

Form ADV: Part 2A
Investment Adviser Brochure
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RCP Advisors, LLC
RCP Advisors 2, LLC
RCP Advisors 3, LLC

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This brochure provides information about the qualifications and business practices of RCP Advisors, LLC, RCP Advisors 2, LLC and RCP Advisors 3, LLC. If you have any questions about the contents of this brochure, please contact us at (312) 266-7300 or compliance@rcpadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

RCP Advisors, LLC, RCP Advisors 2, LLC and RCP Advisors 3, LLC are registered investment advisers. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about RCP Advisors, LLC, RCP Advisors 2, LLC and RCP Advisors 3, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

This brochure does not constitute an offer or a solicitation of an offer to buy shares or interests in any investment fund sponsored, managed or advised by RCP Advisors, LLC, RCP Advisors 2, LLC or RCP Advisors 3, LLC. An offer to buy shares or interests of those funds can be made only to qualified investors by way of the approved offering materials for those funds and only in jurisdictions in which such offer will comply with applicable rules and regulations.

Summary of Material Changes

RCP Advisors, LLC and RCP Advisors 2, LLC last filed an annual updating amendment on March 29, 2016. At the time, RCP Advisors 3, LLC was not in existence. RCP Advisors, LLC, RCP Advisors 2, LLC and RCP Advisors 3, LLC are together referred to herein as “RCP.” Item 2 of this brochure only identifies what RCP believes are the material changes that have occurred since the last annual update of our brochure. This Item 2 does not describe other modifications to this brochure, such as updates to dates and numbers, stylistic changes or clarifications.

- RCP revised Item 4 (Advisory Business) to reflect the ownership restructuring of RCP Advisors 2, LLC and the creation of RCP Advisors 3, LLC, whereby RCP Advisors 3, LLC became a sub-adviser to certain funds and accounts and the adviser to other funds and accounts, as further described herein. RCP Advisors 3, LLC was created primarily to permit the firm’s principals to expand ownership to additional employees.
- RCP added additional information throughout this brochure and, in particular, to Item 4 (Advisory Business) and Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) to describe our newly launched fund-of-funds product, RCP Small and Emerging Fund, LP (“SEF”). SEF will seek to invest in the second institutional fund or earlier of an underlying fund manager which, generally, has less than \$250 million in aggregate capital commitments. While still consistent with RCP’s focus, SEF poses some additional risks unique to the strategy.
- RCP expanded certain information in Item 5 (Fees and Compensation) to help clients better understand fees that may be charged to funds advised by RCP.
- RCP expanded certain information in Item 10 (Other Financial Industry Activities and Affiliations) related to GPScout and moved our investment allocation discussion to Item 12 (Brokerage Practices).

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Advisory Business

Item 4 Advisory Business

RCP Advisors, LLC (“RCP 1”), RCP Advisors 2, LLC (“RCP 2”) and RCP Advisors 3, LLC (“RCP 3”) (together, “RCP”), each a Delaware limited liability company, are investment advisers registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). RCP 2 and RCP 3 are relying advisers of RCP 1.

RCP was founded in 2001 and is headquartered in Chicago with a satellite office in Newport Beach, California. In addition to its offices in Chicago and Newport Beach, RCP also leases a part-time commuter office in Conshohocken, Pennsylvania. Although no advisory business is conducted there, Dave McCoy, Managing Partner and Portfolio Manager, works part-time from the “for convenience” Pennsylvania office when he is not commuting to RCP’s Chicago office. RCP 1 is wholly owned by CLIA Management, LLC (“CLIA”). Following an ownership restructuring in December 2016, whereby RCP 2 redeemed its passive minority owner CLIA, RCP 2 is now owned exclusively by its managing partners: Thomas Danis, Jr., Jeff Gehl, Charles Huebner, Jon Madorsky and William Fritz Souder. RCP 3 was formed to acquire the employees of RCP 2 and to allow the firm to expand ownership to additional employees. RCP 3 is similarly owned by its managing partners: Thomas Danis, Jr., Jeff Gehl, Charles Huebner, Jon Madorsky, David McCoy and William Fritz Souder, as well as certain other partners of the firm. As further described below, RCP 3 serves as the sub-adviser to certain funds and accounts and as the adviser to other funds and accounts. The partners of RCP 3 serve as officers of RCP 1 and RCP 2 and are responsible for each firm’s day-to-day operations.

RCP provides investment advisory services to private equity funds-of-funds and funds that invest directly (or indirectly through special purpose vehicles) in companies alongside private equity sponsors (collectively, the “RCP Fund(s)”). For RCP Funds formed prior to 2011, RCP 1 serves as the investment manager and RCP 3 serves as the sub-adviser. For RCP Funds formed between 2011 through 2015, RCP 2 serves as the investment manager and RCP 3 serves as the sub-adviser. For RCP Funds formed after 2015, RCP 3 serves as the investment manager.

In addition to managing the RCP Funds, RCP 2 and RCP 3 also provide non-discretionary advisory services to clients by recommending investments in private equity funds and co-investment opportunities.

As used herein, the term “clients” refers to the RCP Funds and any Separate Accounts (as defined below), whether discretionary or non-discretionary, unless the context requires otherwise.

With the exception of the SBIC Fund, the RCP Funds are primarily focused on the lower middle market buyout segment of the private equity market. The RCP Funds fall into six categories (and RCP’s investment advisory services are limited to these six categories) described below and in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss). A Separate Account may follow one or more of these strategies.

- **Core Funds** – funds offering pooled investment opportunities in underlying private equity funds (“underlying funds”);

- **Secondary Funds** – funds offering pooled investment opportunities in secondary market purchases of interests in underlying funds;
- **Direct Funds** – funds offering pooled investment opportunities in direct private equity investments, which are made alongside private equity sponsors leading such investments;
- **Graduate Fund** – fund offering an investment opportunity in a specific private equity fund whose investment criteria is not consistent with the Core Funds’ investment mandate;
- **SBIC Fund** – fund offering pooled investment opportunities in underlying SBIC funds, which also pursues direct co-investment opportunities as part of a general mezzanine investment strategy; and
- **Small and Emerging Fund** (“SEF”) – fund offering pooled investment opportunities in underlying funds sponsored by small and “emerging managers” raising institutional capital generally for their first or second fund and that generally have less than \$250 million in aggregate capital commitments.

RCP’s advisory services include the identification, evaluation and selection of investment opportunities; performance of due diligence in connection with such potential investments; negotiation of investment terms; and, monitoring the performance of each client’s portfolio. RCP manages the RCP Funds on a discretionary basis, in accordance with the terms of each client’s governing documents or advisory agreement. Because RCP provides advisory services to the RCP Funds, such services are generally not tailored to the needs of individual investors. Investors in the RCP Funds participate in the overall investment program for the applicable fund and are generally not permitted to impose restrictions on investing in certain securities or types of securities, but may be excused from a particular investment due to legal, tax, regulatory or other applicable constraints.

In addition to the commingled RCP Funds, RCP has established separately managed accounts (“Separate Accounts”). Unlike the RCP Funds, Separate Accounts (i) tailor their investment objectives to the specific needs of the Separate Account client (as set forth in an investment advisory agreement or other governing document) and/or (ii) are subject to different terms and fees than those of the RCP Funds. Such Separate Account investment objectives and restrictions, fee schedules and terms are individually negotiated. Separate Accounts are generally subject to significant account minimums, as described in Item 7, “Types of Clients.”

The RCP Funds are U.S. domiciled limited partnerships. Non-U.S. investors and U.S. non-taxable investors may elect to invest in the RCP Funds through feeder vehicles, which are typically structured as Cayman Islands exempted companies or exempted limited partnerships or, with respect to the firm’s most recently launched Core Fund, as a Luxembourg special limited partnership (collectively, the “Feeder Funds”). The Feeder Funds invest exclusively in RCP’s U.S. domiciled limited partnerships. While RCP serves as investment manager of the RCP Funds, each RCP Fund has a general partner that is responsible for the daily operations of such RCP Fund, excluding the selection of such RCP Fund’s investments. The general partner for each RCP Fund is an affiliate of RCP. RCP has also formed vehicles to facilitate investments in multiple RCP Funds.

Interests in the RCP Funds are offered on a private placement basis. The interests are not registered under the Securities Act of 1933, as amended (the “Securities Act”) or under state securities laws, and rely on exemptions contained in the Securities Act and in state securities laws for transactions not involving a public offering. The RCP Funds are also exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Prior to investing in an RCP Fund, including any Feeder Fund, each investor must complete a subscription agreement and investor eligibility questionnaire.

With respect to its non-discretionary advisory services, RCP makes recommendations to clients to invest in various private equity and co-investment opportunities using the research and due diligence techniques RCP employs in its management of the RCP Funds. Non-discretionary clients are not obligated to make any recommended investment.

As of December 31, 2016, RCP managed \$4,007,706,497 in client assets on a discretionary basis. In addition, as of December 31, 2016, RCP managed \$467,109,103 in client assets on a non-discretionary basis. These amounts represent the firm’s regulatory assets under management (“RAUM”) and were calculated using the sum of (i) the estimated value for such assets plus (ii) the amount of remaining unfunded commitments with respect thereto. The values are estimates because, as of the date of this filing, RCP has not received the final values from all of the underlying funds and portfolio companies (as applicable) in which RCP’s clients are invested.

RCP also provides certain other services which do not constitute investment advisory services. These services are described in Item 10, “Other Financial Industry Activities and Affiliations.”

Fees and Compensation

Item 5 Fees and Compensation

While fee structures may vary depending on the type of client (as explained below), the typical fee structure for an RCP Fund consists of: (1) a management fee, which is based on a percentage of the RCP Fund's assets ("Management Fee"); (2) carried interest, which is a performance-based allocation ("Carried Interest"), as further described under Item 6, "Performance-Based Fees and Side-by-Side Management"; and, (3) with respect to RCP Funds launched prior to 2010 only, due diligence fees, which are one-time upfront fees ("Due Diligence Fee").

MANAGEMENT FEE

Each RCP Fund, excluding SEF, generally pays an annual Management Fee to RCP up to a maximum of 1.00% of such RCP Fund's aggregate investor capital commitments, quarterly, in advance, commencing on such RCP Fund's first closing date or effective date and continuing through an anniversary of the first closing date or effective date, as set forth in the RCP Fund's offering materials or governing documents. After a certain number of years, the Management Fee may be reduced or eliminated. The rates at which RCP's fees are charged and the timing of payments may vary among the RCP Funds.

An RCP Fund's general partner and RCP may agree to reduce RCP's Management Fee with respect to investors committing a minimum amount to such RCP Fund (which may be aggregated with such investors' investments in prior RCP Funds), as set forth in such RCP Fund's offering materials or governing documents. Investors with commitments meeting such minimums are generally referred to as "Legacy Limited Partners" or "Seed Partners". An RCP Fund's general partner and RCP may also agree to reduce or waive Management Fees for certain employees of RCP, members of an RCP Fund's general partner or affiliates of RCP, or an RCP Fund's general partner, as disclosed in such RCP Fund's offering materials or governing documents. Such employees, members or affiliates are generally referred to as "Affiliated Limited Partners." The general partner of an RCP Fund may in its discretion withhold distributions to pay any Management Fee due or expected to be due in the future. The Management Fee attributable to Feeder Fund investors is charged at the RCP Fund level.

RCP 3 is generally compensated for its sub-advisory services to RCP 1 and RCP 2 from a portion of the Management Fees received by RCP 1 and RCP 2 in connection with the RCP Funds each entity manages. For those RCP Funds for which RCP 3 serves as manager, RCP 3 is generally paid the entire Management Fee. A portion of the SBIC Fund's Management Fee is paid to McNally Advisors, LLC ("McNally") for services performed pursuant to a sub-advisory agreement between the SBIC Fund and McNally.

RCP generally deducts the Management Fee directly from a client's assets. Alternatively, clients may be billed separately.

CARRIED INTEREST

An investor in an RCP Fund may pay the RCP Fund's general partner Carried Interest after such investor has received distributions equal to the amount of its capital contributions, plus its applicable preferred return. The profit share and preferred return may vary by RCP Fund. In certain RCP Funds launched in 2013 or later, the preferred return may be calculated as an ROIC

hurdle or an IRR hurdle, whatever is achieved first (provided that a minimum IRR hurdle must be achieved prior to any payment of Carried Interest by the applicable investor to the RCP Fund's general partner). In addition, the preferred return may vary across investors in the same RCP Fund, based on the closing at which an investor is admitted to such RCP Fund (or Feeder Fund) or on a minimum commitment amount (as specified in the applicable offering materials or governing documents). At the discretion of an RCP Fund's general partner, the Carried Interest for an investor may be reduced or waived, including for Legacy Limited Partners, Seed Partners and Affiliated Limited Partners.

Carried Interest with respect to an RCP Fund is paid to the general partner, which in turn distributes it to certain of RCP's members and employees and, in very limited circumstances, to third parties ("Carried Interest Recipients") who hold equity in the RCP Fund's general partner. If permitted pursuant to the applicable fund's governing documents, an RCP Fund may make a tax distribution to such RCP Fund's general partner to enable payment of tax obligations in respect of allocations of income related to Carried Interest for which such general partner did not receive any cash. Any such tax distributions made to such RCP Fund's general partner will reduce amounts subsequently distributable to such general partner as Carried Interest.

DUE DILIGENCE FEE

The Due Diligence Fee does not apply to RCP Funds launched in 2010 or later. The Due Diligence Fee is a one-time fee based on a percentage of a particular investor's commitment amount to an RCP Fund, and it is payable to such RCP Fund's general partner from such investor's capital account. The general partner reserves the right to waive this fee with respect to (a) Affiliated Limited Partners and (b) investors or groups of investors from the same referral source who commit a minimum amount to such RCP Fund, as determined by such RCP Fund's general partner and as set forth in such RCP Fund's offering materials or governing documents. The general partner may aggregate investments in prior and/or additional funds sponsored by RCP to count toward this minimum amount.

Below is a chart summarizing the types of compensation RCP or an RCP Fund's general partner typically receives from an RCP Fund. The chart has been provided for convenience only, and investors are urged to carefully review the applicable RCP Fund's offering materials and governing documents to fully understand the compensation paid to RCP and any RCP Fund's general partner.

<u>RCP Funds</u>	<u>Management Fee</u>	<u>Carried Interest</u>	<u>Due Diligence Fee</u>
<u>Core Fund</u>	<u>X</u>	<u>X</u>	<u>Varies by Core Fund</u>
<u>Secondary Fund</u>	<u>X</u>	<u>X</u>	<u>Varies by Secondary Fund</u>
<u>Direct Fund</u>	<u>X</u>	<u>X</u>	
<u>Graduate Fund</u>	<u>X</u>		
<u>SBIC Fund</u>	<u>X</u>	<u>X</u>	
<u>Small and Emerging Fund</u>		<u>X</u>	
<u>Separate Account</u>	<u>Varies by Relationship</u>		

COMPENSATION; WITHDRAWAL RIGHTS

The RCP Funds invest on a long-term basis. Accordingly, fees are paid during the term of the respective client, and withdrawal or redemption of interests is generally not permitted.

THIRD PARTY MANAGEMENT FEES AND EXPENSES

Each private equity investment vehicle or “underlying fund” in which an RCP Fund acquires an interest pays management fees, carried interest and other expenses to a management company and/or general partner that is not affiliated with RCP. Fees paid to RCP or its affiliates for investment advisory services are separate and distinct from the fees and expenses charged by an underlying fund’s independent investment adviser and/or general partner for such underlying fund’s advisory or management services. With limited exceptions, Direct Funds generally do not pay such third party management fees since the Direct Funds invest directly (or indirectly through special purpose vehicles) in equity investments and not in other private equity funds.

NON-DISCRETIONARY ADVISORY SERVICES

The non-discretionary advisory services RCP provides, the fees for such services, the expenses charged to such clients, and the length of the engagements are governed by the applicable agreement between RCP and the non-discretionary client. RCP negotiates annual advisory fees on an individual basis with its non-discretionary clients. Whether the annual advisory fees charged to a non-discretionary client are fixed and/or asset-based is governed by the advisory agreement between RCP and the non-discretionary client. Such fees vary depending on the services selected and payment schedules and terms are subject to negotiation. RCP bills its non-discretionary clients for fees incurred, which fees are generally payable quarterly in advance.

In addition to the annual advisory fee billed to a non-discretionary client, RCP may be paid a supplemental fee based on a percentage of capital commitments by such non-discretionary client to recommended investments. The percentage of capital commitments on which the supplemental fee is based varies as negotiated between RCP and the non-discretionary client. In some cases, RCP may receive a portion of returns from recommended investments made by non-discretionary clients. In addition, in certain instances, RCP may receive Carried Interest on a non-discretionary client’s portfolio. For tax reasons, members or employees of RCP may be entitled to receive a portion of such Carried Interest directly.

Each advisory agreement for RCP’s non-discretionary services generally has a term of multiple years. To the extent a non-discretionary client terminates an advisory agreement early, refunds of pre-paid fees, if any, are governed by the contractual agreement between RCP and the non-discretionary client, which is negotiated on an individual basis. Because RCP does not have discretion over its non-discretionary clients’ assets, RCP may be unable to secure preferential terms which might otherwise be available to its discretionary clients. This may include differences in the fees and expenses of the underlying investments.

ADDITIONAL INFORMATION

Certain offering, organizational, and ongoing expenses are charged to each RCP Fund (including expenses of the applicable general partner, any Feeder Fund and any other fund sponsored by RCP and created to invest all or a portion of its assets in such RCP Fund), as more fully described in each client’s partnership agreement or offering materials. These expenses generally

include, but are not limited to the following expenses related to such RCP Fund and its general partner:

- legal, administrative and organizational expenses, including the out-of-pocket expenses of such RCP Fund's general partner incurred in connection with the formation, offering and capitalization of such RCP Fund, including expenses accrued by an RCP Fund (including any Side by Side Fund, parallel investment entity, or Feeder Fund) prior to formation of such RCP Fund, which are paid by RCP and reimbursed by such RCP Fund after its first closing;
- fundraising-related expenses, including any marketing, travel, entertainment, printing, presentation, conference and symposium fees and expenses, regulatory and filing expenses, and other expenses related to the offering of such RCP Fund's interests;
- investment expenses, including due diligence related expenses (such as travel and entertainment) and expenses associated with negotiating, evaluating and making any investment, whether or not consummated;
- costs related to the admittance of any investor in such RCP Fund, including any side letters or legal opinions and compliance therewith;
- management and other fees and expenses of entities in which an RCP Fund invests;
- ongoing compliance and regulatory expenses related to such RCP Fund (or Feeder Fund(s)) or such RCP Fund's general partner on behalf of or in connection with the RCP Fund, including expenses related to the offering of such RCP Fund's interests in any domestic or foreign jurisdiction, including any applicable legal or consultant fees, and any registration or regulatory filing fees related thereto (regardless of whether or not such RCP Fund (or Feeder Fund(s)) ultimately withdraws its registration in any jurisdiction(s)) but excluding compliance and regulatory expenses incurred solely in connection with RCP's status as a registered investment adviser;
- FATCA expenses;
- computer software and IT related expenses, including development and consulting costs, as well as news, information and research services and licensing costs which benefit such RCP Fund;
- insurance expenses (including professional liability coverage, excess liability coverage and fidelity bonds);
- professional services including legal, audit, tax advisors, accountants and other professionals, including valuation agents engaged by such RCP Fund's general partner;
- administrator and custodian expenses, as well as expenses relating to depository, cash management and treasury services;

- preparation and distribution of such RCP Fund's and its general partner's financial and capital account statements, reports, tax returns and Schedule K-1s;
- reasonable out-of-pocket expenses of or related to such RCP Fund's advisory board, if applicable;
- investor meeting expenses, including annual or other meetings of RCP Fund investors;
- costs of amending the constituent documents of such RCP Fund or its general partner;
- external accounting expenses and reporting expenses related to such RCP Fund and its underlying investments;
- expenses incurred in connection with such RCP Fund's borrowings;
- fees, costs and expenses of winding up such RCP Fund;
- mailing, telephone, filing, printing and postage expenses;
- any extraordinary expenses (such as litigation and indemnification of the general partner of such RCP Fund); and
- expenses of any Feeder Fund as determined appropriate by such RCP Fund's general partner.

The general partner of an RCP Fund may also receive interest income on temporary investments (i.e., short term investments before capital contributions are invested) made by an RCP Fund. Brokerage fees may be incurred in accordance with the practices set forth in Item 12, "Brokerage Practices." For a Feeder Fund or a fund that allocates to multiple RCP Funds, there is no Management Fee, Carried Interest or Due Diligence Fee assessed at the fund level. Any such fees are deducted at the RCP Fund level.

With respect to any parallel fund of an RCP Fund formed to invest in the same investments as an RCP Fund, such parallel fund will generally bear its own expenses, including the fees and expenses detailed above. In certain instances, the management fee and carried interest applicable to a parallel fund may differ from the applicable RCP Fund.

Separate Account and other advisory clients (whether discretionary or non-discretionary) will also bear expenses generated in the course of evaluating and making investments, such as those listed above, depending on the terms of their individual advisory agreements or governing documents. To the extent an RCP Fund or other advisory client invests in the same underlying fund as another advisory client, such expenses generally are allocated to such clients proportionately to their intended capital commitment amounts (as estimated by the general partner during diligence of the applicable investment), regardless of whether or not such investment ultimately closes. In certain instances, however, expenses may be reallocated based on actual investment amounts at closing as RCP determines is fair and reasonable, in its reasonable discretion. In addition, RCP maintains an internal expense allocation policy designed

to mitigate the risk of misallocation of expenses among RCP's clients and to provide guidance to employees with regard to the appropriate allocation of expenses among client accounts.

Any of the fees set forth above are generally negotiable to the extent permitted by the client's offering materials or governing documents. For example, RCP or the general partner for a client generally has the right to waive or reduce the Management Fee, Carried Interest or Due Diligence Fee for any client or underlying investor of such client. Any limitations on such waiver or reduction are set forth in the applicable client's offering materials or governing documents.

Performance-Based Fees and Side-By-Side Management

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

As set forth in Item 5, “Fees and Compensation,” most RCP Funds pay both a Management Fee to RCP and a performance-based allocation (i.e., Carried Interest) to the RCP Fund’s general partner. The Carried Interest percentage varies by RCP Fund and generally is not payable until after the investor’s capital contributions are returned along with the applicable preferred rate of return. As described in Item 5, investors in the same RCP Fund may have different preferred return rates.

Carried Interest received by an RCP Fund’s general partner is payable to Carried Interest Recipients who hold an equity interest in the general partner. For certain non-discretionary clients, the Carried Interest may be paid directly to members or employees of RCP. The Carried Interest amounts directly or indirectly received by Carried Interest Recipients may vary by RCP Fund. The possibility of receiving Carried Interest and the variation in the structure of Carried Interest among RCP Funds may create an incentive for RCP to favor one RCP Fund over another or to make more speculative investments on behalf of an RCP Fund than it would otherwise make in the absence of such performance-based compensation. With later vintage RCP Funds, members, employees, and certain affiliates of RCP do not pay Carried Interest with respect to their investments in such RCP Funds.

With respect to non-discretionary clients, RCP may be paid a portion of returns from recommended investments made by such clients.

Typically, only one Core Fund, Secondary Fund, Direct Fund, Graduate Fund, SEF or SBIC Fund is available to investors for investment at any one time. However, certain later vintage RCP Funds may have “Side by Side Funds,” or parallel investment entities created by RCP or by such RCP Fund’s general partner or an affiliate thereof for the benefit of one or more investors. Such Side by Side Funds (or parallel investment entities) are permitted to invest proportionately along with such RCP Fund and on the same terms and conditions in all investments by such RCP Fund made subsequent to the commencement of operations of such Side by Side Fund (or parallel investment entity). Since the Core Funds, Secondary Funds, Direct Funds, the SBIC Fund and SEF pursue different investment strategies, the RCP Funds are unlikely to face side-by-side management conflicts with respect to the allocation of investment opportunities among the different strategies. Notwithstanding the fact that the Core Funds and SEF pursue different strategies, there remains a potential for overlap between investments by RCP Fund XI, LP, a Core Fund (“Fund XI”), and investments by SEF. As such, until Fund XI has secured its desired allocation of at least \$20 million or until the expiration of Fund XI’s commitment period, SEF will not be permitted to make certain investments to the extent such investments are suitable and appropriate for Fund XI. The Graduate Fund generally invests in only one private equity fund that is larger than, or whose investment strategy is otherwise inconsistent with that of the targeted private equity investments for the Core Funds, and therefore conflicts regarding investment opportunities should be minimal.

However, to the extent two or more clients are allocating to underlying funds at the same time (such as where RCP Funds following the same strategy have uncommitted capital or where a Separate Account is following the strategy of an RCP Fund), a potential conflict of interest exists, and allocations may be influenced by, among other things, investment restrictions, participation in other opportunities, and compliance with laws as well as the relative size of the

client. RCP follows a disciplined investment selection process and has adopted an investment allocation policy, which is intended to mitigate this risk among its clients and to prevent this conflict from influencing investment decisions. Notwithstanding the foregoing, such mitigants do not completely alleviate allocation conflicts, and investors should understand that, to the extent an RCP Fund and other clients of RCP have uncommitted capital, the potential for conflict exists.

RCP's policy is to allocate investment opportunities among its clients in a fair and equitable manner, consistent with its fiduciary obligations and governing documents, if applicable, for the relevant client. RCP does not guarantee any client the right to invest in any particular transaction. RCP generally intends to make recommendations to clients over which it exercises investment discretion prior to making recommendations to non-discretionary clients. However, where sufficient manager capacity exists, RCP may allocate investments among discretionary and non-discretionary clients based on the latest portfolio plan for each client, using the target exposure to that particular manager or type of investment opportunity over the appropriate time period for each client. The foregoing notwithstanding, it is possible that a non-discretionary client will be disadvantaged to the extent that investment opportunities are not offered to a client or capacity is otherwise limited. In addition, RCP may negotiate preferential terms for its discretionary clients which are not always available to its non-discretionary clients.

The partners and employees of RCP are also subject to its Code of Ethics, which sets forth certain standards of business conduct that govern the personal investment activities of employees and officers of RCP, including the standard that the interests of advisory clients must be placed first. RCP's processes with regard to clients investing concurrently with other clients is set forth in Item 11, "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" and Item 12, "Brokerage Practices."

Types of Clients

Item 7 Types of Clients

RCP provides investment advice to RCP Funds, non-discretionary advisory clients and Separate Accounts (which may be discretionary or non-discretionary).

Interests or shares in an RCP Fund or Feeder Fund are offered pursuant to applicable exemptions from registration under the Securities Act or equivalent foreign securities law (as applicable). Investors in an RCP Fund or Feeder Fund are subject to certain investor qualification standards and are required to make certain representations and warranties in their respective subscription agreements before they can purchase interests or shares in an RCP Fund or Feeder Fund. The investors participating in the RCP Funds may include pension and profit sharing plans, family offices, governmental entities, sovereign wealth funds, charitable organizations, high net worth individuals and other corporations or business entities and may include, directly or indirectly, RCP's partners or employees of RCP and its affiliates.

While the general partner of a particular RCP Fund (or the directors or general partner of a Feeder Fund) may accept, in its/their discretion, investments of lesser amounts, the typical minimum investment for an RCP Fund or an investor in a Feeder Fund is as follows:

- Core Funds: \$500,000
- Secondary Funds: \$1,000,000
- Direct Funds: \$1,000,000
- Graduate Fund: \$1,000,000
- SBIC Fund: \$500,000
- SEF: \$15,000,000

In order to establish a Separate Account (whether discretionary or non-discretionary), a potential investor must enter into a written investment advisory agreement with RCP, or the investor may invest in an entity established for the benefit of the Separate Account investor by completing a subscription agreement and eligibility questionnaire upon which RCP can rely in completing documentation for private equity investments. The minimum amount of investment required to establish a Separate Account is considered on a case-by-case basis taking into account a variety of factors including fee structure, investment restrictions and duration of commitment. Separate Account investors may also maintain investments in one or more RCP Funds.

Methods of Analysis, Investment Strategies and Risk of Loss

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

For the RCP Funds, RCP seeks to maintain a consistent investment strategy across the clients with the exception of the Graduate Fund, the SBIC Fund and SEF. For the Core Funds and Secondary Funds, RCP invests in private equity buyout funds ranging in size between, generally, \$200 million to \$1 billion that then seek to invest in small-to-middle sized companies, typically with \$10 million to \$250 million in enterprise value. The Direct Funds seek to co-invest alongside these types of private equity buyout funds in small-to-middle sized companies. The Graduate Fund seeks to invest in underlying buyout funds whose investment criteria are not consistent with RCP's typical investment mandate (e.g. buyout funds well in excess of \$1 billion in committed capital or buyout funds headquartered outside of North America). The SBIC Fund seeks to make investments in underlying SBIC funds and co-investments with mezzanine investment sponsors or other managers sponsoring investments with a mezzanine component. SEF targets investments in small lower middle market buyout-focused private equity funds sponsored by small and "emerging managers," namely young and small private equity managers raising institutional capital generally for their first or second fund, including firms early in their existence, transition groups which have spun out of larger firms, and funds under \$250 million in size. A Separate Account client may follow any of the foregoing investment strategies. The risks described herein with respect to the RCP Funds generally apply to any Separate Account client.

RCP selects the underlying funds in which the RCP Funds invest pursuant to RCP's Investment Process, key components of which include industry knowledge, awareness and sourcing of investment opportunities. RCP seeks to collect, process and analyze data on substantially all underlying fund managers within the lower middle market buyout universe on an ongoing basis (versus collecting such data only when an underlying fund manager is raising a new fund). Such data is based on numerous sources of information, including underlying fund marketing and due diligence materials, legal documents, portfolio company information, industry news sources, RCP's observations based on consistent contact with underlying fund managers (including face-to-face meetings and on-site visits), information and opinions from knowledgeable third parties, reputational information and reference checks. With respect to a Direct Fund, RCP generally makes co-investments alongside underlying funds that have an existing relationship with RCP, but RCP may make co-investments with underlying funds where no such relationship exists.

Investment in the RCP Funds and in Separate Accounts involves risk of loss, and such investors should have the ability to sustain the loss of their entire investment. Past performance is not a guarantee of future results and there is no assurance that the performance of RCP or the RCP Funds will equal or exceed any past performance.

While prospective investors or clients should review the risk disclosures set forth in full in the applicable RCP Fund's offering materials or Separate Account documentation, the following are certain material risks with respect to investments in the RCP Funds or a Separate Account. These risks are qualified in their entirety for a particular RCP Fund by the risks set forth in such RCP Fund's private placement memorandum, other offering materials or governing documents.

- Long-Term Investment Investments in the RCP Funds are not intended to be short-term investments. Even if the investment strategy of an RCP Fund proves successful, it is unlikely to produce a realized return to its investors for a number of years.

- Reliance on Underlying Fund Management Many of the RCP Funds will be investing in underlying funds. The RCP Funds will not have an active role in the day-to-day management of the underlying funds in which they invest. Moreover, such RCP Funds will not have the opportunity to evaluate the specific investments made by any underlying fund. Accordingly, the returns of an RCP Fund will primarily depend on the performance and recommendations of these underlying fund managers and could be substantially adversely affected by the unfavorable performance of the underlying funds' managers.
- Reliance on Portfolio Company Management The Direct Funds will be making, directly or indirectly, minority equity investments in portfolio companies. The Direct Funds are not expected to have, or be permitted to have, an active role in the day-to-day management of the portfolio companies in which they invest. Accordingly, the investment performance of a Direct Fund will depend in large part on the performance and recommendations of each portfolio company's management team and the ability of the lead investor to recruit or retain qualified management. Any inability of a portfolio company's management to successfully manage and operate such portfolio company could have a substantial adverse impact on such Direct Fund's performance.
- Highly Competitive Market for Investments The business of identifying and investing in pooled investment vehicles, co-investments or secondaries is difficult due to a high level of investor demand for such funds and investment programs. Identifying attractive investment opportunities and fund managers is difficult and involves a high degree of uncertainty. Even if such fund managers are identified, there is no certainty that a client will be permitted to invest in the funds they operate. Accordingly, there can be no assurance that RCP will be able to locate suitable investment opportunities, or that such client will achieve its return objective or fully invest its committed capital. The success of each underlying fund depends on the availability of appropriate investment opportunities and the ability of the fund manager to identify, select, develop and consummate appropriate investments. The availability of investment opportunities generally will be subject to market conditions. There can be no assurance that suitable investments will be available or selected by RCP or that an underlying fund will be able to fully invest its committed capital within its investment period. To the extent that any portion of such committed capital is not invested, the underlying fund's potential for return will be diminished.
- Illiquidity; Restrictions on Transfer Investments in the RCP Funds represent highly illiquid investments and should only be acquired by investors able to commit capital for an indefinite period of time. Investors will not be permitted to transfer their interests in the RCP Funds without the written consent of the respective general partner, which may be withheld in its sole discretion, and the satisfaction of certain other conditions, including compliance with applicable securities laws.
- Risk of Inadequate Return The returns on a particular RCP Fund's investments, if any, may not be commensurate with the degree of risk of an investment in such RCP Fund. There is a significant risk that an underlying investment will be unable

to realize its investment objectives by sale or other disposition of its securities or other assets at attractive prices, or will otherwise be unable to complete any exit strategy with respect to its portfolio companies prior to the date the underlying investment is required to be dissolved, either by expiration of the underlying investment's term or otherwise. Accordingly, there is no assurance that investors will eventually receive any distributions from an RCP Fund, or that when distributions are apportioned by such RCP Fund to a particular investor, that such investor will receive distributions equal to its capital contributions to such RCP Fund or its applicable preferred return prior to the time that the general partner of such RCP Fund is participating in carried interest distributions with one or more other investors, if ever. Investors should have the ability to sustain the loss of their entire investment.

- Multiple Fees and Expenses Investors in an RCP Fund will pay certain fees (as described in Item 5, "Fees and Compensation") and expenses of such RCP Fund and, to the extent applicable, will indirectly bear the fees (e.g., management fees to the sponsors of the underlying funds) and expenses of the underlying funds in which such RCP Fund invests. This may include transaction, monitoring, consulting and/or success fees charged by the manager of an underlying fund as well as other reimbursed expenses which may not be offset against other fees charged by such manager. This will result in greater expense and less potential for return on investment than if such fees were not charged or such expenses incurred. Similarly, investors may pay Carried Interest to the RCP Fund's general partner in connection with an underlying fund's investments, and may indirectly pay carried interest to a sponsor of an underlying fund. It is possible that investors will pay Carried Interest to the RCP Fund's general partner in connection with an investment of an underlying fund even though the sponsor of such underlying fund did not receive a carried interest from such investment.
- Management Fees Payable Notwithstanding Performance Investors in an RCP Fund will generally be required to pay an annual Management Fee which is based in part on the entire amount of their commitment to such RCP Fund, and the payment of that fee is required even if such RCP Fund has not made an investment or experiences net losses in a particular quarter.
- Capital Calls Each RCP Fund will be required to meet capital calls of underlying funds over an extended period of time. Failure by an investor to meet any capital call by such RCP Fund could result in the failure of such RCP Fund to meet a capital call from an underlying fund, which could have adverse consequences for such RCP Fund and its other investors. Throughout the term of each RCP Fund, the general partner of such RCP Fund may utilize distributions from underlying funds which are recallable to satisfy such RCP Fund's obligations, including capital commitments to an underlying fund. However, such RCP Fund is not required to do so. Such redeployed amounts will not reduce an investor's unfunded capital commitment. Investors should be prepared to fund their capital commitment until such RCP Fund is no longer subject to capital contributions or funding obligations related to an investment. Any distributions utilized by such RCP Fund to satisfy such RCP Fund's obligations shall be treated as a deemed distribution and subsequent capital contribution to such RCP Fund. The use of

recallable distributions to satisfy such RCP Fund's obligations may result in an investor being deemed to have contributed in excess of its capital commitment to such RCP Fund, although an investor will not be required to make cash contributions in excess of its capital commitment to such RCP Fund.

- RCP Funds Not Registered The RCP Funds are not registered under the Investment Company Act or any other U.S. federal or state securities laws or the laws of any other jurisdiction. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies, which will not be applicable to the RCP Funds.
- Currency Exposure and Cash Management The RCP Funds will be denominated in U.S. dollars and generally will make investments in underlying funds denominated in U.S. dollars. However, an RCP Fund may invest in an underlying fund that is denominated in another currency. The investment performance of a non-U.S. denominated investment will be affected by the currency exchange rate movements over the life of such investment, and investment returns of such RCP Fund may be adversely impacted. The liquidity of such RCP Fund may be affected by currency exchange rate movements to the extent such movement results in an RCP Fund committing more or less capital to the underlying funds in such RCP Fund's portfolio than the aggregate capital commitments such RCP Fund has from its investors. In addition, distribution claw backs by an underlying fund may result in an RCP Fund contributing more than the original distribution to the RCP Fund to the extent of any currency exchange rate fluctuations. Finally, non-U.S. investors will bear the risk of any currency fluctuations between each such investor's commitments denominated in U.S. dollars and such investor's domestic currency, which fluctuations may result in increased draw down obligations relative to such investor's domestic currency.
- Annual Tax Information It is expected that annual federal tax information from the underlying funds will not be received in sufficient time to permit the RCP Funds to incorporate such information into their respective annual federal tax information and to distribute such information to investors prior to April 15 of each year. As a result, investors in the RCP Funds will likely be required to obtain extensions for filing federal, state and local income tax returns each year.
- Tax Risks An investment in an RCP Fund involves complex tax considerations that will differ for each investor. For example, an RCP Fund may make investments that will cause a tax-exempt investor to have "unrelated business taxable income," or a non-U.S. investor to have income "effectively connected" with the conduct of a trade or business within the United States. In addition, a non-U.S. investor may be subject to withholding on its distributive share of an RCP Fund's income, including under FATCA. In addition, the U.S. federal income tax treatment of an investment in an RCP Fund may be changed at any time by legislative, judicial or administrative action. For example, investors may be required to indemnify an RCP Fund for any taxes imposed on such RCP Fund under newly-enacted legislation relating to partnership audits. Any such changes may have retroactive effect with respect to existing transactions and investments and may adversely affect such RCP Fund, its underlying funds and its investors.

Each investor in an RCP Fund, including any Feeder Fund, should consult its own tax advisers with reference to its specific tax situation, including any applicable U.S. federal, state, local and non-U.S. taxes.

- Partner Giveback An investor in a particular RCP Fund may be required to return distributions it has received from the RCP Fund if such RCP Fund is obligated to return distributions it has received from an underlying fund or underlying investment because of an indemnification obligation of the RCP Fund to an underlying fund or underlying investment. In this event, the investor would be required to give back to the RCP Fund its pro rata share of the amount the RCP Fund is required to return to the underlying fund or underlying investment, subject to certain limitations as set forth in such RCP Fund's partnership agreement or other governing documents. Accordingly, an investor in such RCP Fund may be required to return amounts previously distributed to it by such RCP Fund (subject to certain limitations as set forth in such RCP Fund's partnership agreement or other governing documents), even though such investor already paid taxes attributed to such amounts, and at a time when such investor may not have sufficient cash to satisfy such giveback obligation.
- Contingent Liabilities of the Secondary Funds In connection with the purchase of a secondary interest in an underlying fund, a Secondary Fund may acquire contingent liabilities of the seller of such interest. In particular, where the seller of such interest has received distributions from such underlying fund and, subsequently, such underlying fund recalls one or more of such distributions, such Secondary Fund (as purchaser of the interest to which such distributions are attributable) may be obligated to return cash equivalent to such distributions to the underlying fund. While such Secondary Fund may, in turn, have the right to make a claim against the seller of such interest for any such amounts so paid to the underlying fund, there can be no assurances that the Secondary Fund will be able to collect on such claim.
- Side Letters In accordance with common industry practice, the general partners of RCP Funds have entered and will enter into "side letters" or similar agreements with certain investors pursuant to which a general partner grants such investor in an RCP Fund specific rights, benefits or privileges that are not made available generally to other investors in such RCP Fund. Such side letters are not generally subject to the approval of other investors. The side letters have included and may include most favored nations provisions and grant investors specific rights, benefits or privileges including, but not limited to, more favorable fees, reporting, transparency, liquidation elections with respect to distributions in-kind and notice obligations, including notices of certain events such as indemnification, conflicts of interest, changes in service providers and certain tax matters, or other rights.
- Leverage Risk Associated with the SBIC Fund The SBIC Fund intends to enter into a secured credit facility with one or more banks (or other financial institutions) allowing aggregate borrowings of principal outstanding at any given time up to 100% of the SBIC Fund's aggregate commitments. In addition, the SBIC Fund may seek to employ leverage for co-investments. While leverage presents opportunities for increasing the return on investments, it has the effect of

potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment could be magnified to the extent leverage is utilized. In addition, these investments will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such portfolio company or its industry.

- Lack of SBIC Fund and SEF Operating History The funds were recently formed and have only a limited operating history. The successful investment of such funds' assets will depend, among other things, upon the skills of the professional personnel of RCP and, in the case of the SBIC Fund, McNally, including the members of the funds' investment committee, and the managers and/or sponsors of the underlying investments and/or co-investments. The loss of service of one or more principals, officers or other key personnel of RCP, McNally (in the case of the SBIC Fund) or of a manager and/or sponsor of an underlying investment or co-investment could have an adverse effect on the fund's ability to realize its investment objectives.
- SBIC Risks The General Partner of the SBIC Fund expects that most underlying investments will be, or intend to become, SBICs. Investing in SBICs involves a number of risks, including but not limited to: (1) licensing risks; (2) leverage risks; (3) regulatory compliance risks; and (4) limitations on distributions of investors' outstanding capital contributions.
- Scrutiny and Regulation of the Private Equity Industry There continues to be significant attention paid to, and scrutiny of, the private equity industry in the U.S. and globally. Various federal, state, and local agencies have examined the role of placement agents, finders, and other similar private equity service providers as well as various conflicts of interest involving fees paid to private equity managers. There can be no assurance that this attention and scrutiny will not have an adverse impact on an RCP Fund or such RCP Fund's underlying investments.
- Small and Emerging Managers SEF may be unsuccessful in identifying emerging managers that have the potential to succeed in establishing and developing their own businesses. In addition, for an emerging manager, the loss of service of one or more principals, officers or other key personnel may be a significantly greater risk to the underlying fund than such a loss for an established manager. Principals, officers and key persons of an emerging manager may be employed by multiple firms. Accordingly, such persons' time and attention devoted to an underlying fund may be limited compared to an established firm which may adversely impact returns or otherwise present additional risks to an RCP Fund. An emerging manager may also be more susceptible to regulatory or other governmental actions due to a lack of resources to comply with applicable law or for other reasons. Accordingly, to the extent an emerging manager is subject to a regulatory action, such manager and/or SEF may suffer reputational damage.
- Cybersecurity Risk With the increased use of technologies such as the Internet to conduct business, the RCP Funds are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate

attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting an RCP Fund or its service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, the inability of such RCP Fund to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting the underlying funds and their portfolio companies in which an RCP Fund invests, counterparties with which an RCP Fund engages in transactions, governmental and other regulatory authorities, banks, brokers, dealers, insurance companies and other financial institutions. In addition, substantial costs may be incurred in order to prevent cyber incidents in the future. While the RCP Funds’ service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the RCP Funds cannot control the cyber security plans and systems put in place by their respective service providers or any other third parties whose operations may affect the RCP Funds and their respective investors. One or more RCP Funds could be negatively impacted as a result.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE RCP FUNDS OR A SEPARATE ACCOUNT. INVESTORS SHOULD READ SUCH ENTITY’S RESPECTIVE PRIVATE PLACEMENT MEMORANDUM AND OTHER OFFERING MATERIALS OR GOVERNING DOCUMENTS AND CONSULT WITH THEIR OWN COUNSEL AND ADVISORS BEFORE DECIDING WHETHER TO INVEST IN ANY SUCH RCP FUNDS OR SEPARATE ACCOUNT.

Disciplinary Information

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 a client or prospective client's evaluation of RCP's advisory business or the integrity of RCP's management. RCP has no information to disclose applicable to this Item 9.

Other Financial Industry Activities and Affiliations

Item 10 Other Financial Industry Activities and Affiliations

RCP is not affiliated with any other investment advisers or broker-dealers.

Each RCP Fund has a general partner, which is responsible for the daily operations of such RCP Fund, excluding the selection of such RCP Fund's investments. None of the general partners of the RCP Funds has employees or other persons acting on such general partner's behalf other than officers and employees of RCP. Either RCP 1, RCP 2 or RCP 3 is the sole voting member of each of the general partners and, accordingly, has the ability to control the day-to-day operations of the RCP Funds.

Certain members and employees of RCP may spend substantially all of their business time and attention on multiple RCP Funds (as required pursuant to the terms of the RCP Funds' partnership agreements). As a result, the performance by these individuals of their obligations to one client could conflict with their responsibilities to other clients.

With respect to the SBIC Fund, RCP will retain McNally, pursuant to an investment sub-advisory agreement, to assist in the selection of the SBIC Fund's investments, among other duties. Ward McNally, the managing partner of McNally, will serve as a special advisor to the SBIC Fund and will assist with the sourcing and evaluation of potential investments. Management Fees and Carried Interest charged by the SBIC Fund will be waived for McNally and McNally's affiliates (as defined in the SBIC Fund's partnership agreement) with respect to their investments in the SBIC Fund.

An investor in an RCP Fund may be affiliated with or related to an underlying fund or portfolio company in which RCP causes an RCP Fund to invest. Furthermore, an investor (or an entity related to such investor) in an RCP Fund may provide products or services directly to RCP or to RCP's clients and may do so at reduced rates.

RCP maintains a management company advisory board (the "Advisory Board"). Members of this Advisory Board may also be investors in the RCP Funds. Further, such persons may own or be affiliated with third party investment advisers and, in this capacity, may cause or recommend that the clients of such third party investment adviser invest in the RCP Funds.

Please refer to Item 11, "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" for a description of certain relationships that are material to RCP's advisory business or to RCP's clients that RCP or any of its management persons have with certain "related persons," the conflicts of interest with clients potentially resulting from such relationships, and how RCP addresses such conflicts.

NON-ADVISORY SERVICES

Separate and apart from its advisory business, RCP offers certain pre-qualified subscribers access to GPScout, a subscription-based private fund manager research platform ("GPScout" or the "Service"). The Service provides independent research and due diligence tools designed to assist subscribers with the identification, screening, sourcing, and preliminary evaluation of private equity managers and related fund opportunities. The Service is intended for informational

purposes only and does not constitute investment advice or an offer to invest or provide investment management services.

An investor in an RCP Fund or an advisory client of RCP may subscribe to GPScout; however, the Service does not constitute investment advice notwithstanding other advisory services RCP may provide such investor (if any) or advisory client. While the Service is generally made available to subscribers for an annual fee, RCP may, at its sole discretion, offer a complimentary (or discounted) GPScout subscription to certain subscribers, including existing or prospective investors in RCP Funds or advisory clients. Accordingly, there may be instances where some investors or clients pay an annual fee for the Service while other investors or clients do not, which could potentially influence an existing or prospective investor's or advisory client's decision to remain or become an investor in an RCP Fund or an advisory client of RCP.

RCP does not represent the managers in the GPScout database, their affiliates or any of their investment funds or products, and manager research reports are not a recommendation of a manager's services or any investment fund managed by such manager. All manager performance metrics and other information has been obtained directly from the managers, public sources, or other third parties. RCP has generally not independently verified such information and makes no representations or warranties that the information or opinions contained in GPScout are accurate, reliable, up-to-date, or complete. In addition, RCP may have entered into confidentiality agreements with certain managers that restrict RCP's ability to share information with third parties, including GPScout subscribers. Due to such restrictions, RCP may be unable to include certain information in GPScout. Due to the confidential nature of the information contained on the GPScout platform, a GPScout subscription may not be offered (or otherwise may be restricted if offered) to FOIA subscribers.

RCP may also maintain a separate research file for its discretionary and non-discretionary advisory clients. Such files may contain information which is not included in the GPScout database and could be deemed material to a subscriber. Accordingly, when material differences between the information provided to RCP's advisory clients and the information provided to a subscriber exist, RCP will have a conflict of interest with such subscriber. Please note that any conflicts will be resolved in favor of RCP's advisory clients and not the subscriber.

RCP and/or its advisory clients may have an investment with a particular manager. RCP will not disclose in GPScout whether RCP and/or any of its advisory clients maintains an investment with such manager.

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

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

CODE OF ETHICS

RCP has implemented a Code of Ethics as required by Rule 204A-1 under the Advisers Act, which is incorporated in RCP's Investment Advisory Compliance Manual. RCP's Code of Ethics sets forth certain standards of business conduct that govern the personal investment activities of employees and officers of RCP, including the standard that the interests of advisory clients must be placed first at all times.

RCP's Code of Ethics requires "access persons" (officers and supervised persons with access to client information) of RCP to report their personal securities transactions to RCP on a quarterly basis and their securities holdings upon commencement of employment (or upon becoming an access person) and annually thereafter. Access persons also must obtain approval from RCP's Chief Compliance Officer before they acquire any ownership interest in any security in an initial public offering or limited offering. The Code of Ethics requires all employees and officers of RCP to comply with applicable federal securities laws and to promptly report any violation of the Code of Ethics to RCP's Chief Compliance Officer.

A copy of RCP's Code of Ethics will be provided upon request to any investor or prospective investor in the RCP Funds and to any Separate Account client or prospective Separate Account client. A copy of the Code of Ethics may also be obtained by writing to: RCP Advisors, LLC, Attn: Chief Compliance Officer, 100 N. Riverside Plaza, Suite 2400, Chicago, Illinois 60606-1519.

RCP and its investment committee seek to ensure that RCP and its members, employees and affiliates do not personally benefit from investment recommendations. Pursuant to the respective partnership agreements of the RCP Funds, each RCP Fund's general partner is required to cause each of its members who are actively involved in its business to present to the respective RCP Fund all buyout fund investment opportunities (and direct investment opportunities in the case of a Direct Fund and SBIC/mezzanine investment opportunities in the case of the SBIC Fund) that come to the attention of such members during the respective client's investment period. Furthermore, as mentioned above, access persons must obtain approval from RCP's Chief Compliance Officer before they acquire any ownership interest in any underlying fund or other limited offering.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Certain related persons (i.e., members and some employees) of RCP will indirectly receive a portion of the Carried Interest paid to the general partners of the RCP Funds or a Separate Account by being or becoming members of RCP or of such general partners. The Carried Interest allocation may vary among clients. While RCP intends to allocate investment opportunities among clients in a manner that it believes is fair and equitable, the possibility of receiving Carried Interest and the variation of the structure of Carried Interest among clients may create an incentive for RCP to favor one client over another and to recommend more speculative investments on behalf of a client. As detailed in Item 6, "Performance-Based Fees and Side-by-

Side Management” and Item 12, “Brokerage Practices,” RCP’s disciplined investment selection process is intended to mitigate this risk.

Brokerage Practices

Item 12 Brokerage Practices

RCP, as the investment manager of the RCP Funds, has the discretion to determine the underlying funds (and direct equity investments in the case of a Direct Fund and SBIC/mezzanine investment opportunities in the case of the SBIC Fund) in which the respective RCP Funds invest. Investments in underlying funds (and direct equity investments in the case of a Direct Fund and SBIC/mezzanine investment opportunities in the case of the SBIC Fund) are negotiated on a private placement basis by RCP. RCP typically does not utilize broker-dealers in connection with such investments; however, RCP may pay a “finder’s fee” to a broker for introducing a Secondary Fund to a prospective seller whose interest in an underlying fund is ultimately acquired by such Secondary Fund.

To the extent a client receives an in-kind distribution of securities that may be publicly traded or private, RCP will generally seek to liquidate the securities as quickly as possible. Such liquidation may be through a privately negotiated transaction, which may not utilize a broker, or to the extent publicly traded, through a broker. In liquidating publicly traded securities and if delegated the authority to do so, RCP will select the broker to effectuate the liquidation. In selecting a broker, RCP may consider a variety of factors, including: (i) the reliability, integrity, financial condition and execution capability of the firm being considered for effecting the transactions in light of the size and difficulty of executing the order, and (ii) the reasonableness of the commissions in light of the services being provided.

ADDITIONAL FUNDS AND ALLOCATION OF INVESTMENT OPPORTUNITIES

RCP and its affiliates may begin organizing and accepting capital commitments for other funds or other clients with investment objectives that are similar to those of the RCP Funds at any time. Unless otherwise prohibited by an RCP Fund’s offering materials or other agreement, these additional clients may invest concurrently with existing clients and may be allocated investment opportunities that are not allocated to existing clients. A client may make an investment in an underlying fund in which another client has already invested or intends to invest. RCP may have a conflict of interest as to the investment allocation among such clients.

Situations may arise in which accounts managed by RCP have made investments that would have been suitable for investment by one client but, for various reasons, were not pursued by, or available to, another client. This could arise with respect to an underlying fund that, for example, places stringent restrictions on the number of investors whose money it will manage or their aggregate assets under management. As a result, certain underlying funds to which RCP would like to allocate assets may limit, or be unable or unwilling to accept, an allocation of such client’s assets. To the extent that entities affiliated with RCP invest in underlying funds, the ability of a client to invest in the same underlying fund may be adversely affected by any limitation on availability of the investment.

There may be instances when allocating investments among clients where some clients may participate in certain opportunities made available to RCP while other clients may not. Where accounts have competing interests in a limited investment opportunity, RCP does not typically allocate investment opportunities pro rata among clients but rather allocates investment opportunities on the basis of numerous other considerations, including, without limitation, the percentage of committed capital already allocated to investment opportunities, investment

objectives and restrictions, participation in other opportunities, appropriate design and balancing of investment portfolios of such account, compliance with applicable laws, and tax concerns as well as the relative size of different accounts' same or comparable portfolio holdings.

As a general matter, RCP will allocate its investment opportunities to its discretionary clients based on each client's target allocation prior to recommending such investment opportunities to its non-discretionary clients. However, where sufficient manager capacity exists, RCP will seek to allocate based on each client's target allocation.

RCP may organize for the benefit of a Separate Account client(s) a fund to invest on a proportional basis with an RCP Fund in underlying funds. RCP refers to such funds as Side by Side Funds or parallel funds. Because such funds generally invest on a proportional basis with the RCP Fund, the funds are not typically subject to the allocation restrictions set forth below.

Notwithstanding the foregoing, certain limitations generally apply with respect to RCP's ability to make investments on behalf of a newly established RCP Fund, if such newly established RCP Fund has investment objectives that are substantially similar to those of an existing RCP Fund, including until such existing RCP Fund has invested (or reserved) at least 75% of its capital commitments. For a full explanation of these limitations that may or may not apply to a particular RCP Fund, investors should refer to the governing documents or offering materials of the relevant RCP Fund(s). These limitations are intended to help alleviate the conflicts, with respect to the allocation of investment opportunities between an existing RCP Fund and a newly established RCP Fund. Such limitations do not completely alleviate allocation conflicts, and RCP Fund investors should understand that, to the extent RCP Funds have uncommitted capital, the potential for a conflict exists.

Non-discretionary clients generally are required to acknowledge that they are subject to actual and potential conflicts of interest with RCP with respect to the recommendation of investment opportunities. In particular, clients are required to acknowledge that RCP will first make recommendations to clients over which it exercises investment discretion prior to making any recommendations to non-discretionary clients. Accordingly, non-discretionary clients may be disadvantaged to the extent that investment opportunities are not offered to the client or are otherwise limited. In addition, RCP may negotiate preferential terms for its discretionary clients which may not be available to a non-discretionary client. Finally, it is possible that, in the future, one non-discretionary client may also be subordinate to another non-discretionary client. Any such subordination will be appropriately documented and disclosed.

An investor in an RCP Fund (which may be a Separate Account client) may invest in an underlying fund or participate in a direct equity investment in which an RCP Fund is invested. In certain instances, RCP may notify an investor of an investment opportunity if such opportunity is not appropriate for the RCP Funds or if sufficient investment capacity exists such that an RCP Fund would not be disadvantaged if the investor participated in such investment opportunity.

RCP maintains an advisory board for its RCP Funds (the "Funds' Board"), excluding the Direct Funds and SEF which maintain distinct boards for each fund. Members of the Funds' Board are not limited to investors in the RCP Funds and may include an investor's investment adviser. To the extent an investment adviser is on the Funds' Board, the investment adviser may be more likely to recommend to its clients an investment in an RCP Fund. Members of the Funds' Board have no authority to act on behalf of any RCP Fund and receive no compensation (other than reimbursement of reasonable out-of-pocket expenses in connection with their service).

RCP's allocation of investment opportunities among clients is also described in Item 6, "Performance-Based Fees and Side-By-Side Management" and Item 11, "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading."

Review of Accounts

Item 13 Review of Accounts

RCP continuously monitors the portfolios of the RCP Funds and clients over which it exercises investment discretion. RCP's investment committee, supported by RCP's investment team, is responsible for such monitoring. Members of RCP's investment committee are:

- William F. Souder, Senior Managing Partner;
- Thomas P. Danis, Jr., Managing Partner;
- Jeff P. Gehl, Managing Partner;
- Charles K. Huebner, Managing Partner;
- Jon I. Madorsky, Managing Partner;
- David M. McCoy, Managing Partner and Portfolio Manager; and
- Alexander Abell, Partner and Portfolio Manager.

Monitoring activities include but are not limited to: participation in underlying funds' annual meetings; membership on the advisory boards of the underlying funds (to the extent such membership is granted by the underlying funds); consistent contact with the managers of the underlying funds and sponsors of co-investments in an effort to remain apprised of all developments in their portfolios; and, ongoing evaluation of the state of the market generally.

For underlying funds that are deemed to have material balances, RCP's investment team endeavors to circulate internally a Portfolio Monitoring Report for each underlying fund on an annual basis (shortly after the respective underlying fund's annual meeting). The Portfolio Monitoring Report provides a high level summary of such underlying fund's performance, including the current valuation as reported by the underlying fund's manager. RCP tracks the valuation changes quarterly and inputs this data into its Salesforce database shortly after the receipt of the quarterly financials and respective reports. For direct investments, the investment team endeavors to create quarterly updates with financial information for each direct investment from the deal sponsor. These updates are presented to the portfolio manager for review and approval. Any performance issues or concerns are highlighted in the Portfolio Monitoring Report and/or direct investment quarterly update (as applicable) and discussed with RCP's investment committee.

Each RCP Fund provides to its investors the following written reports: annual audited financial statements of the RCP Fund; quarterly unaudited financial statements of the RCP Fund; and quarterly unaudited account statements specific to each investor. U.S. income tax information is furnished annually. With the exception of U.S. income tax information, the Feeder Fund investors generally receive the same reports. In addition, RCP hosts an annual meeting for investors in the RCP Funds. RCP may provide non-discretionary clients with certain unaudited quarterly and annual reports as set forth in the applicable advisory agreement.

Client Referrals and Other Compensation

Item 14 Client Referrals and Other Compensation

While no firms or other persons solicit advisory clients on behalf of RCP, RCP has entered into agreements with various entities to act as placement agents on behalf of one or more of the RCP Funds (or a Feeder Fund) for the purpose of referring eligible investors for investment in such RCP Funds. Pursuant to these written agreements, RCP typically pays such placement agents a percentage of the capital committed to an RCP Fund by investors referred to such RCP Fund by such placement agent. Such agreements also require that RCP agree to indemnify the placement agent for certain losses, claims or damages to which the placement agent may be subject in connection with its engagement by RCP. These agreements require the placement agent to meet the disclosure and other requirements of Rule 206(4)-3 under the Advisers Act. Furthermore, these agreements require the referred investor to execute a fee disclosure statement, which discloses the existence of the relationship between RCP and the placement agent as well as the fact that the placement agent will earn a fee in connection with such referred investor's investment in such RCP Fund. The terms of the agreements may vary depending upon the circumstances. Management Fees and Due Diligence Fees (as described in Item 5, "Fees and Compensation") may be used to pay such placement agents, at the discretion of the general partner of the respective RCP Fund, but investors in the RCP Funds do not pay greater fees (Management Fees, Due Diligence Fees or any other fees) to RCP or its affiliates as a result of such agreements.

RCP endeavors at all times to put first the interests of the RCP Funds and those of the investors in the RCP Funds as part of RCP's fiduciary duty to its clients. Nevertheless, the receipt of compensation by the placement agents as described above creates a conflict of interest, and may affect the judgment of such placement agents when referring eligible investors to RCP and the RCP Funds.

Custody

Item 15 Custody

RCP or the respective general partner of an RCP Fund may be deemed to have custody of an RCP Fund's (or Feeder Fund's) assets. Custody of the RCP Funds' assets is maintained in compliance with applicable rules and regulations set forth in the Advisers Act. Where required, cash and securities are maintained at a financial institution meeting the definition of "qualified custodian" under the Advisers Act. In addition, the financial statements of each RCP Fund are audited annually and distributed to investors within 180 days of the applicable fiscal year-end of the respective RCP Fund.

RCP has implemented written policies and procedures to ensure compliance with the Advisers Act custody requirements. RCP periodically reviews the effectiveness of its custody controls.

Investment Discretion

Item 16 Investment Discretion

Subject to the investment objectives and limitations of each RCP Fund, as set forth in such RCP Fund's offering materials and governing documents or Separate Account governing documents, RCP has the discretion to determine the underlying funds (or co-investments, in the case of a Direct Fund or the SBIC Fund) in which such client invests and the amounts of such investments. With respect to a Secondary Fund, RCP also has the discretion to determine the price at which such Secondary Fund acquires interests in underlying funds. In addition, RCP has the discretion to sell an RCP Fund's interests in underlying funds to third parties and to determine the price for such interests, pursuant to the terms of such RCP Fund's governing documents.

RCP's investment decisions are made in accordance with RCP's investment policy, which takes into account multiple criteria, including the investment objectives and strategy of the client; such client's size and amount of capital available for investment; such client's diversification requirements and investment restrictions; available investment opportunities appropriate for such client; and, current and anticipated market conditions.

By subscribing for an investment in an RCP Fund and executing the applicable subscription agreement, each investor agrees that such RCP Fund is formed for the object and purpose of, and the nature of the business to be conducted and promoted by such RCP Fund is, operating generally as a fund-of-funds (or fund organized to co-invest alongside private equity sponsors in direct equity investments, in the case of a Direct Fund) in the manner described in such RCP Fund's offering materials, including, without limitation, (i) making, holding and disposing of investments in private equity funds or entities selected by RCP that offer the potential for capital appreciation and investment returns, and (ii) engaging in all activities and transactions on behalf of such RCP Fund as the general partner of such RCP Fund may deem reasonably necessary, advisable, convenient or incidental in connection therewith.

RCP has entered and may enter into side letters with investors in an RCP Fund in which RCP's investment discretion is altered or varied. Such terms may include, in some cases, the investor's right to be excused from a particular investment due to legal, tax, regulatory or other applicable constraints.

Voting Client Securities

Item 17 Voting Client Securities

Clients invest in private equity funds (and, with respect to the Direct Funds, in private companies). With respect to non-discretionary services, RCP generally will not have the ability to vote with respect to an underlying fund investment. In these circumstances, non-discretionary clients will receive their proxies directly from the applicable underlying fund or company. With respect to each RCP Fund or client over which RCP exercises discretion, either RCP or the general partner has the authority to vote securities. RCP will evaluate issues that may have an impact on the economic value of a client's underlying investment (or, in the case of a Direct Fund, company) and will seek to ensure that such client votes with a view toward maximizing the economic value of the investment at the time of the decision or by determining that a particular vote is in the best interest of the client. All amendments to partnership agreements with respect to private equity investments are recorded by RCP as proxy votes.

Neither RCP nor a client typically receives distributions of public securities or otherwise holds public securities. In the event any RCP Fund were to receive a distribution of securities in-kind, such client would expect to immediately sell such securities for cash pursuant to the terms of such client's offering materials or governing documents. Thus, proxy voting for in-kind distributions is not generally applicable to RCP's business. In the event a client's general partner did need to vote a security, RCP would seek to ensure that such general partner generally votes to maximize the position's economic value or by determining whether a particular vote was in the best interest of the RCP Fund.

Clients may obtain a copy of RCP's proxy voting procedures or information about how RCP voted by writing to: RCP Advisors, LLC, Attn: Chief Compliance Officer, 100 N. Riverside Plaza, Suite 2400, Chicago, Illinois 60606-1519.

Financial Information

Item 18 Financial Information

Registered investment advisers are required in this Item 18 to provide certain financial information or disclosures about their financial condition. RCP does not require the prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item.