



# Landmark Equity Advisors, L.L.C.

10 Mill Pond Lane  
Simsbury, CT 06070  
(860) 651-9760  
[www.landmarkpartners.com](http://www.landmarkpartners.com)

December 19, 2018

**Item 1 - Cover Page**

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

**Landmark Equity Advisors, L.L.C.**

10 Mill Pond Lane

Simsbury, CT 06070

(860) 651-9760

[www.landmarkpartners.com](http://www.landmarkpartners.com)

**December 19, 2018**

This Brochure provides information about the qualifications and business practices of **Landmark Equity Advisors, L.L.C.** (“**LEA**,” “**us**,” “**we**,” or “**our**”). If you have any questions about the contents of this Brochure, please contact Antoinette Lazarus, Chief Compliance Officer, at (860) 651-9760 or [antoinette.lazarus@landmarkpartners.com](mailto:antoinette.lazarus@landmarkpartners.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

We are a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information which you may use to determine to hire or retain an investment adviser.

Additional information about us is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Unless otherwise indicated, the term “Landmark Partners” or “the Firm” is broadly used within this Brochure to refer to the entire Landmark Partners enterprise and not to a specific legal entity.

## **Item 2 - Material Changes**

The Material Changes section of the Brochure will be updated annually and when material changes occur since our last update. The date of the most recent amendment to this brochure was July 26, 2018. Relevant changes since the last updating amendment provide additional information as follows:

- Final Closing of Landmark Equity Partners XVI, L.P. and Landmark Equity Partners XVI Co-Investment Fund, L.P.;
- Item 4 – Advisory Business; clarifications to certain descriptions of our advisory business;
- Item 5 – Fees and Compensation Advisory Fees, Withdrawals and Termination; updates to descriptions in Other Costs and Expenses;
- Item 6 – Performance-Base Fees and Side-By-Side Management; clarifications to descriptions of our fees section; and
- Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss: updates to the risks factors and potential conflicts of interest disclosure

Please contact Antoinette Lazarus, Chief Compliance Officer, at 860-651-9760 to obtain a free copy of our Brochure.

Additional information about Landmark Equity Advisors is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 3 - Table of Contents**

Item 1 - Cover Page .....	1
Item 2 - Material Changes.....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation Advisory Fees, Withdrawals and Termination .....	8
Item 6 - Performance-Based Fees and Side-By-Side Management.....	9
Item 7 - Types of Clients .....	10
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	11
Item 9 - Disciplinary Information .....	25
Item 10 - Other Financial Industry Activities and Affiliations .....	25
Item 11 - Code of Ethics .....	27
Item 12 - Brokerage Practices .....	28
Item 13 - Review of Accounts .....	30
Item 14 - Client Referrals and Other Compensation .....	30
Item 15 - Custody.....	31
Item 16 - Investment Discretion .....	31
Item 17 - Voting Client Securities .....	31
Item 18 - Financial Information.....	32

## Item 4 - Advisory Business

Landmark Equity Advisors, L.L.C. (“**LEA**”, “**us**”, “**we**” or “**our**”) is part of an advisory business known as “Landmark Partners” or the “Firm” comprising all Affiliated Advisers (defined below) including LEA and other advisers as defined below (collectively, “**Landmark**”). The advisory business primarily includes investment and portfolio analysis services for the benefit of its “secondary” private equity funds, and co-investment funds (each a “**Landmark Fund**” or “**Fund**,” and collectively, the “**Landmark Funds**” or “**Funds**”). LEA also provides advice with respect to co-investment transactions that are sponsored by managers or general partners of private investment funds and is the sub-adviser to three private investment funds. In addition, LEA, to a lesser degree acts as a qualified professional asset manager (**QPAM**) to certain ERISA clients.

LEA tailors its advisory services to the specific investment objectives and restrictions of each Landmark Fund or other client pursuant to the investment guidelines and restrictions set forth in each Landmark Fund’s confidential private placement memorandum, limited partnership agreement and/or other governing documents (collectively, the “**Governing Documents**”). Investors and prospective investors of each Landmark Fund should refer to the Governing Documents of the applicable Landmark Fund for complete information on the investment objectives and investment restrictions with respect to such Landmark Fund. There is no assurance that any of the Landmark Funds’ investment objectives will be achieved.

In accordance with common industry practice, one or more of the Landmark Funds’ general partners enter into “side letters” or similar agreements with certain investors pursuant to which the general partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally.

LEA is a wholly-owned subsidiary of Landmark Partners, LLC (“**LP LLC**”).

In June 2016, LP LLC entered into a strategic partnership with BrightSphere Investment Group plc, publicly listed on the NYSE (Ticker: BSIG) (“**BrightSphere**”) (fka OM Asset Management plc (NYSE: OMAM)). Under the terms of this new partnership, the partners of the Firm own 40% of LP LLC and the balance is held by BrightSphere. The investment process and investment decision authority, along with responsibility for the day-to-day operations of the Firm, continue to reside with the partners of Landmark. Investment decisions will remain the responsibility of the investment committees.

LP LLC also wholly-owns Landmark Realty Advisors, LLC (“**LRA**”) and is under common control with Landmark Advisers Inc. (“**LAI**”), an investment adviser registered with the SEC. LP LLC and LRA are also SEC-registered investment advisers. The Form ADV, Part 1 and 2A, for each of LP LLC, and LRA is available on the SEC’s website and contains detailed information about the business of each adviser. The Form ADV, Part 1 for LAI is available on the SEC’s website and contains information describing its business in more detail. Forms ADV can be found at the SEC’s web site: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

LRA provides investment management services primarily focusing on private investments in sponsored privately offered pooled investment vehicles. LP LLC provides advisory personnel, fund administration and regulatory compliance functions to all of the Affiliated Advisers. The fund administration includes accounting and reporting, cash management (e.g. processing of capital calls and distributions), calculations of advisory fees and carry each fund (client) pays or is to be paid to the adviser and in the case of carry to the general partner. LP LLC, LEA, LRA and LAI (the “**Affiliated Advisers**”) are headquartered in Simsbury, Connecticut. In addition to being the parent entity, LP LLC primarily provides services to the Affiliated Advisers. The Affiliated Advisers are subject to the same compliance policies and procedures and Code of Ethics requirements as LEA.

## Investment Funds

LEA provides investment management services primarily focusing on private investments in sponsored privately offered pooled investment vehicles. Along with LRA and, to a lesser degree, LAI, our secondary funds of funds have been a leading source of liquidity to owners of interests in private equity, venture, mezzanine, buyout, and real estate limited partnerships since 1989. LEA was formed/registered in 1998.

LRA and LEA clients include the Landmark Funds (which includes the co-investment funds), sub-advised accounts, acquisition vehicles, and QPAM accounts. Our clients consist mainly of privately offered pooled investment vehicles (“**funds of funds**”) that acquire, and hold as investments, interests in other private equity funds (“**underlying funds**”). The funds of funds are “secondary” funds of funds, acquiring interests in the underlying funds from existing investors. The underlying funds in which our funds of funds invest consist primarily of private equity, venture capital, buyout, and mezzanine funds. We also manage private funds that invest directly in private equity, venture capital and buyout fund portfolio companies, sometimes on a co-investment basis with the underlying funds. The Landmark Funds also make investments in real assets (which are sometimes referred to as “infrastructure” assets) and LEA has a real asset program and dedicated real asset funds. From time to time, the Landmark Funds invest in publicly traded securities.

We provide investment advisory services to the Landmark Funds on discretionary and non-discretionary basis. The investors in the Landmark Funds we advise are pension and profit sharing plans and other institutional investors such as endowments, foundations, insurance companies and banks, as well as high net worth individuals.

Currently, we provide investment advisory services to the following Landmark Funds which include the co-investment funds (and any of their respective feeder vehicles):

- Secondary Funds

Landmark Equity Partners XI, L.P., Landmark IAM Partnership XI, L.P., Landmark Equity Partners XII, L.P., Landmark Equity Partners XIII, L.P., Landmark Equity Partners XIII-A,



# LANDMARK PARTNERS

L.P., Landmark Equity Partners XIV, L.P., Landmark Equity Partners XIV Offshore, L.P.<sup>1</sup>, Landmark Partners 1907 Fund I, L.P., Landmark – NYC Fund I, L.P., Landmark Equity Partners XV, L.P., Landmark Equity Partners XV Offshore, L.P.<sup>2</sup>, LWFB Co-Investment Fund I, L.P., Landmark Partners 1907 Fund II, L.P., Landmark TX ERS Co-Investment Fund I, L.P., NCL Investments, L.P. – PE Series and NCL Investments, L.P. – RA Series, Landmark Hudson Partners I, L.P., Columbus Opportunity Fund L.P., Landmark Partners Insurance Fund Series, Landmark Equity Partners XVI, L.P., Landmark Equity Partners XVI Offshore, L.P.<sup>3</sup>, Landmark TX ERS Co-Investment Fund II, L.P., Landmark Partners 1907 Fund III, L.P., Landmark Equity Partners XVI Co-Investment Fund, L.P., Landmark Pacific Partners, L.P.<sup>4</sup>, Wafra Venture Master Fund I LP, Wafra Venture Master Fund II LP, NCL Investments II, L.P. – Outside Opportunities Series A, NCL Investments II, L.P. – PE Series, NCL Investments II, L.P. – RA Series, Landmark TIG Co-investment Fund I, L.P., Landmark Sing Co-investment Fund I, L.P. and Landmark Equity Partners XVI Offshore Co-Investment Fund, L.P.<sup>5</sup>

- Direct Investment Funds

Landmark Growth Capital Partners, L.P., Landmark IAM Growth Capital, L.P. and Landmark Co-Investment Partners IX, L.P.

The Landmark Funds are offered exclusively to accredited investors and/or qualified purchasers, and are not required to register as investment companies under the Investment Company Act of 1940, as amended (“**Company Act**”), in reliance upon certain exemptions available to private investment funds whose securities are not publicly offered. LEA generally acts as the investment adviser of each Landmark Fund.

Landmark tailors its advisory services to the specific investment objectives and restrictions of each Landmark Fund and other clients pursuant to the investment guidelines and restrictions set forth in each Landmark Fund’s or other client’s Governing Documents.

- Sub-advised Funds

LEA is the sub-adviser for Landmark Partners Insurance Fund Series Interests of the SALI Multi-Series Fund, L.P. where SALI Fund Partners, LLC is the general partner, Wafra Venture Master Fund I LP and Wafra Venture Master Fund II LP where, in each case, Wafra Venture Master GP I, Ltd. is the general partner.

---

<sup>1</sup> Feeder fund of Landmark Equity Partners XIV, L.P.

<sup>2</sup> Feeder fund of Landmark Equity Partners XV, L.P.

<sup>3</sup> Feeder fund of Landmark Equity Partners XVI, L.P.

<sup>4</sup> Series-by-series vehicle. Currently, each series of this partnership is advised by LEA.

<sup>5</sup> Feeder fund of Landmark Equity Partners XVI Co-Investment Fund, L.P.

## **Acquisition Vehicles**

From time to time, LEA forms special purpose vehicles (“**Acquisition Vehicles**”) to acquire certain assets (including secondary transactions) by one or more Landmark Funds and/or investors. The beneficial and legal owners of these special purpose vehicles may be one or more of the Landmark Funds, the seller of the assets, or unaffiliated co-investors. The ownership interest of Landmark Funds with an interest in these special purpose vehicles is reflected in the respective Landmark Fund’s records and audited financial statements.

The Acquisition Vehicles are not listed in Form ADV Part 1, Section 7.B.(1) Private Fund Reporting. However, to the extent Landmark provides continuous and regular supervisory or management services to such vehicles, their gross asset values and Regulatory Assets Under Management (“**RAUM**”) are reflected in the respective Landmark Fund’s gross asset value and Form ADV Part 1, Item 5.F.(2), respectively.

We will from time to time cause a Fund or client to purchase or sell interests in a particular fund from a related adviser, provided that such investments are consistent with the Fund’s or client’s strategy and are made on a basis that does not involve the payment of an additional fee to us or the related adviser.

## *QPAM Services*

From time to time, we also provide advisory services to clients on a non-discretionary basis in connection with the acquisition of portfolios of assets by such clients. Fees for such advisory services are typically negotiated beforehand with the client, based on the nature and size of the portfolio and the difficulty of the undertaking, and are payable upon completion.

In addition to managing the Landmark Funds, we also provide non-discretionary investment advice on an advisory basis to pension and other institutional clients with respect to specific investments and portfolios of private fund interests. These services are generally tailored to meet the individualized needs of particular clients.

Investors and prospective investors of each Landmark Fund or client should refer to their respective Governing Documents for complete information on the investment objectives and investment restrictions with respect to such Landmark Fund or client. There is no assurance that any of the Landmark Funds’ or client accounts’ investment objectives will be achieved.

As of December 31, 2017, the Affiliated Advisers collectively managed on a discretionary basis “Regulatory Assets under Management” of \$15,480,399,629 and \$448,766,668 on a non-discretionary basis.

As of December 31, 2017, we managed \$10,148,293,612 (which represents: Gross Asset Value + Uncalled Commitments) on a discretionary basis.

See Item 10 for information with respect to LEA’s other affiliations.



## **Item 5 - Fees and Compensation Advisory Fees, Withdrawals and Termination**

For our investment advisory services, we receive advisory fees and incentive fees. Subject to our discretion, advisory fees may be negotiated.

Advisory fees are paid by the Landmark Funds, which include the co-investment funds, and other clients. The amount of advisory fees varies by client. Typically, each Landmark Fund has an investment period, consisting of a fixed time period, during which the advisory fee is determined by applying the applicable fee percentage to the amount of the Landmark Fund's committed capital. Generally, after the end of the investment period, either the same fee percentage or a different fee percentage is applied to a base amount representing the amount of the Fund's reported value or invested capital, depending on the Fund in accordance with the specific terms of the Governing Documents.

For certain Funds that have extended their original fund term, we waive advisory fees. For certain co-investment and acquisition vehicles, we also may waive such fees.

Where LEA acts as a QPAM to any client, we negotiate fees on an individual basis. The fees are generally based on a fixed percentage of the capital commitments made with respect to the client's investments. Advisory fees for QPAM clients are paid annually in arrears.

We are authorized under the Governing Documents to charge and deduct advisory fees directly from the Landmark Funds. Payments of advisory fees are generally made quarterly in advance and in accordance with the terms of the Governing Documents. Please refer to the Governing Documents of each of the Landmark Funds or other client account for complete information on the timing of advisory fee payments. Upon termination of a Landmark Fund, or sub-advisory arrangement, any prepaid, unearned advisory fees will be refunded, and any earned, unpaid fees will be due and payable.

LEA bills advisory fees to each client and fees are deducted by LEA from client assets. For example, advisory fees can be paid out of distributions received by a Fund. In addition, to obtain cash to pay advisory fees, LEA may call down committed capital from investors and/or draw down from the line of credit, where available, depending on the Fund. Advisory fees vary depending on the terms of the Fund or other client account. Specific details concerning advisory fees are set forth in the Governing Documents of the applicable Landmark Fund or client account.

### *Redemptions and Terminations*

Generally, withdrawals from the Funds are not permitted; however, investors subject to ERISA and governmental plans may have a limited right to withdraw from a Fund if continued participation by those investors would violate ERISA or applicable law or the investors' internal policies, and insurance companies invested in certain insurance-dedicated Funds have limited rights to withdraw and/or request liquidation of their Fund investment. Sub-advised accounts have negotiated termination provisions.

Upon termination of a Landmark Fund or sub-advisory arrangement, any prepaid, unearned advisory fees will be refunded, and any earned, unpaid fees will be due and payable.

## **Performance-based Fees**

See Item 6 below for information with respect to performance-based fees.

## **Other Costs and Expenses**

Our advisory fees are exclusive of other costs and expenses the Landmark Funds and clients will incur, which are borne by and payable out of the assets of the Landmark Funds and clients and not by LEA. These costs include charges imposed by custodians, administrators and registrars, transaction and consulting fees, insurance expenses, legal and accounting fees, taxes and certain fund organizational and operating expenses, as well as the management fees, organizational, and operating expenses charged by the underlying funds in which the Landmark Funds hold investments, all as more particularly described in the Governing Documents of such Funds or client accounts. Fund operating expenses specifically include expenses charged to the Funds due to the due diligence costs of evaluating prospective deals even though such deals were not consummated (“**broken deal expenses**”).

In certain circumstances, the relevant Landmark Fund’s general partner is expected to permit certain investors to co-invest in portfolio investments alongside one or more Landmark Funds, subject to LEA’s related policies and the relevant Landmark Fund’s Governing Documents and/or side letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Landmark Funds. Generally, in the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the applicable Landmark Fund’s general partner, ultimately is not consummated, all broken deal expenses relating to such proposed transaction will be borne by the Landmark Fund(s), and not by any potential co-investors, that were to have participated in such transaction. Furthermore, arrangements with certain formal co-invest partners may not allow LEA to charge broken deal expenses to such co-invest partner’s vehicle unless LEA has demonstrably allocated a portion of the investment to such vehicle, and consequently a Landmark Fund will bear all broken deal expenses attributable to such vehicle.

Placement agent fees are borne by us (as the investment adviser) and if paid by a Fund, reduce the advisory fees payable to us, and are allocated to the specific limited partner associated with such placement agent.

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

The Landmark Funds and clients we advise generally pay performance-based fees or make carried interest distributions to the general partners, so that the members of the general partners (certain of whom are also our members and officers) are entitled to receive a percentage of the cumulative distributions made by the Landmark Funds or clients after their limited partners or investors have received distributions equal to their total capital contributions plus a pre-determined preferred

return. Primary investments are not subject to carry unless made in conjunction with a secondary investment.

More detailed information about a particular Landmark Fund's or other client account's performance-based fees and arrangements is set forth in the applicable Governing Documents.

Carried interest distributions can create incentives for us to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement. They can also create an incentive for us to allocate investment opportunities to a Fund or a client account with a higher carried interest rate. More generally, the potential for LEA and its affiliates to receive different performance-based fees or other remuneration from different accounts creates a potential conflict of interest with respect to the allocation of investment opportunities because LEA or its affiliates may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a more favorable performance fee or allocation. In instances in which we believe such conflicts are likely to arise, the Governing Documents of the applicable Landmark Funds or client accounts prescribe specific factors to be considered by us in allocating investment opportunities among all participating clients.

Generally when making allocation decisions, we consider a variety of factors including, among others, the investment objective of each relevant client account, the sourcing of the investment opportunity, the composition of the portfolios of each of the client accounts, and the risks and obligations associated with these portfolios, available capital, risk tolerance, and investment objectives and guidelines of each such client account, the aggregate size of the investment, including whether follow-on investments may be required, the investment strategy and restrictions or other obligations or requirements related to the proposed investment, legal, tax, regulatory and other considerations, and the availability of other investment opportunities. In addition, the method of allocating investment opportunities changes over time, particularly as each client's investment period comes to an end. Although we seek to allocate investment opportunities in a fair and equitable manner, decisions as to the allocation of investment opportunities which may present conflicts of interest may not always be resolved in the manner that is favorable to the interests of a particular Fund or client.

## **Item 7 - Types of Clients**

### *Types of Clients and Investment Vehicles*

LEA's clients include the Landmark Funds (which includes the co-investment funds), sub-advised accounts, acquisition vehicles, and QPAM accounts. Investors in the Landmark Funds, or other acquisition or co-investment vehicles may include, without limitation, corporations, endowments, foundations, trusts, estates, sovereign wealth funds, individuals and pension and profit sharing plans.

### *Minimum Investment Requirements*

LEA and its related entities generally require that each investor in the Landmark Funds be an "accredited investor" as defined in Regulation D under the Securities Act of 1933 (the "**Securities**

Act”). In addition, LEA and its related entities generally require that each investor in each of the Landmark Funds be a “qualified purchaser” as defined in the Company Act.

In general, the minimum investment commitment required of an investor to participate in a Landmark Fund is \$10,000,000; however, the general partner of each Landmark Fund has discretion to increase or reduce the minimum investment commitment and such minimum investment requirement does not apply to all Landmark Funds. Investors are requested to refer to the Governing Documents of each of the Landmark Funds for complete information on minimum investment requirements for participation in a particular Landmark Fund.

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

We typically make private equity investments through the purchase of interests in established private equity funds.

With respect to secondary private equity fund investments, our strategy is to focus principally on negotiated transactions as opposed to large portfolio auctions where price is the determining factor. As such, we concentrate on acquiring portfolios of private equity limited partnership interests in the middle market from institutional holders seeking liquidity or exit from the underlying funds. While focused on the middle market, we retain the ability to handle small and large portfolio restructurings. The key elements of our investment process are the following:

*Deal Sourcing.* We generate proprietary deal flow through an extensive network in the private equity community and through our reputation as a frequent, reliable buyer of interests from investors seeking liquidity. At times we pay related and unaffiliated third-parties for deal sourcing opportunities.

*Due Diligence and Evaluation Procedures.* We seek to analyze the private equity, venture capital, buyout and mezzanine fund investments and portfolios of such investments, including investments in the revenue streams of sponsors of such investments, which may be acquired by the Landmark Funds and client accounts based upon the investment strategy and focus of the underlying funds, the relevant experience of the underlying funds’ managers, the past performance of related funds, if any, and other information deemed appropriate. As part of our due diligence, we perform detailed reviews of the funds or sponsors whose interests are being offered. This involves an analysis of the respective general partner’s historical investment record and the success of the underlying fund in achieving its investment return expectations to date; valuations of the currently held portfolio companies; and generating liquidity and cash flow projections. Attention is also given to underperforming investments and strategies for recovery; portfolio company compliance with loan covenants; estimated timetables for future capital calls; and confirmation that there are no impediments to an orderly transfer of partnership interests. If the investment is deemed appropriate to pursue after preliminary due diligence, the investment team prepares a cash flow model, which projects the internal rate of return to limited partners over the life of the investment being acquired.

Upon completion of the due diligence process, our investment committees, which generally consists of five to seven partners who have been closely involved in the review process since the deal was brought to the attention of the investment team, votes to approve or reject the deal.

*Negotiations and Closings.* Upon reaching agreement on price and terms, the client executes a letter of intent and negotiates the definitive purchase agreement with the seller. Meetings to obtain consent to the transfer, to address transfer mechanics, and to complete due diligence are then scheduled with the general partners of the fund whose interest is being acquired.

*Sources of Information.* Our principal sources of information regarding private equity, venture capital, buyout, and mezzanine fund investments may include, but are not limited to, private offering memoranda, financial and business reports, interviews with the underlying funds' managers, visits to the underlying funds and reference checks on the underlying funds' managers.

## **Risks of Loss**

### **Investing in securities involves risk of loss that clients should be prepared to bear.**

Investments in the Landmark Funds and clients' accounts involve a high degree of risk and should be regarded as speculative. Investing in the Landmark Funds, or other client accounts, should be considered only by institutions and individuals who can reasonably afford a loss of their entire investment. The risks involved with our investment strategies include, but are not limited to the following:

#### *Nature of Investment in a Landmark Fund*

Investment in a Landmark Fund requires a long-term commitment by investors who are required to contribute substantial amounts of capital to the Landmark Fund with no certainty of return. Investors who are unable or unwilling to comply with their capital contribution obligations risk, among other things, forfeiture of a portion, and possibly all, of their investment in a Fund. Accordingly, prospective investors and clients should assure themselves that they have sufficient available capital assets to support their capital commitments.

#### *Illiquid Nature of Investment in the Funds*

Investments in the Landmark Funds and other client portfolios are highly illiquid. Investors may not redeem their interests and may be unable to transfer or liquidate their investments during the term of the applicable Landmark Funds or accounts (as indicated in the applicable Governing Documents).

Investment in the Landmark Funds and other client accounts requires a long-term commitment, with no certainty of return. In the early life of the Landmark Fund or other client account, cash flow available to the investors is likely to be limited. The Funds' and other clients' portfolio investments will be highly illiquid, as will investments invested by underlying funds, and there can be no assurance that a Landmark Fund or an underlying fund will be able to realize on such

investments in a timely manner. Dispositions of investments may require a lengthy time period and/or may result in distributions in kind to investors.

## *Nature of Underlying Fund Investments*

The success of each of the underlying funds (and, as a result, a large measure of a Landmark Fund's, or other client's, portfolio success) is subject to those risks which are inherent in private equity, venture capital, buyout, and mezzanine and other types of investments undertaken by such underlying funds. These risks are generally related to (i) the ability of each of the underlying funds to select and manage successful investment opportunities; (ii) the quality of the management of each portfolio company in which the underlying funds invest; (iii) the ability of the underlying funds to liquidate their investments; and (iv) general economic conditions. There can be no assurance that the investments by the underlying funds will result in attractive rates of return to a Landmark Fund or other client. LEA will not be able to participate in the management and control of the underlying funds in which Landmark Funds or other clients hold investments nor of the portfolio companies in which the underlying funds have invested. Consequently, LEA will not be able to control the amount or timing of distributions the Landmark Funds or other clients receive from the underlying funds, which may affect investors' returns.

The Landmark Funds or other client accounts acquire direct investments in securities of private and public companies. Direct investments may be expected to involve a high degree of risk and uncertainty. There is generally no publicly available information regarding the privately-owned portfolio companies in which a Landmark Fund or client account expects to invest directly.

## *Failure by Other Investors to Meet Capital Calls of Underlying Funds*

A Landmark Fund or other client, directly or indirectly, may be one of many investors in underlying funds, many of which typically will require capital contributions to be made over an extended period of time. Failure by one or more other investors to meet a capital call of an underlying fund could have adverse consequences for a Landmark Fund or other client. The underlying fund may be permitted to require the Landmark Fund and other investors in the underlying fund to contribute additional capital to satisfy the shortfall. If the underlying fund is unable to raise sufficient capital to consummate the proposed investment, the underlying fund's manager may not be able to, among other things, diversify its portfolio, which could adversely affect the performance of such underlying fund and could also result in such underlying fund's investments being concentrated in relatively few industries and regions. Furthermore, such underlying fund may not have sufficient capital to contribute capital to existing portfolio companies necessary to ensure their ongoing financial stability. If multiple investors fail to meet capital calls from a particular underlying fund, such underlying fund could default on its obligations, which could result in the termination of such underlying fund, causing a lower return, or potentially a loss, on the Landmark Fund's investments.



## *Failure by Landmark Investors to Meet a Capital Call*

A Landmark Fund, like the underlying funds, typically requires investors to make capital contributions over an extended period of time. If investors in a Landmark Fund fail to meet a capital call, such Fund may default on all or a portion of a capital call for the underlying fund or the number of portfolio investments that such Fund may make could be reduced. A Fund may have a large number of investors, any of which could fail to meet a Fund capital call. In addition, if an investor fails to meet a capital call of a Fund, the general partner of such Fund may require each non-defaulting investor to make an additional capital contribution (but not in excess of each such non-defaulting investor's available commitment) to make up for the shortfall.

## *General Partner May Retain and Reinvest Proceeds of Investments and Recall Distributions*

The amount and timing of distributions by a Fund will be in the sole discretion of the Fund's general partner, who may also direct amounts otherwise distributable in respect of proceeds or distributions from an underlying fund to be used to satisfy, or establish reserves for, any of a Landmark Fund's current or anticipated obligations (including, without limitation, advisory fees and any other Fund expenses as well as obligations relating to other underlying funds, including among others, making additional capital contributions and follow-on investments in respect thereof). These determinations of a Fund's general partner shall be conclusive and binding upon the investors. If a Fund receives, directly or indirectly, distributions or proceeds from an underlying fund and retains (or recalls) and reinvests such amounts, the amount so reinvested (up to the amount of capital used to make such investment) will generally not reduce the amount of any limited partner's outstanding unpaid capital commitment.

A Landmark Fund may at any time recall distributions made to its limited partners. Recalls may be made to satisfy expense and indemnity obligations of the Fund itself or to satisfy recall requests received from the underlying funds. A Fund or its underlying funds may require recontributions of distributions for various reasons, including as a result of the use of over-commitment strategies, to satisfy indemnification, reimbursement, contribution and similar obligations or because capital had been returned to its limited partners without having been invested or having been invested for only a short period of time. Amounts recalled generally will not reduce a limited partner's remaining capital commitment.

## *Underlying Funds May Make Commitments in Excess of Their Capital Commitments*

Certain underlying funds may make commitments to portfolio companies in excess of the total capital committed to such underlying funds. As a result, in certain circumstances, an underlying fund may need to retain distributions from its investments or recall distributions or liquidate certain of its investments prematurely at potentially significant discounts to market value if the underlying fund does not generate sufficient cash flow from its investments to meet these commitments. Likewise, a Landmark Fund may also be exposed to these risks if the Landmark Fund does not generate sufficient cash flow to satisfy its recall obligations to the underlying funds.

## *Past Performance Is Not Necessarily Indicative of Future Results of the Funds*

At the initiation of any client account, or at such time as investors invest in any of our Landmark Funds, the portfolios typically have no prior operating history upon which an investor or client can base its prediction of success or failure. The results of earlier investment Funds formed by us or our affiliates, or other client accounts managed by us or our affiliates, are not necessarily indicative of the results that a new Fund will achieve.

## *Material Non-Public Information*

As a result of the extensive operations of Landmark and its affiliates as well as investments made by the Funds or other clients, Landmark (and, in certain circumstances, investors) may come into possession of confidential or material, non-public information. Therefore, Landmark and its affiliates might have access to material, nonpublic information that might be relevant to an investment decision to be made by the Funds or clients. Consequently, the Funds or clients may be restricted from the purchase or sale of an investment that, if such information had not been known to Landmark, may have otherwise been undertaken. To the extent any investor is aware of any such confidential or material, nonpublic information, such investor may be restricted with respect to its own investment or other activities and/or be subject to certain laws, regulations or rules with respect to such confidential or material, non-public information.

## *Currency Fluctuations*

Certain Funds and client accounts invest a portion of their capital outside the United States in non-U.S. Dollar denominated securities. Because such investments involve non-U.S. Dollar currencies and because a Fund or a client account may hold funds in bank deposits in such currencies during the completion of its investment program, the Fund or the client account may be adversely affected by changes in currency rates (including as a result of the devaluation of the U.S. Dollar or a foreign currency or a failure of the common European currency) and in exchange control regulations. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund or the client account), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund, the client, and/or the limited partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund, the client, and/or the limited partners.

In addition, commitments of a Fund or other client account to underlying funds may increase as a result of adverse changes in currency rates. While limited partners, investors and clients will not be required to increase their commitments to the Fund or client account in order for the Fund or client account to meet such obligations, the Fund or client account may need to recall distributions or liquidate certain of its investments prematurely at discounts to market value if the Fund or client account does not generate sufficient cash flow from its investments to offset the amount of the devaluation. Conversely, fluctuations in currency rates may also result in the Fund's, or client's account, capital being less than fully invested in an underlying fund. Although the Fund or client

may choose to seek to protect the economic value of its investments (and those of any underlying investment) through currency hedging, the financial instruments available to hedge the currencies of certain markets in which the Fund or client may invest may be less effective or economical than financial instruments used to hedge the currencies of other jurisdictions.

## *Risks Associated with Hedging Activities*

Landmark Funds or other clients may choose, but are not required, to seek to protect the economic value of investments (and investments in underlying funds) through currency hedging, security hedging or other hedging strategies, including swaps, short sales, forward contracts or options. While such transactions themselves may reduce certain risks, such transaction themselves may entail certain other risks. The risks posed by these transactions include, but are not limited to, interest rate risk, market risk, the risk that these complex instruments and techniques will not be successfully evaluated, monitored or priced, the risk that counterparties will default on their obligations, liquidity risk and leverage risk (please see “Risks Relating to the Use of Leverage by the Underlying Funds”). Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. In addition, it may not be possible to enter into a hedging transaction, if at all, at a price sufficient to protect the Fund from the anticipated decline in the value of the portfolio position. Moreover, for a variety of reasons, a Fund or other client, or the underlying funds or portfolio companies may not be able to establish a perfect correlation between the hedging instrument and the investment being hedged. This imperfect correlation may prevent the Fund or a client from achieving the intended hedge or expose it to risk of loss. The successful use of these hedging strategies depends upon the availability of a liquid market and appropriate hedging instruments, and there can be no assurance that the Fund or client account will be able to close out a position when deemed advisable by us. Hedging transactions also involve additional costs and expenses, which may adversely affect the overall performance of the Fund, a client, the underlying funds or the portfolio companies. There can be no assurance that the Fund, a client, the underlying funds or the portfolio companies will engage in hedging transactions at any given time or from time to time, or that these transactions, if available, will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect.

## *Risks Relating to the Use of Leverage by the Underlying Funds*

The underlying funds may use leverage for a variety of purposes, including, but not limited to, acquiring, directly or indirectly, new investments, leveraging existing investments to permit distributions or additional investments, facilitating hedging activities and bridging funding for investments in advance of capital calls. Leverage generally magnifies opportunities for gain and risk of loss from a particular investment. The leverage used by the underlying funds may take the form of indebtedness for borrowed money as well as financial leverage in the form of short sales, forward contracts, options, derivatives, and other similar transactions, which may expose the Fund to greater risks than if the underlying funds did not use leverage. This leverage could accelerate and magnify declines in the value of an underlying fund’s investments in a down market. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast. Gains made with borrowed funds generally would cause the underlying funds’ value to increase faster than without borrowed funds. However, losses incurred

with borrowed funds would cause the underlying funds' value to decrease faster and more significantly than without the use of borrowed funds. Money borrowed for the purpose of leveraging investments will also be subject to interest costs as well as financing, transaction and other fees and costs that may not be recovered by returns on the underlying funds' investments or other investment positions taken by the underlying funds. In addition, the use of leverage by an underlying fund may also result in tax-exempt limited partners of the Fund, or a tax-exempt client, incurring a tax on unrelated business taxable income (“**UBTI**”).

## *Capital Calls and Use of Subscription Lines and Asset-Backed Facilities*

A Fund's general partner may cause a Fund to incur indebtedness to finance investments, organizational expenses, fund expenses and the payment of any investment advisory fees (the collateral for which can be, for example, one or more assets of the fund, *i.e.*, asset-backed facilities, or the undrawn commitments of investors, *i.e.*, subscription lines) prior to calling Commitments. For administrative convenience, capital calls, including those used to pay interest on subscription lines, asset-backed facilities and other indebtedness, may be “batched” together into larger, less frequent capital calls, with a Fund's interim capital needs being satisfied by the fund borrowing money from such credit facilities. The interest expense and other costs of any such borrowings will be fund expenses and, accordingly, may decrease net returns of the fund. In addition, the batching of capital calls may amplify the magnitude of potential defaults by limited partners as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender, such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of liquidity constraints on limited partners and/or limited partners facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Finally, the existence of a subscription facility may impair a limited partner's ability to transfer its interest in a Fund as a result of restrictions imposed on such transfers by the lender. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return. As a result, the use of a subscription facility with respect to investments and ongoing capital needs may reduce or eliminate the preferred return received by the limited partners and accelerate or increase distributions of carried interest to a general partner. As a general matter, use of leverage in lieu of drawing down Commitments amplifies IRRs (either negative or positive) to limited partners. In light of the foregoing, the General Partner has an incentive to fund the acquisition and ongoing capital needs of investments and the fund with the proceeds of such borrowings in lieu of drawing down Commitments on a just-in-time basis.

## *Effect of Fees and Expenses on Returns*

Each of the underlying funds in which a Fund or client invests generally (i) pays (or requires its limited partners to pay) its respective general partner and investment adviser or manager certain fees; and (ii) bears certain costs and expenses. Those fees, expenses and costs are in addition to those of the Fund described in “Principal Terms of the Fund” and client's investment management agreement. Such fees and expenses are expected to (and may materially) reduce the actual returns to limited partners and clients. Fees and expenses of the Funds and clients and the underlying funds

in which the Fund or client invests will generally be paid regardless of whether the Fund, client or the underlying funds produce positive investment returns.

## *Risks Relating to Non-U.S. Investments*

Certain Funds and clients invest in portfolio investments, and directly and indirectly in companies, that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund or client portfolio), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on investors and clients with respect to the income, and possible non-U.S. tax return filing requirements for investors and clients. The foregoing factors may increase transaction costs and adversely affect the value of the Fund's, or client's, portfolio investments.

Additional risks of non-U.S. investments include but are not limited to: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. portfolio investments and companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. portfolio investments and companies.

The risks of loss described herein should not be considered to be an exhaustive list of all the risks which investors in the Funds or clients should consider. Investors and clients should refer to the respective Fund's private placement memorandum and organization documents for additional information on risk factors and risk of loss as well as any investment management agreements.

## *Cybersecurity Risks*

Recent events have illustrated the ongoing cybersecurity risks to which companies are subject. To the extent that a portfolio company or underlying fund is subject to cyber-attack or other unauthorized access is gained to such portfolio company or underlying fund's systems, such portfolio company or underlying fund may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) financial information, including investor financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company or underlying fund's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, an underlying fund or the Fund to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Landmark or one of its service providers holding its financial or investor data, Landmark, its affiliates or the Fund may also be at risk of loss, despite efforts to prevent and mitigate such risks.



## *GDPR Compliance Risk*

Data protection and regulations related to privacy, data protection and information security could increase costs, and a failure to comply could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations of an underlying fund or a portfolio investment.

Underlying funds and portfolio investments are subject to regulations related to privacy, data protection and information security in the jurisdictions in which they do business. As privacy, data protection and information security laws are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

EU data protection law currently in effect is derived from the Data Protection Directive (Directive 95/46/EC) and has been implemented by national legislation across all 28 EU member states. On May 25, 2018, the General Data Protection Regulation (EU 2016/679) (the “**GDPR**”) replaced the existing legislation. The GDPR seeks to harmonize national data protection laws across the EU, whilst at the same time, modernising the law to address new technological developments. As a regulation, the GDPR will be binding on data controllers and data processors in all EU member states, immediately upon coming into effect, without the need for implementation in each member state. The GDPR notably has a greater extra-territorial reach and will have a significant impact on data controllers and data processors either with an establishment in the EU, or which offer goods or services to EU data subjects or monitor EU data subjects’ behaviour within the EU. The new regime imposes more stringent operational requirements on both data controllers and data processors, and introduced significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the breach.

The current ePrivacy Directive will also be repealed by the EU Commission’s Regulation on Privacy and Electronic Communications (the “**ePrivacy Regulation**”) which aims to reinforce trust and security in the digital single market by updating the legal framework on ePrivacy. The ePrivacy Regulation is in the process of being finalised and is due to come into force in early 2019.

Compliance with current and future privacy, data protection and information security laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of our current and planned business activities. A failure to comply with such laws could result in fines, sanctions or other penalties, which could materially and adversely affect results of operations and overall business, as well as have an impact on reputation.

## **Potential Conflicts of Interest**

Unless context otherwise requires, references in the “Potential Conflicts of Interest” section to Landmark Funds include private funds and other client accounts advised by LEA. LEA and its related entities, including but not limited to the other Affiliated Advisers, engage in a broad range



of advisory and non-advisory activities. LEA will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Landmark Funds in an appropriate manner, as required by the relevant Governing Documents, although the Landmark Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of LEA conducting its activities, the interests of a Landmark Fund may conflict with the interests of LEA, one or more other Landmark Funds or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, LEA will determine all matters relating to structuring transactions and Landmark Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Landmark Funds.

LEA and its principals and employees carry on investment activities for their own accounts and for family members and friends who do not invest in the Landmark Funds, and may give advice and recommend securities to other accounts which may differ from advice given to, or securities recommended or bought for, the relevant Landmark Fund, even though their investment objectives may be the same or similar.

LEA currently provides, and expects in the future to provide, advice to other Landmark Funds, including vehicles that follow investment programs substantially similar to that of its current Landmark Funds. LEA may give advice, or take actions with respect to, the investments of one or more Landmark Funds that may not be given or taken with respect to other Landmark Funds with similar investment programs, objectives or strategies. As a result, Landmark Funds with similar strategies may not hold the same securities or achieve the same performance. In addition, a Landmark Fund may not be able to invest through the same investment vehicles or have access to similar credit or utilize similar investment strategies as another Landmark Fund. These differences may result in variations with respect to price, leverage and associated costs of a particular investment opportunity in which multiple Landmark Funds invest.

As noted above, LEA and its affiliates, its principals, and employees will devote so much of their time to the activities of the Landmark Funds as they deem necessary and appropriate. Except as set forth in the Landmark Funds' Governing Documents, Landmark is not restricted from forming additional Landmark Funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the Landmark Funds and/or may involve substantial time and resources of LEA, the general partners, and their respective principals and employees. These activities could be viewed as creating a conflict of interest in that the time and effort of LEA, the general partners and their principals and employees will not be devoted exclusively to the business of a particular Landmark Fund but will be allocated among the businesses of various Landmark Funds.

From time to time, LEA will be presented with investment opportunities that would be suitable not only for a Landmark Fund, but also for other Landmark Funds and other investment vehicles advised by Landmark. In determining which investment vehicles should participate in such investment opportunities, LEA and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of LEA in securities of

the same issuer may also raise the risk of using assets of a client of LEA to support positions taken by other clients of LEA.

In allocating investment opportunities, LEA must first determine, in its sole discretion, which Landmark Fund(s) will, or are required to, participate in the relevant investment opportunity. LEA generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Governing Documents. When making allocation decisions, the investment objective of the Landmark Funds may not be the dispositive factor; rather, LEA may, in its sole discretion, consider, among other considerations, the sourcing of the investment opportunity, the composition of the portfolios of the Landmark Funds, the composition of the underlying funds' portfolios and the risks and obligations associated with those portfolios, available capital, risk tolerance, and investment objectives and guidelines of each Landmark Fund, the aggregate size of the investment, including whether follow-on investments may be required, the investment strategy and restrictions or other obligations or requirements related to the proposed investment, legal, tax, regulatory and other considerations, and the availability of other investment opportunities. For example, a newly organized Landmark Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. The method of allocating investment opportunities may change over time, particularly as the end of a Landmark Fund's investment period approaches. A Landmark Fund may invest together with other Landmark Funds in the manner set forth in the relevant Governing Documents and LEA's allocation procedures. Although LEA intends to allocate investment opportunities in a fair and equitable manner, decisions as to the allocation of investment opportunities present numerous conflicts of interest, which may not be resolved in a manner that is favorable to a Landmark Fund's, and, therefore, the limited partners' interests.

LEA has formed and, in the future, may form additional vehicles set up to co-invest, in whole or in part, with a Landmark Fund. Some of these vehicles may only be entitled to participate in portions of an investment that LEA determines to not allocate to a Landmark Fund. Certain other vehicles, however, may be entitled to a share of an investment opportunity ("**Additional Accounts**"). Furthermore, LEA may permit certain other persons and/or investment vehicles (including other investment vehicles managed by Landmark) to co-invest with a Landmark Fund. Other than with respect to Additional Accounts, allocations will be made in the sole discretion of the LEA and may result in the investments being made on different terms or in different securities by such other vehicles. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the LEA, may not be in the best interests of a Landmark Fund or any individual limited partner. In exercising its discretion in connection with such co-investment opportunities, LEA may consider some or all of a wide range of factors, which may include the likelihood that a limited partner may invest in a future fund sponsored by LEA or its affiliates or the size of a limited partner's commitment. These types of co-investments may result in conflicts regarding decisions relating to an investment, including with respect to timing of disposition or strategic objectives. Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by LEA or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other limited partners. When and to the extent that employees and related persons of LEA make capital investments in or alongside a

Landmark Fund, Landmark is subject to conflicting interests in connection with these investments. LEA's allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some persons relative to others. In addition, LEA or an affiliate thereof may receive compensation for management and other services performed in connection with co-investments made in underlying funds.

Until such time as LEA is permitted to raise a successor investment fund to a Landmark Fund, LEA will generally pursue all appropriate investment opportunities that meet the investment criteria of such Landmark Fund principally for the benefit of such Landmark Fund, subject to certain exceptions set forth in the Governing Documents. However, LEA currently manages multiple Landmark Funds and investments and may direct certain relevant investment opportunities to certain Landmark Funds and investments but not others. In addition, LEA may spend a portion of its business time and attention pursuing investment opportunities that do not fall within the investment objectives of a Landmark Fund for other investment funds and vehicles and other than on behalf of a Landmark Fund (including successor funds of such vehicles) and investment vehicles related to such Landmark Fund, including managed accounts and Additional Accounts formed to generally co-invest with such Landmark Fund. After such an investment is made, LEA will continue to manage and monitor such investment funds and investments. LEA believes that its significant investment in a Landmark Fund, as well as the general partners' interest in the carried interest, operate to align, to some extent, the interest of such general partners and LEA (in its capacity as the general partner of such general partners) with the interest of the limited partners, although LEA has economic interests in such other investment funds and investments as well and may receive investment advisory fees and carried interests relating to these interests. Such other investment funds and investments that LEA may control may compete with the Landmark Funds and/or their portfolio investments. At such time as LEA commences investment activities for a successor investment fund to a Landmark Fund, LEA will continue to manage such Landmark Fund's investments, but also may and likely will focus its investment activities on other opportunities and areas unrelated to the Landmark Fund's investments.

Although uncommon, from time to time a Landmark Fund may enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Landmark Funds, co-investors or co-investment vehicles when LEA believes such transactions are appropriate and in the best interests of the Landmark Funds. Such transactions raise potential conflicts of interest, including where the investment of a Landmark Fund supports the value of portfolio investments and/or assets owned by other Landmark Funds. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represents what would ultimately be the underlying investment's fair value. LEA intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to a Landmark Fund under the circumstances, including consideration of the potential present and future benefits with respect to the Landmark Fund.

Limited partners of a Landmark Fund may have conflicting investment, tax, and other interests with respect to their investments in the Landmark Fund, including conflicts relating to the

structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by LEA regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, LEA generally will consider the investment and tax objectives of a Landmark Fund and its limited partners as a whole, and not the investment, tax, or other objectives of any limited partner individually.

In certain cases, LEA will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Landmark Fund. In such cases, LEA is not expected to not receive compensation for identifying such transferees and will use its discretion to select such transferees based on suitability and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Landmark Fund interests should be offered to one or more existing Landmark Fund investors.

Subject to any relevant restrictions or other limitations contained in the Governing Documents of the Landmark Funds, LEA will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, LEA may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Landmark Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by LEA or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Landmark Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size. The Landmark Funds have different expense reimbursement terms, including with respect to advisory fee offsets, which may result in the Landmark Funds bearing different levels of expenses with respect to the same investment. If a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by a Landmark Fund. In the event that a transaction in which a co-investment was planned, including a transaction in which a co-investment was believed necessary in order to consummate such transaction, ultimately is not consummated, all broken deal expenses relating to such unconsummated transaction may be borne by a Landmark Fund, and not by any prospective co-investors, that were to have participated in such transaction. Furthermore, arrangements with certain formal co-invest partners may not allow LEA to charge broken deal expenses to such co-invest partner's vehicle unless LEA has demonstrably allocated a portion of the investment to such vehicle.

LEA, its affiliates, and equity holders, officers, principals and employees of LEA and its affiliates may buy or sell securities or other instruments that LEA has recommended to a Fund. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by a Landmark Fund. Such transactions are subject to the policies and procedures set forth in LEA's

**Code of Ethics.** The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Landmark Fund. Employees and related persons of LEA have, and are expected to continue to have, capital investments in or alongside certain Landmark Funds, and therefore may have additional conflicting interests in connection with these investments.

Because there is a fixed investment period after which capital from investors in a Landmark Fund may only be drawn down in limited circumstances, and because advisory fees are, at certain times during the life of a Landmark Fund, based upon capital invested by such Landmark Fund, this fee structure may create an incentive to deploy capital when LEA may not otherwise have done so.

Section 206 of the Investment Advisers Act of 1940, as amended (“**Advisers Act**”), regulates principal transactions among an investment adviser and its affiliates, on the one hand, and clients thereof, on the other hand. The Advisers Act generally requires that, when an investment adviser or an affiliate of the adviser proposes to purchase a security from, or to sell a security to, an advisory client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. From time to time, LEA or any of its affiliates may make investments prior to the initial closing that are designated by LEA as investments warehoused for a Landmark Fund. Any such warehoused investments will generally be identified in writing to the prospective investors that become such Landmark Fund’s limited partners prior to the time of their admission. In the event of a principal transaction, LEA intends to obtain the consent of the limited partners or participating Landmark Fund’s advisory committee, unless a Governing Document allows or prescribes a different course of action.

### *Potential Conflict Relating to Carried Interest*

The existence of the carried interest creates an incentive for us to make riskier or more speculative investments than would be the case in the absence of such arrangements. However, LEA believes that a general partner’s significant commitment to a Landmark Fund and the general partner’s clawback obligation in certain Landmark Funds should somewhat reduce this incentive.

### **Commodity Futures Trading Commission Matters**

The Funds (including for this purpose any alternative investment entities or parallel investment entities) and clients may trade in instruments regulated by the U.S. Commodity Futures Trading Commission (the “**CFTC**”), and in such event each Fund’s general partner and/or its affiliates, or any client’s investment manager, intend to qualify for an applicable exemption from registration with the CFTC as a commodity pool operator (“**CPO**”) with respect to each Fund or client account pursuant to an exemption under CFTC Regulation 4.13(a)(3), which requires filing a notice of exemption with National Futures Association. This Regulation also generally requires that (i) the limited partner interests are exempt from registration under the Securities Act and are not publicly marketed in the United States and (ii) at the time of the relevant investment, with respect to each Fund’s, or client’s, positions in CFTC-regulated instruments: (A) aggregate initial margin and related amounts required to establish such positions will not exceed five percent of the liquidation



value of each Fund's portfolio, after taking into account unrealized profits and unrealized losses on any such positions; or (B) the aggregate net notional value of such positions, determined at the time the most recent position was established, does not exceed 100 percent of the liquidation value of each Fund's portfolio, after taking into account unrealized profits and unrealized losses on any such positions. Therefore, unlike a registered CPO, each of the Fund's general partner or any client's investment manager, would not be required to deliver a CFTC-compliant disclosure document and a certified annual report to investors. Nonetheless, each Fund's general partner, and each client's investment manager, does intend to provide investors with annual audited financial statements and the reports described in the respective Fund's Partnership Agreement or client investment management agreement.

## **Item 9 - Disciplinary Information**

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

We do not have any disciplinary information to disclose.

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

As explained in Item 4 above, LEA is part of an advisory business known as "Landmark Partners". Its Affiliated Advisers include its parent, Landmark Partners, LLC ("LP LLC"), Landmark Realty Advisors LLC ("LRA") and Landmark Advisers, Inc. ("LAI"), "Affiliated Advisers" under common control with LEA.

The Forms ADV for each of the Affiliate Advisers can be found at the SEC's web site: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The advisory services provided by LEA are described in this Brochure. LRA provides investment advice to private investment vehicles that invest primarily in secondary offerings of real estate investment funds. In addition to being the parent entity, LP LLC primarily provides services to LRA, LEA and LAI though it also provides consulting services to certain third parties.

## **BrightSphere Management Partnership**

In November 2010, the Firm entered into a strategic partnership with Religare Global Asset Management Inc., a U.S. affiliate of Religare Enterprises Limited (collectively, "**Religare**"), a global financial services group. Landmark sold approximately 55% of the equity interest in Landmark Partners LLC to Religare. In the second quarter of 2016, Landmark entered into agreements to repurchase this equity interest from Religare and sell approximately 60% of the equity interest in Landmark Partners LLC to Brightsphere Investment Group plc, formerly known as OM Asset Management plc ("**BrightSphere**"). On August 18, 2016, Landmark closed the transactions. As part of this arrangement, BrightSphere will be responsible for a portion of a general partner's commitment to certain Funds and will also be entitled to a portion of the carried interest from certain Funds. Day-to-day operations of the Firm remain exclusively with Landmark



and investment decisions related to the Funds will be the sole responsibility of each Fund's investment committee. In addition to the foregoing, a Fund and/or LEA may engage BrightSphere or its affiliates to provide certain placement or other distribution related services with respect to certain identified investors. BrightSphere or such affiliates may be entitled to a fee or other economic benefit with respect to any such services that it may provide.

## **Consulting Service**

LP LLC developed a suite of proprietary models, referred to as a consulting toolkit, an alpha toolkit (and together “**Toolkits**”) and the Landmark Investment Valuation Evaluation (“**LIVE**”) reports. These proprietary models are used to consult with and assist investors, prospects, LPs, GPs analyze investments held by and/or the funds they have invested.

The Toolkits/LIVE are designed to provide, among others:

- Analysis of private fund portfolio information;
- Comparison of private funds in a portfolio with key performance metrics drawn from historical data;
- Identification of potential core and non-core private funds in the portfolio based on performance and relationship factors;
- Identification of possible transactions by developing top-down pricing estimates; and
- Projection of future drawdown and distribution cash flows to the portfolio, which provides assistance for planning future commitments.

Currently, LP LLC does not charge a fee for its Toolkits or LIVE consulting services. Investors or prospective investors may use these services to make allocation or investment decisions. In addition, investors or prospective investors utilizing this service may determine to divest their holdings in certain interests based on the analysis provided. In these instances, investors should be aware that the funds advised by the Affiliated Advisers may be purchasers of those interests.

LP LLC also provides advisory personnel, administration and regulatory compliance functions to all Affiliated Advisers within the Landmark Partners business. LP LLC, LEA, LRA and LAI are located in the same offices in Simsbury, Connecticut.

Certain of our principal executive officers, including certain of our investment committee members and Chief Compliance Officer, spend a significant amount of their time engaged in the private equity and real estate-related activities of Affiliated Advisers. In connection with performing services for these Affiliated Advisers, our officers and employees will receive compensation.

Our Affiliated Advisers share our office space as well as our compliance personnel, including the Chief Compliance Officer, and, to the extent applicable, compliance policies and procedures

addressing common regulatory requirements and issues. We have material business relationships with the Affiliated Advisers within the Landmark Partners group of companies.

With the exception of LP LLC, the Affiliated Advisers create limited partnerships and may act as investment adviser to such limited partnerships. The Affiliated Advisers also act as investment managers to other clients, including co-investment vehicles. LEA, or any of the Affiliated Advisers, makes investments in these investment partnerships. In addition, certain of our investment professionals and Affiliated Advisers act as members of the general partners of the limited partnerships.

LEA is a wholly-owned subsidiary of Landmark Partners, LLC (“**LP LLC**”) an entity which, in turn is owned by BrightSphere with the Landmark Partners principals owning 40% of LP LLC. Day-to-day operations of the Firm remain exclusively with Landmark Partners and investment decisions remain the sole responsibility of the Landmark investment committees. In addition to the foregoing, future Landmark Funds and/or Landmark Partners including any Affiliated Adviser may engage BrightSphere or an affiliate to provide certain placement agent services with respect to the sale of interests in new Landmark funds to certain identified investors. BrightSphere or such affiliate may be entitled to a fee with respect to the sale of interests to such investors. We engage unaffiliated third-parties (placement agents) to market our funds. Placement agent fees are borne by us as the investment adviser and if paid by the Fund, reduces the advisory fees payable to us, and are allocated to the specific limited partner associated with such placement agent.

Landmark Partners investment professionals are responsible for our day to day operations and control the investment committees through which all investment decisions are made with respect to our Funds and client accounts.

LEA and all the Affiliated Advisers are also affiliated with Landmark Partners (Europe) Limited, located in the United Kingdom and which is authorized and regulated by the Financial Conduct Authority.

Mr. Timothy L. Haviland has direct ownership in LAI. All of the legacy funds previously advised by LAI have been liquidated.

## **Item 11 - Code of Ethics**

We have adopted a Code of Ethics (the “**Code**”) designed to address and prevent potential conflicts of interest as required under Rule 204A-1 of the Investment Advisers Act. The Code describes our standard of business conduct and fiduciary duty to our clients and prospective clients. The Code includes, among other items, provisions relating to the confidentiality of client information, prohibition on insider trading, prohibition of spreading rumors, restrictions on the acceptance of extravagant gifts and entertainment, the reporting of certain gifts and business entertainment, and personal securities trading procedures.

The Code is designed to ensure that the personal securities transactions, activities and interests of our employees will not materially interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for

their own accounts. In addition, the Code requires pre-approval of certain transactions. Employee trading is monitored by the Chief Compliance Officer to reasonably detect and prevent conflicts of interest between us and our clients.

Among others, the Code requires supervised/accessed persons to:

- Submit to the Chief Compliance Officer an initial and an annual report listing their securities holdings and a quarterly report of transactions;
- Obtain approval from the Chief Compliance Officer prior to investing in IPOs and Private Placements (limited offerings);
- Certify that they have read and understand the Code and to report any violations of the Code to the Chief Compliance Officer;
- Not trade either in their personal accounts or on behalf of clients on the basis of material non-public information;
- Not inappropriately use their position for a personal benefit; and,
- Protect persons who engage in “whistle blowing” activities from retaliation.

Employees who violate the Code and our compliance policies are subject to disciplinary action including, but not limited to, written warnings, and termination of employment.

We will provide a copy of our Code to any investor or prospective investor in a Fund upon request made to Antoinette Lazarus, Chief Compliance Officer.

## **Item 12 - Brokerage Practices**

The Funds and clients primarily invest in private equity funds. From time-to-time, a Fund or a client account receives portfolio company securities as part of an underlying fund’s or a client’s general distribution. In addition, we buy or sell or receive publicly-traded securities for the Funds. In these instances, we generally utilize the services of a limited number of brokers who are familiar with our requirements and procedures to execute all such transactions. The use of a limited number of brokers allows for uniformity, consistency and economy of scale. We are not contractually bound to utilize a particular broker and the broker’s retention is subject to our evaluation of the broker’s services.

With respect to transacting in publicly-traded securities, we seek to effect transactions at a price, commission and transaction cost (e.g., mark-ups or mark-down) that provides the most favorable total cost or proceeds reasonably attainable under the circumstances. We consider various factors when selecting broker-dealers including, but not limited to, the experience of the broker-dealer in liquidating distributions from private equity funds, the nature of the portfolio transaction, the size of the transaction, the broker’s trading expertise, reliability, responsiveness, reputation, execution,

clearance, settlement, willingness to commit capital, access to a particular trading market, and security conditions (e.g., liquidity, volatility, etc.).

We have discretion to determine without obtaining prior consent from the Funds or clients the broker-dealer to execute transactions and the commission rates or commission equivalents charged for effecting the transactions.

## *Research and Other Soft Dollar Benefits*

We do not obtain proprietary and third-party research services or products with clients' commissions or "soft dollars."

## *Brokerage for Client Referrals*

Broker-dealers and their employees may refer potential investors, clients, or possible investments to us. It is our policy not to direct transactions and commissions to these broker-dealers as compensation for such referrals. However, we may effect transactions through these broker-dealers provided they are able to provide best execution.

See Item 14 below for additional information with respect to payment for investor referrals.

## *Directed Brokerage*

We do not accept instructions to effect Fund or client transactions with certain broker-dealers.

## *Aggregation and Allocation*

We will generally aggregate the purchase or sale of publicly-traded securities and allocate the purchase or sale of such shares on a pro rata basis among the Funds in the transaction.

## *Deal Sourcing*

We may cause a Fund or client to purchase or sell interests in a particular Fund or client from a related adviser, provided that such investments are consistent with the Fund's or client's strategy and are made on a basis that does not involve the payment of an additional fee to us or the related adviser.

From time to time, we enter into agreement with finders to assist in identifying investments for the Funds or clients. For these investments (deals) the Funds or clients may pay a fee.

See Item 14 below for additional information with respect to payment for investor referrals.

## **Item 13 - Review of Accounts**

### *Account Reviews*

Client accounts are reviewed on a quarterly basis by a controller, chief financial officer and a partner.

### *Client Reports*

We provide the Funds' financial reports to the respective Fund's limited partners quarterly. These written reports may include unaudited capital account balances, portfolio holdings, transactions and performance information.

Investors in the Funds receive their respective Fund's audited annual report within 180 days and tax reports as soon as possible after the end of the Fund's fiscal year.

We provide written reports to other clients and investors as agreed upon.

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

### *Investor Referrals*

We enter into agreements with placement agents to assist in identifying investors for the Funds. In the event a Fund pays the fee to a placement agent, our advisory fee will be reduced by that amount. Placement agent fees are borne by us, as the investment adviser and if paid by the Fund, reduces the advisory fees payable to us, and are allocated to the specific limited partner associated with such placement agent.

Referred investors to the Landmark Funds should be aware of potential inherent conflicts of interest between us and them with respect to placement agent arrangements. Placement agents refer potential investors to the Landmark Funds because they will be paid a fee and not because the Landmark Funds provide appropriate investment strategies or are suitable for the investor. In turn, we earn management and incentive fees from these investors which may be higher than what they might pay another investment manager or collective investment vehicle. Potential investors should consider these potential conflicts in making their investment decisions.

### *Other Compensation*

We have not entered into any arrangement under which we receive any economic benefit, including sales awards or prizes, from a person who is not a client for providing advisory services to clients.

We may engage an affiliate to provide certain placement services with respect to the sale of interests in our Funds to certain identified investors. Such affiliate may be entitled to a fee with respect to the sale of interests to such investors.

## **Item 15 - Custody**

We are the administrator for the Landmark funds. We are considered to have custody of clients' assets. The Funds' and clients' assets are maintained at qualified custodians as required or in accordance with SEC Staff guidance. We review statements received from the Funds' and clients' qualified custodians against our records to verify that the assets held by these custodians are accurately reflected.

Client assets are primarily limited partnership interests in underlying funds, member interests in private limited liability companies or interests in private companies, though they sometimes include cash or publicly traded securities that have been distributed to the Funds. Partnerships and limited liability companies' interests do not lend themselves to custody by qualified custodians and are typically not transferrable without the consent of the fund's general partner. Client assets in the form of cash, or securities are held by a qualified custodian. The custodians are either banks or regulated brokerage firms, which provide statements to the Funds and clients.

It is our policy to have the Funds and client accounts audited annually by a recognized independent auditor registered with and subject to regular inspection by the Public Company Accounting Oversight Board. We distribute copies of the audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to the respective Fund's investors, usually no later than 180 days, or as required, after the end of the Fund's fiscal year end. Investors will generally not receive account statements directly from the bank or other qualified custodian holding physical custody of the Landmark Funds' securities.

In addition, in connection with the final liquidation of a Landmark Fund or other client account, we will obtain a final audit and distribute audited financial statements to the Landmark Fund or to the clients, promptly after completion of the audit.

Fund investors and clients should compare the audited financial statements against statements prepared by us and should contact our Chief Compliance Officer in the event there are material discrepancies between these statements.

## **Item 16 - Investment Discretion**

As an investment adviser, we are granted the discretionary authority pursuant to the investment management and limited partnership agreements with the Funds and clients to determine the respective Fund's and client's private equity investments. In addition, we are granted authority with respect to the liquidation of any investment, pursuant to the investment management and limited partnership agreements with the Funds and clients.

## **Item 17 - Voting Client Securities**

As an investment adviser primarily investing in private funds, there generally would be few instances where proxies are required to be voted. In these instances, we have implemented policies and procedures regarding the voting of proxies as required under Rule 206(4)-6 of the Investment Advisers Act.



This Rule generally requires us to (i) adopt policies and procedures reasonably designed to ensure that proxies with respect to securities in clients' accounts where we exercise voting discretion are voted in the best interest of clients; (ii) to disclose how information may be obtained on how we vote proxies; and (iii) to maintain records relating to our proxy voting.

We will provide, at no cost, a copy of the proxy voting policies and will provide clients or investors with information regarding how proxies were voted by contacting Antoinette Lazarus, Chief Compliance Officer.

## **Item 18 - Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about their financial condition. We do not have any financial commitments that impair our ability to meet contractual and fiduciary commitments to clients. In addition, we have not been the subject of a bankruptcy proceeding.