<u>Management Fee</u>
For each of the first 3 years after the initial closing of the Fund:	1% (annually) of the aggregate commitments, net of certain returns of capital to the investors in the Fund.
After the 3 rd anniversary of the initial closing, until December 31, 2012:	1% (annually) of the aggregate amount of commitments to the Underlying Funds, net of certain returns of capital to the investors in the Fund.

Performance-based Carried Interest or Allocation

Five percent (5%) of the distribution from each Underlying Fund is reallocated to AAPEM after each investor receives: (1) its capital contributions made to such Underlying Fund; and (2) the Management Fee and other expenses allocated to such investor's share of the Underlying Fund.

C. Additional Fees and Expenses

The Fund pays: (1) costs associated with its organization and the offering of Interests; and (2) all ordinary and extraordinary annual and recurring expenses incurred on its behalf, including all legal and external audit expenses, investor servicing expenses (including the costs of a third-party administrator to the Fund), maintenance of books and records (including investor reporting), Fund meeting expenses, insurance, taxes (if any) and mailings, as well as extraordinary expenses (such as litigation and indemnification of AAPEM). Except as set forth above, AAPEM is responsible for its own overhead costs and expenses.

Oppenheimer and OAM provide office space and certain clerical and administrative services to AAPEM free of charge. AAPEM bears its *pro rata* share of

organization and administration expenses associated with the operation of the Fund in proportion to its invested capital in the Fund. The Fund reimburses Oppenheimer or OAM for any services performed, or expenses incurred, on behalf of AAPEM by Oppenheimer or OAM, except as otherwise stated.

All expenses incurred in connection with the organization of AAPEP Offshore are considered part of the organizational expenses of the Fund.

D. Prepayment of Fees

The Fund pays management fees quarterly in advance.

ITEM 6. PERFORMANCE – BASED FEES AND SIDE BY SIDE MANAGEMENT

The Fund accepts a performance-based carried interest or allocation which may create an incentive for the Investment Committee to recommend or approve more speculative investments on behalf of the Fund than would be the case in the absence of this arrangement. In addition, this fee, if made, could result in allocations to AAPEM which are greater than fees normally paid to other investment managers for similar services.

No conflicts of interest arise as a result of the performance-based allocation arrangement as AAPEM's only client is the Fund.

ITEM 7. TYPES OF CLIENTS

AAPEM's client base is made up of a private equity unregistered fund of fund. The Fund is closed to new investors.

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

A. Methods of Analysis and Investment Strategies

The Fund invests in equity and equity-related securities of private and public operating companies in negotiated transactions. Such investments are typically made in connection with leveraged buyouts, expansion opportunities, recapitalizations and distressed situations. The Fund seeks to assemble a portfolio of Underlying Funds that represented a mix of investment strategies, industry focus and geographic locations. AAPEP Offshore commits all of its funds to the Fund and as such has a similar investment strategy.

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

Investment in the Fund may entail a high degree of loss that clients should be prepared to bear. There can be no assurance that the Fund's objectives will be achieved. The following risk factors do not purport to be a complete list or explanation of the risks

in an investment in the Fund. These risks include only those AAPEM believes to be material, significant or unusual and related to particular significant investment strategies or methods of analysis employed by AAPEM.

The investment strategy used to screen a prospective Underlying Fund's investment manager (the "Investment Manager") includes using a number of criteria, including the length and consistency of the corresponding Underlying Fund's track record, its total assets under management, the volatility of returns of the Underlying Fund, the size and frequency of withdrawals, the depth and experience of the investment manager's investment personnel, the stability of management team and the overall structure of its business.

Despite this screening process, as well as ongoing monitoring of both the Underlying Funds and the Investment Managers, the risks exist that (a) the investment program for which the investment manager is selected is not followed, (b) the investment program will not be successful or (c) the information or assumptions used by the Investment Committee in making investment decisions on behalf of AAPEP, including analysis of the overall risk profile of the Underlying Funds, may be incorrect.

Furthermore, since AAPEP may make investments in Underlying Funds only at certain times pursuant to limitations set forth in the governing documents of the Underlying Funds, AAPEP may have to invest some of its assets temporarily in money market securities.

C. Material Risks Involving Specific Investments Recommended

Risks presented in a fund-of-funds structure such as AAPEP's include:

Limited Liquidity

AAPEP has limited rights pursuant to which it may redeem, transfer or otherwise liquidate its investments in Underlying Funds. Additionally, liquidity is primarily at the discretion of the Underlying Funds. The ability of AAPEP to distribute proceeds from realized investments to its investors may be adversely affected by an Underlying Fund's decision to satisfy redemptions in kind. Thus, upon AAPEP's withdrawal of all or a portion of its interest in an Underlying Fund, AAPEP may receive securities that are illiquid or difficult to value. In these circumstances, AAPEM would seek to dispose of the securities in a manner that is in the best interests of AAPEP.

Multiple Levels of Fees and Expenses

An investor who meets the conditions imposed by the Investment Managers could invest directly with the Investment Managers. By investing in Underlying Funds indirectly through AAPEP, an investor bears asset-based fees and performance-based allocations assessed by AAPEP and the Underlying Funds. In addition, the investor bears a proportionate share of the other fees and expenses of AAPEP (including operating

costs, distribution expenses and administrative fees) and, indirectly, similar fees and expenses of the Underlying Funds.

Each investment manager receives any performance-based allocations to which it is entitled irrespective of the performance of the other investment managers and AAPEP generally. Accordingly, an investment manager with positive performance may receive compensation from AAPEP, and thus indirectly from investors, even if AAPEP's overall investment return is negative.

Duplicative Transaction Costs

Investment decisions of the Underlying Funds are made by the Investment Managers entirely independently of each other. As a result, at any particular time, one Underlying Fund may be purchasing shares of an issuer whose shares are being sold by another Underlying Fund. Consequently, AAPEP could directly or indirectly incur certain transaction costs without accomplishing any net investment result.

Transparency; Valuation of Investment Funds

Market prices are not readily available for most of the Underlying Funds. AAPEP's valuation procedures provide that the value of its investments in Underlying Funds ordinarily will be the value determined in accordance with the underlying investment vehicles valuation policies and provided to AAPEP. The Underlying Funds generally do not provide details, on a day-to-day basis or otherwise, with respect to the underlying portfolio securities in which they invest. Although AAPEM will review the valuation procedures used by the Underlying Funds, AAPEM will have little or no means of independently verifying valuations provided by such Underlying Funds.

Control over Investment Managers

Although AAPEP invests in Underlying Funds that AAPEM believes will be managed in a manner consistent with their stated investment objectives and strategies, there can be no assurance that the Investment Managers will not diverge from such objectives and strategies or otherwise engage in improper conduct.

In addition to the foregoing risk factors, the individual Underlying Funds will pursue a variety of investment strategies, each of which has its own unique risks. The individual portfolio securities in which such Underlying Funds invest also have their own risks. This disclosure does not purport to describe the risks of the strategies used by such Underlying Funds or the risks of their underlying securities.

ITEM 9 DISCIPLINARY INFORMATION

None.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker Dealer Registration Status

Bryan E. McKigney, Chief Operations Officer of AAPEM, and Jeffrey Alfano, Chief Financial Officer of AAPEM, is each a registered representative of Oppenheimer but does not do business in that capacity.

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

Bryan E. McKigney, Chief Operations Officer of AAPEM, is an associated person of Advantage Advisers Multi-Manager, LLC, a registered commodity pool operator, commodity trading advisor and National Futures Association (“NFA”) member approved.

C. Material Relationships or Arrangements with Industry Participants

AAPEM is a wholly owned subsidiary of OAM and an affiliate of Oppenheimer. OAM is the managing member of several other hedge funds and private equity funds. Each of OAM and Oppenheimer is registered with the Securities and Exchange Commission (the “SEC”) as an investment adviser and, directly or through affiliates, provides investment advisory services to registered and unregistered investment companies, including, without limitation, domestic and offshore funds and individual and institutional client accounts. Those officers and employees of OAM or Oppenheimer who provide investment advisory, administrative and related services to the Fund also provide similar services to the clients of AAPEM’s affiliated investment advisers.

OPY directly and indirectly controls (through ownership) each of these advisers. As managing member or general partner, OAM controls most of these advisers. Albert G. Lowenthal, a Principal at OAM, owns greater than 50% of the controlling Class B voting stock in OPY. He is also Chairman and CEO of Oppenheimer. OAM and Oppenheimer are indirectly owned by OPY. OPY directly or indirectly has control over the activities of several subsidiaries, some of which provide insurance products and/or services.

Interests in those funds are sold by Oppenheimer, a full-service, self clearing securities brokerage firm. Oppenheimer is a registered broker-dealer and a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and is also registered as a Futures Commission Merchant with the Commodity Futures Trading Association (“CFTC”).

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

AAPEM has adopted a written Code of Ethics pursuant to Rule 204A-1 under the Advisers Act. A copy of the Code of Ethics will be provided upon request to any client

or prospective client. The purpose of the Code is to set forth standards of conduct expected of advisory personnel and address conflicts, such as front running, that arise from personal trading by advisory personnel. The Code of Ethics addresses these conflicts as follows:

1. Certain advisory personnel with access to the securities trading of the Fund or advisory clients are deemed as “access persons”;
2. These access persons of AAPEM are required to certify that they are in compliance with the Code of Ethics on an annual basis;
3. Access persons are also required to provide compliance personnel with brokerage accounts through which they conduct personal trading; and
4. Access persons are required to obtain written pre-clearance by compliance personnel of all personal securities transactions (other than certain exceptions to this requirement as defined in the Code).

AAPEM and its related persons are engaged or may engage in investment activities for private investment companies, other registered investment companies, other accounts that may pursue investment strategies similar to those of the Fund or for its own accounts or other related accounts, in which the Fund has no interest. These accounts may from time to time purchase, sell or hold certain investments which are also being purchased, sold or held by the Fund.

The Fund is recommended by Financial Advisors of Oppenheimer, who are related persons of AAPEM. Oppenheimer acts as the placement agent for the sale of interests in collective investment vehicles for which AAPEM or other affiliates of Oppenheimer serve as investment adviser or general partner. Financial Advisors of Oppenheimer receive a portion of the fees paid to the investment adviser or general partner with respect to client accounts in such funds.

AAPEM has a financial interest in the Fund, which it serves in an advisory capacity. AAPEM’s advisory role and related compensation is disclosed in the relevant private placement memorandum or accompanying fund organization document and those documents are provided to each prospective client prior to investment in the funds. AAPEM’s employees devote as much of their time to the activities of the Fund as AAPEM deems necessary and appropriate.

ITEM 12. BROKERAGE PRACTICES

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

AAPEM does not recommend broker-dealers for client transactions. The Investment Manager of each of the Underlying Funds is directly responsible for the execution of its portfolio transactions and the allocation of brokerage.

However, if the Fund receives an in-kind distribution of securities from an Underlying Fund, the Fund would then incur brokerage commissions in selling such securities. In these circumstances, it is anticipated that securities transactions for the Fund may be executed through Oppenheimer or third party brokers. Oppenheimer may charge a discount from its posted rate for non-institutional clients and may charge rates higher than those charged to Oppenheimer unaffiliated institutional clients.

When selecting unaffiliated brokers to execute transactions, AAPEM has no obligation to utilize on every transaction the lowest available commission cost to the Fund.

Factors Considered in selecting broker dealers:

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|---|---|
| ✓ Knowledge of commission rates currently available; | ✓ Recognition of investment research and information (e.g. research reports on companies, industries and securities; economic and financial data; recommendations as to specific securities; financial publications; computer hardware, software and other services) made available to AAPEM for the benefit of clients |
| ✓ Nature of security being traded | |
| ✓ Size and complexity of the transaction; | |
| ✓ Desired timing of the trade; | |
| ✓ Activity in the security; | |
| ✓ Execution, clearance, and settlement capabilities and other relevant services of the broker dealer; and | |

The use of soft dollars to pay for research and information falls within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934. Under this section, research obtained with soft dollars may be used by AAPEM to service accounts of OAM or Oppenheimer. This investment information provides clients with benefits by supplementing the research otherwise available to AAPEM. Soft dollars will not be used to pay for items not falling within the safe harbor.

ITEM 13 REVIEW OF ACCOUNTS

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

The Investment Committee reviews the selection of Underlying Funds and determines the amount of capital to be committed to each of the Underlying Funds. AAPEM will monitor on a day-to-day basis the performance of the Underlying Funds. Fund managers of the Underlying Funds will be contacted for their analysis of various market conditions and investment situations and for an explanation of how such analysis will influence their investment decisions. AAPEM will also make periodic comparative evaluations of the Underlying Funds and other managers utilizing similar investment strategies.

AAPEM will provide each investor in the Fund with:

- (a) annual audited financial statements;
- (b) quarterly unaudited financial statements; and
- (c) annual tax information necessary for the completion of tax returns.

In addition, AAPEM seeks to provide comprehensive quarterly evaluations which will include the following information and schedules:

- Investment Summary: will provide a description of the activities of each Underlying Fund during the preceding calendar quarter and over the life of the Fund.
- Capital Summary: will set forth the aggregate funds committed and invested for the Fund and the Underlying Funds.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients

AAPEM does not receive economic benefits from non-clients for providing investment advice or other advisory services to clients.

B. Compensation to Non-Supervised Persons for Client Referrals

Oppenheimer Financial Advisors receive a portion of management fees and any performance fees paid with respect to interests in the Fund held by their clients. The Fund is closed to new investors.

ITEM 15 CUSTODY

Under Rule 206(4)-2 adopted under the Investment Advisers Act of 1940, as General Partner, AAPEM is deemed to have custody of Fund client assets. AAPEM complies with Rule 206(4)-2.

ITEM 16 INVESTMENT DISCRETION

AAPEM exercises discretionary authority in managing the Fund. The Investment Committee exercises investment discretion.

ITEM 17 VOTING CLIENT SECURITIES

AAPEM manages the Fund's portfolio under the general supervision of OAM, the sole owner and managing member of AAPEM. OAM is the managing member or owned of other affiliated investment advisers that exercise discretion over securities held in their clients' portfolios.

AAPEM has established and adopted proxy voting policies and procedures, which apply to the Fund since AAPEM has the investment discretion over the Fund's investment portfolio.

AAPEM will vote proxies in a manner intended to maximize the value of investments to its clients. When voting proxies, AAPEM will give substantial weight to the recommendation of management but will not support the position of a company's management if AAPEM determines that such position is not in the best interest of the company's shareholders (*e.g.* golden parachutes or option grants that dilute shareholder interests).

Election of Boards of Directors

AAPEM will generally vote in favor of candidates proposed by a company's Board of Directors and for the Board's recommendation to increase or decrease the size of a Board. AAPEM generally will vote against shareholder's proposals to classify or stagger the board.

Tender Offer Defenses

AAPEM will vote for shareholder proposals that ask a company to submit its poison pill for shareholder ratification. AAPEM evaluates on a case by case basis shareholder proposals to redeem a company's poison pill and on a case by case basis with respect to management proposals to ratify a poison pill.

AAPEM votes for proposals to restrict greenmail payments and evaluates on a case by case basis anti greenmail proposals when they are bundled with a charter or bylaw amendments.

AAPEM votes against management proposals to require a supermajority shareholder vote to approve mergers and other significant business combinations.

Corporate Structure and Shareholder Rights

AAPEM generally will vote against proposals to restrict or prohibit shareholder ability to call special meetings and against management proposals to change the size of the Board without shareholder approval.

Corporate and Social Policy Issues

AAPEM makes proxy voting decisions according to guidelines that seek to protect clients' economic interests.

Conflicts of Interest

From time to time proxy proposals may present conflicts between the interest of client and AAPEM, its sole owner (OAM), its affiliates and their employees. Such

conflicts may arise when proxy votes on non-routine matters are solicited by an issuer that has a business relationship with AAPEM or its affiliates. If AAPEM receives a proxy and has knowledge that one or more of the proposals in the proxy raises a conflict of interest that is material, AAPEM will vote the proposals according to the policies of an independent third party.

Client Requests

Clients may request information on how AAPEM has voted policies for its clients and may request AAPEM's Proxy Voting Policies and Procedures by contacting:

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85 Broad Street, 24th Floor
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212-885-4794

ITEM 18 FINANCIAL INFORMATION

Not Applicable.