

**Firm Brochure
Form ADV Part 2A**

**Item 1. Cover Page
March 28, 2018**

Commerce Street Investment Advisor, LLC
a wholly-owned subsidiary of Commerce Street Holdings, LLC

Doing Business As:

Commerce Street Investment Management and Commerce Street Peak Advisors

A Texas Limited Liability Company registered with the Securities and Exchange Commission as an
Investment Adviser (CRD # 144278)

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This brochure provides information about the qualifications and business practices of Commerce Street Investment Advisor, LLC. If you have any questions about the contents of this brochure, please contact us at (214) 545-6832 or chamner@cstreetholdings.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.

Neither the United States Securities and Exchange Commission, nor the state of Delaware, nor any state securities authority, has passed upon the adequacy or accuracy of this brochure. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Commerce Street Investment Advisor, LLC also is available on the on the SEC's website at www.adviserinfo.sec.gov.

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other such documents containing information about our Firm.

Item 2. Material Changes

The Firm is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Since our last annual filing on March 30, 2017, we have amended the following information:

1. Item 4B – The following changes have occurred with respect to our Funds:

ADDED:

- Commerce Street Keefe Ventures Fund IV, LP (“Keefe IV”) – Keefe IV was formed in 2017 as a Delaware limited partnership. Investment in Keefe IV will be limited to 500 limited partnership interests totaling \$20,000,000.

REMOVED:

- Commerce Street Financial Partners, LP – All portfolio investments have been liquidated and the final distribution has been made to the fund partners as of March 27, 2018. The limited partnership itself is due to be wound down and dissolved in 2018.
 - Service Equity Partners, LP – All portfolio investments have been liquidated and the final distribution has been made to the fund partners as of December 31, 2017. The limited partnership itself is due to be wound down and dissolved in 2018.
 - Service Equity Partners (QP), LP - All portfolio investments have been liquidated and the final distribution has been made to the fund partners as of December 31, 2017. The limited partnership itself is due to be wound down and dissolved in 2018.
2. Item 4E – Updated Assets Under Management (“AUM”) totals including Discretionary AUM and Non-Discretionary AUM.

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Item 4. Advisory Business

A. Operational and Organizational Information

Commerce Street Investment Advisor (“CSIA” or the “Firm”), dba Commerce Street Investment Management (“CSIM”) and dba Commerce Street Peak Advisors (“CSPA”), is a wholly-owned subsidiary of Commerce Street Holdings, LLC, a Texas limited liability company. CSIM is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). CSIM was formed in January of 2008. Commerce Street Holdings, LLC (“CSH”) is the sole member of CSIA. Dory A. Wiley and William D. “Tex” Gross are the sole members of CSH.

B. Types of Advisory Services Offered

The Firm provides investment management services to the Funds, which operate as private equity funds, private equity fund of funds, or hedge funds, through applicable investment management agreements or similar documents. Please review the investment guidelines for a particular Fund as described in the respective Fund’s private placement memorandum.

The Firm offers consulting and advisory services to clients who are federally insured depository institutions. These consulting and advisory services include the review and evaluation of a client’s current investment portfolio and its Asset/Liability Management processes and systems. The Firm assists clients in assessing, identifying and managing the institution’s overall interest rate risk, advising about investment selection, credit exposure from investments, and finding and intermediating negotiations for the best execution of trades for the investment portfolio on a non-discretionary basis.

The Firm is a provider of independent fee-only investment management fiduciary and non-fiduciary services as defined under ERISA for qualified retirement plans. For no additional compensation, the Firm may also have an arrangement with the plan to create and/or manage the model portfolios. The Firm may provide independent plan investment advisory services to plan fiduciaries of employer-sponsored retirement plans to assist the plan fiduciary in selecting and monitoring investment options for the plan. The Firm may also provide professionally managed risk based portfolios to the plan participants having full discretion to supervise and direct the asset allocation with respect to each managed portfolio designed by the Firm.

1. Private Funds

The Firm provides investment management services and sponsorship to privately-offered investment vehicles (each a “Fund” and collectively the “Funds”). Typically, the Funds are closed-end limited partnerships in which investors subscribe for interests. Each Fund typically has an affiliated general partner (each a “General Partner” and collectively the “General Partners”).

- a. Commerce Street Carlyle Private Equity Fund I, LP (“CPE I”), a Delaware limited partnership, is a fund-of-funds that seeks to provide investors with long-term capital appreciation through exposure to a portfolio of underlying private equity funds (the “Carlyle Funds”) sponsored by Carlyle Investment Management L.L.C. and its affiliates (collectively, “Carlyle”). Through investing all or substantially all of its assets in the Carlyle Funds, the Partnership’s investment objective is to provide investors with attractive exposure to private

equity investment opportunities across multiple geographies, including the U.S., Asia, and Europe.

b. Commerce Street Keefe Ventures Fund III, LP (“KVF III”) a Delaware limited partnership, is a private equity fund formed to invest in less well known or under-performing financial institutions. The General Partner will contract with CSIM to conduct due diligence, financial analysis and back-office accounting services. Once an investment in a Portfolio Company is made by KVF III, the General Partners will monitor and evaluate such Portfolio Company and determine the timing and manner in which such Portfolio Company should be sold.

c. Commerce Street Keefe Ventures Fund IV, LP (“KVF IV”) a Delaware limited partnership, is a private equity investment fund (the “Fund IV”) which will make equity investments in less well known or under-performing community depository institutions, their holding companies and other financial services companies (“CDIs”) which have favorable characteristics for improvement. The importance of community banks in our financial system, and the opportunity for investing in them, are the drivers for organizing this fund.

2. *Consulting Services*

The Firm offers consulting and advisory services to clients, who are federally insured depository institutions through Commerce Street Investment Management Services, a separate business line of the Firm.

3. *Independent Participant Investment Advice*

The Firm provides independent fee-only investment management fiduciary services as defined under the Employee Retirement Income Security Act of 1974 (“ERISA”) for qualified retirement plans. We offer a full range of services, such as providing low cost professionally managed risk-based portfolios, lower management fees, assistance in creating investment policy statements, providing participant education, and selection of plan service providers. We can act in the capacity of a 3(21) Investment Consultant or a 3(38) Discretionary Investment Manager and in most cases will act as both.

The Firm may also have an arrangement with an ERISA qualified plan to create and/or manage the model portfolios. The Firm is an independent investment adviser and does not receive any compensation from those who provide or manage investments that are available through a qualified plan. The Firm charges a fee that is based upon a percentage of plan assets.

4. *Independent Plan Investment Advice*

The Firm may provide independent plan investment advisory services to plan fiduciaries of employer-sponsored retirement plans to assist the plan fiduciary in selecting and monitoring investment options for the plan. The plan fiduciary is solely responsible for the selection of the investment platform, recordkeeping and other services for the plan. Based upon the investments available to the plan, the Firm will assist the plan fiduciary in selecting and monitoring investment options, which are consistent with the asset classes selected by the plan fiduciary in the plan’s Investment Policy Statement, to make available to plan participants. The Firm will act as a fiduciary under the Act and section 3(21)(A)(ii) of ERISA, and the plan fiduciary will retain sole

discretion and responsibility as to whether to implement the recommendations with the plan's record-keeper or third-party administrator.

5. *Professional Risk Based Portfolios*

The Firm may provide professionally managed risk based portfolios to the plan participants. In providing these services, the Firm will have full discretion and authority, without further approval by the plan fiduciary, to supervise and direct the asset allocation with respect to each managed portfolio designed by the Firm. The Firm will act as a fiduciary "investment manager" under section 3(38) of ERISA, but the plan fiduciary shall be responsible for determining whether to implement the initial recommendations required to create the managed portfolios. Once the plan fiduciary elects to implement the initial advice, the Firm will be primarily responsible for monitoring the managed portfolios, and the plan fiduciary's responsibility will be limited to monitoring the performance of the Firm as an investment manager to the plan. The Firm will communicate investment instructions directly with the plan's record-keeper or third-party administrator and will provide quarterly reports and/or information as the plan fiduciary may reasonably request to assist the plan fiduciary in meeting its responsibilities to monitor the performance of the Firm as an investment manager to the plan.

As the discretionary 3(38) investment manager, the Firm shall only be responsible for the investment options it selects and shall not have any responsibilities or potential liabilities in connection with other investments (e.g., employer securities, unallocated accounts, mutual fund windows, self-directed brokerage accounts, guaranteed investment contracts, target date funds, etc.) offered by the plan.

a. Peak Moderate Balanced Model (*Benchmark: 60% MSCI ACWI / 40% Barclays Aggregate Index*)

This portfolio invests roughly 60% in stocks and 40% in bonds. The portfolio's benchmark is 60% MSCI ACWI Index (global equity) and 40% Barclays US Aggregate Index (US bonds). This portfolio strategically allocates to assets classes that the investment manager believes offer better risk reward metrics relative to its benchmark over an appropriate investment period. The portfolio's broad diversification is important, because one or two holdings should not have a sizeable impact on the portfolio. Investors with a long-term time horizon who want growth and some income and who are willing to accept stock and bond market volatility may wish to allocate to this portfolio.

b. Peak Equity Model (*Benchmark: 100% MSCI ACWI*)

This portfolio invests in companies of various sizes from all over the globe and the United States. The portfolio's benchmark is the MSCI ACWI Index (global equity) and the portfolio is made up of 800-plus stocks from more than 20 countries. In addition to stock market risk, the fund is subject to currency risk and country risk. Long-term investors seeking global equity exposure and who are comfortable with the added volatility in international investing may wish to consider this fund. The portfolio over-weights to US midcap equities and international small cap equities and under-weights large cap international developed equities relative to its benchmark.

c. Peak Moderately Conservative Model (*Benchmark: 40% MSCI ACWI / 60% Barclays Aggregate*)

This portfolio invests roughly 40% in stocks and 60% in bonds. The portfolio's benchmark is 40% MSCI ACWI Index (global equity) and 60% Barclays US Aggregate Index (US bonds). This portfolio strategically allocates to asset classes that the investment manager believes offer better risk reward metrics relative to its benchmark over an appropriate investment period. The portfolio seeks to provide current income and low to moderate capital appreciation. The portfolio's broad diversification is important, because one or two holdings should not have a sizeable impact on the portfolio. The portfolio has a bias to high-quality low-duration fixed income investments and high-quality dividend paying US large cap stocks relative to its benchmark. Investors with a long-term time horizon who can accept modest movement in share price and can tolerate the risk that comes from the volatility of the stock and bond markets may wish to allocate to this portfolio.

d. **Peak Moderately Aggressive Model** (*Benchmark: 80% MSCI ACWI / 20% Barclays Aggregate*)

This portfolio invests roughly 80% in stocks and 20% in bonds. The portfolio's benchmark is 80% MSCI ACWI Index (global equity) and 20% Barclays US Aggregate Index (US bonds). This portfolio strategically allocates to asset classes that the investment manager believes offer better risk reward metrics relative to its benchmark over an appropriate investment period. The portfolio over-weights US Midcap equities and international small cap equities and underweights large cap international developed equities relative to its benchmark. In addition to stock market risk, the fund is also subject to currency risk and country risks. Investors with a long-term time horizon seeking growth of principal over time and who can accept stock market volatility may wish to allocate to this portfolio.

e. **Peak Aggressive Allocation Model** (*Benchmark: 90% MSCI ACWI / 10% Barclays Aggregate Index*)

This portfolio offers investors an easy, cost-effective way to gain exposure to mainly stocks with minimal exposure to bonds. The portfolio invests roughly 90% in stocks and 10% in bonds. The portfolio's benchmark is 90% MSCI ACWI Index (global equity) and 10% Barclays US Aggregate Index (US bonds). This portfolio strategically allocates to asset classes that the investment manager believes offer better risk reward metrics relative to its benchmark over an appropriate investment period. The portfolio over-weights US Midcap equities and international small cap equities and underweights large cap international developed equities relative to its benchmark. In addition to stock market risk, the fund is also subject to currency risk and country risks. Investors with a long-term time horizon seeking growth of principal over time and who can accept stock market volatility may wish to allocate to this portfolio.

C. Client Investment Guidelines and Parameters

Advisory services include among other things, providing advice regarding asset allocation and the selection of investments. Decisions relating to investment advice are based on an analysis of the merits and risks of the investment involved and on the investment guidelines and restrictions of the client. The methods of analysis, investment strategies and risk of loss for each Fund are described in the private placement memorandum related to each Fund. The Firm does not tailor advisory services to the needs of individual investors.

When applicable for federally insured depository institutions as defined in *Part 1 of Title 12, Code of*

Federal Regulations as it applies to acceptable investments for banks, the Firm follows the investment parameters set forth in each client's board approved Investment and Asset-Liability Committee ("ALCO") Policies and Procedures as further refined by updated minutes from the each Board's Investment Committee and ALCO Committee. In such instances, securities transactions are non-discretionary and the final investment decision rests with the client's designated Investment Officer.

All transactions are for "delivery versus payment" at the client's designated clearing and safekeeping agent. The Firm neither purchases, nor sells, nor accepts or makes delivery or takes custody of client securities, cash, or cash equivalents.

D. Wrap Fee Programs

The Firm does not participate in wrap fee programs.

E. Client Assets Under Management

As of March 28, 2018 TOTAL Assets Under Management ("AUM") = \$111,600,000

(All amounts rounded up to the nearest \$100,000)

1. Discretionary AUM: \$62,300,000
2. Non-discretionary AUM: \$49,300,000

Item 5. Fees and Compensation

A. Generally

All fees are individually negotiated. Fees for advisory services may be structured as a percentage of the client's investible assets. Fees are negotiated based on the scope of services, the size and complexity of the investment program, the amount of customized work and education, the level of portfolio administration, and the frequency of meetings and travel, among other factors. The Firm receives neither performance based fees nor compensation for execution of trades on behalf of the client portfolio.

1. Transactions Involving a Conflict of Interest

The Firm may have a conflict of interest if it recommends a product or investment for which it is otherwise compensated by a third-party provider. The Firm always discloses this potential conflict of interest to the client when it occurs.

B. Payment of Fees

The Firm provides certain services to its clients, which generally include the origination and evaluation of investment opportunities, the structuring of investment transactions, investment recommendations, investment monitoring, advice on investment realizations, and performs certain administrative services. In return for providing such services, the Firm is entitled to receive a management fee based on committed capital in accordance with the terms of the applicable offering documents for each Fund. Management fees typically range from 1% to 2% and are calculated and paid quarterly in advance as of the beginning of each calendar quarter. Management fee rates differ amongst partners based on investor class and commitment amount. Management fees are pro-rated for any period shorter than a full quarter.

For CPE I, the Firm is paid a quarterly service fee.

C. Additional Fees and Expenses

In addition to amounts noted above and in Item 6, the Funds pay operating expenses such as professional fees and administrative costs, including any expense for services provided by the Firm or any of its affiliates with respect to accounting and other services performed in connection with Funds' annual audit, legal compliance, financial reporting, tax return preparation and distribution of reports. Additionally, the Funds paid organizational expenses, up to a certain threshold, for costs and expenses pertaining to the offering and sale of partner interests to prospective investors and the organization of the Funds and the General Partners. A full description of additional fees and expenses is disclosed to clients in the applicable offering documents.

D. Fees Paid in Advance

Management fees shall be calculated and payable to the Firm quarterly in advance and are pro-rated for partial periods.

E. Additional Compensation of Supervised Persons

No supervised person accepts compensation for the sale of securities or other investment products.

The Firm charges the following fees for providing the above-referenced services. Such fees will not vary depending upon the basis of any investment option selected and are calculated as a percentage of assets or on a flat fee basis.

Up to	10,000,000	0.40%
Up to	15,000,000	0.30%
Up to	30,000,000	0.15%
Up to	50,000,000	0.10%

Our fees are billed in arrears at the end of each calendar quarter based upon the market value of the client's account at the end of the previous quarter or an average market value of the end of month values from the three previous months.

1. Service Pricing Promotions and Discounts

The Firm may offer discounts and/or promotional pricing on any of the services noted above to select clients, plans and/or participants.

2. Other Fees and Expenses

All fees clients pay us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. To the extent possible, we recommend institutional class mutual funds and other funds that do not charge 12b-1 or distribution fees.

3. Potential Conflicts of Interest

The Firm provides independent fee-only conflict free investment management fiduciary and non-fiduciary services as defined under ERISA for qualified retirement plans. With the exception of Commerce Street Capital, LLC, a registered broker-dealer disclosed in Item 10 of this brochure, we have no financial affiliation with any other brokerage firm or mutual fund company and do not have our own proprietary mutual funds. The Firm will not receive commissions or other forms of compensation for client account transactions from anyone. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Our investment recommendations are not limited to any specific product or service offered by any particular mutual fund or insurance company. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

4. Service Termination Provisions and Refund of Fees Paid

Clients may terminate their relationship with the Firm at any time upon 30-days written notice. However, please note that any client wishing to cancel a service as-of a date prior to the end of the

previously selected service period, and wishing to receive a refund, to the extent applicable, for any unused portion of that service period, must cancel by written or email notice.

Item 6. Performance-Based Fees & Side By Side Management

With respect to the Funds, the Firm may receive performance-based allocations or fees (“Performance Fees”). Generally, this is structured as carried interest, as defined in the applicable offering documents, with a preference rate to limited partners. This carried interest will be equal to 20% of cumulative distributions after the limited partners have received a return equal to 8% on their unreturned capital contributions. A full description of the entire fee arrangement is disclosed to clients in the applicable offering documents.

For any Fund that permits a Limited Partner to withdraw: Upon withdrawal by a limited partner (including a partial withdrawal), whether voluntary or involuntary, the Performance Fee will be allocated with respect to the amounts withdrawn. The Performance Fee will also be allocated upon dissolution of a Fund. The Performance Fee will be allocated in addition to, and separately from, the proportionate allocations of income and profits, or losses, to the Firm and/or its affiliates based upon their capital accounts relative to the capital accounts of all Partners. The Firm, in its sole discretion, may waive or reduce the Performance Fee with respect to any limited partner (including affiliates and employees of the Firm) for any period of time. If the Firm waives the Performance Fee, it may effectuate such waiver by directly rebating amounts to certain limited partners, by appropriate accounting adjustments, or by such other methods, as it deems reasonable and fair.

The Firm does not charge or accept performance-based fees or compensation nor does it allow any supervised person to charge or accept performance based fees or compensation.

Item 7. Types of Clients

The Firm provides advisory services to investment vehicles as described in Item 4.A. above. The minimum capital commitment for an Investor is outlined in the applicable offering documents.

Clients also include federally insured depository institutions (banks or credit unions), which are generally considered to be sophisticated, accredited investors.

Clients also consist of plan sponsors, plan participants and individual customers wishing to obtain advice regarding their employer sponsored retirement plans. Risk-based model portfolio concepts should not be construed as any guarantee of efficiency in expected returns as compared to portfolio risks. The Firm applies a variety of criteria in choosing funds for each asset class, including historical returns, fee ratios, management tenure and several other criteria, the application of which may cause a recommended portfolio to be theoretically less efficient than it may have been had other fund recommendations been made. Additionally, the Firm’s ability to match funds to asset classes for any given plan is limited, potentially significantly, due to limitations in the number and/or types of funds offered in any particular plan.

Please note that that portfolio recommendations provided by the Firm to a participant of a particular 401(k) plan do not take into account investments and other assets held by the participant outside of that plan.

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

A. Methods of Analysis and Investment Strategies

The Firm, on behalf of the Funds, will attempt to identify attractive investment opportunities for private equity and hedge funds, and strategically position the Funds' portfolios to capitalize on changing market and economic trends in an effort to generate positive returns across various economic cycles. Detailed information regarding the methods of analysis and investment strategies is provided in each Fund's private placement memorandum. Investing in securities involves risk of loss that Clients should be prepared to bear.

B. Risks Associated with Firm's Investment Strategies

A full description of the risks inherent to the strategies employed by the Firm on behalf of the Funds is described in further detail in each Fund's respective offering documents. Below is a subset of those risks:

C. Limited Liquidity of Interests Generally

An investment in a Fund involves substantial restrictions on liquidity and an investor's interests in a Fund ("Interests") are not freely transferable. There is a limited market for the Interests in a Fund. Additionally, transfers are subject to the consent of the General Partner, which consent may be granted or withheld in the General Partner's sole discretion. Consequently, limited partners will be unable to liquidate their interests except by withdrawing from a Fund in accordance with the terms of the applicable agreement. Limited partners may be unable to liquidate their investment promptly in the event of an emergency or for any other reason. Although a limited partner may attempt to increase its liquidity by borrowing from a bank or other institution, interests may not readily be accepted as collateral for a loan. In addition, the transfer of an interest as collateral or otherwise to achieve liquidity may result in adverse tax consequences to the transferor.

D. Impact of Side Letters

A Fund may from time to time enter into side letters with one or more limited partners which provide such limited partners with additional and/or different rights (including, without limitation, with respect to the management fee, the Performance Fees, the lock-up period, withdrawals, access to information and minimum investment amounts) than such limited partners have pursuant to the private placement memorandum for the Funds. For example, certain limited partners may have the right to withdraw their interests on very short notice in certain circumstances including, but not limited to, a decline in the performance of a Fund in excess of specified thresholds. Accordingly, should a Fund experience a decline in performance over a period of time, a limited partner who is party to a side letter that permits less notice and/or different withdrawal times may be able to withdraw its Interests prior to other limited partners. The General Partner will not be required to notify any or all of the other limited partners of any such side letters or any of the rights and/or terms

or provisions thereof, nor will the General Partner be required to offer such additional and/or different rights and/or terms to any or all of the other limited partners. The General Partner may enter into such side letters with any party as the General Partner may determine in its absolute discretion at any time. The other limited partners will have no recourse against a Fund, the General Partner and/or any of their respective affiliates in the event that certain limited partners receive additional and/or 10 different rights and/or terms as a result of such side letters. As a result, the General Partner may face potential conflicts of interest if it manages the assets of a Fund in accordance with such risk parameters in order to preserve the investments of such limited partners.

E. Concentration of Investments Generally

The Firm implements its investment program in a manner which, in light of investment considerations, market risks and other factors, it believes will provide the best opportunity for attractive risk-adjusted returns in the value of a Fund's assets. The Firm may not intend to subject a Fund's portfolio to any formal policies regarding diversification. Although the Funds may invest in relatively few portfolio investments, the Firm will attempt to minimize concentration in specific issuers unless such concentration is fully detailed in the Funds private placement memorandum.

F. General Partner's Right to Dissolve a Fund or Expel Limited Partner

The General Partner may have the right to dissolve a Fund at any time upon thirty (30) days' notice to the Limited partners. Accordingly, there is a risk, among other reasons, that if a Fund's assets become depleted and, as a result, the management fee and Performance Fee become minimal, the General Partner may elect to dissolve a Fund and distribute its remaining assets. The General Partner may also have the right to expel a Limited Partner at any time, with or without cause, upon at least five (5) days' notice. Such mandatory withdrawal or expulsion could result in adverse tax and/or economic consequences to affected Limited partners. No person will have any obligation to reimburse any portion of a Limited Partner's losses – upon dissolution, expulsion, withdrawal or otherwise.

G. Operating Deficits

The expenses of operating a Fund (including the management fee) may exceed its income, thereby requiring that the difference be paid out of a Fund's capital, reducing a Fund's investments and potential for profitability.

H. Distributions

Some of the Funds allow a Limited Partner to make an election to receive distributions, while other Funds do not. The Funds that do not allow a Limited Partner to make an election to receive distributions will make distributions to limited partners when the particular Fund has cash available for distribution.

For a Fund that allows a Limited Partner to elect to receive a distribution, the General Partner intends to reinvest substantially all Fund income and gain, if any, unless a Limited Partner elects to receive a distribution by making a distribution election. Cash that might otherwise be available for distribution will also be reduced by payment of Fund obligations, payment of Fund expenses (including fees payable and expense reimbursements to the General Partner and the Firm) and establishment of appropriate reserves. As a result, if a Fund is profitable, limited partners in all likelihood will be

credited with Fund net income, and will incur the consequent income tax liability (to the extent that they are subject to income tax), even though limited partners receive little or no Fund distributions.

I. Performance Allocation

The Performance Allocation creates an incentive for the Firm, an affiliate of the General Partner, to effect transactions in investments that are riskier or more speculative than would be the case in the absence of such an allocation. Additionally, since the Performance Allocation is calculated on a basis that includes unrealized appreciation of a Fund's assets, such allocation may be greater than if it were based solely on realized gains.

J. No Minimum Size of Fund

A Fund may begin or continue operations without attaining or maintaining any particular level of capitalization. At low asset levels, a Fund may be unable to make its investments as fully as would otherwise be desirable or to take advantage of potential economies of scale, including the ability to obtain the most timely and valuable research and trading information from securities brokers. It is possible that even if a Fund operates for a period with substantial capital, investors' withdrawals could diminish a Fund's assets to a level that does not permit the most efficient and effective implementation of a Fund's investment program. As a result of losses or withdrawals, a Fund may not have sufficient capital to diversify its investments to the extent desired or currently contemplated by the Firm.

K. Liability of a Limited Partner for the Return of Capital Contributions

If a Fund should become insolvent, the Partners may be required to return any property distributed to them at the time a Fund was insolvent, and forfeit their capital accounts.

L. General Market Risks

1. Availability of Suitable Investment Opportunities

The success of a Fund depends upon the ability of the Firm to identify, select and consummate investments that outperform the NASDAQ Bank Index (IXBK), the KBW Regional Bank Index (KRX), and comparable bank-focused private equity funds and on the availability of appropriate portfolio investments. Although the Firm believes that significant opportunities currently exist, there can be no assurance that the Firm will be able to identify, select and consummate a sufficient number of investment opportunities to permit a Fund to invest all of its net assets or to diversify the net assets to the extent described herein. There also may be increasing competition for such opportunities, which, given the relative illiquidity of the secondary market for portfolio investments, may drive up prices, causing potential investments to be less attractive. Additionally, there can be no assurance that these investing opportunities will continue to be available for any length of time, nor can there be any assurance as to the size or depth of any such discounts at purchase, nor the possibility or likelihood of selling or redeeming such investment securities at a price above the purchase price, or basis, at a later date.

2. Leverage

When deemed appropriate by the Firm and subject to applicable regulations, a Fund will incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market price of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent a Fund purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of a Fund. If the interest expense on this leverage were to exceed the net return on the investments made with borrowed funds, a Fund's use of leverage would result in a lower rate of return than if a Fund were not leveraged.

If the amount of leverage which a Fund may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of a Fund's portfolio will have disproportionately large effects in relation to a Fund's capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional leverage will generally cause the Net Asset Value of a Fund to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the leveraged capital fails to cover its cost to a Fund, the Net Asset Value of a Fund will generally decline faster than would otherwise be the case.

Certain of a Fund's trading and investment activities in securities and other financial instruments may be subject to FRB margin requirements, which are computed each day. When the market value of a particular open position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a "margin call" on the customer is made. If the customer does not deposit additional funds with the broker to meet the margin call within a reasonable time, the customer's position may be closed out. In the event of a precipitous drop in the value of the assets managed by a Fund, a Fund might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, incurring substantial losses. With respect to a Fund's trading activities, a Fund, and not the limited partners personally, will be subject to margin calls. Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss.

3. Hedging Transactions

The Firm anticipates that a Fund's investment program will utilize investments in certain hedging transactions on a limited basis. However, as market conditions change, hedging may become a more important part of a Fund's investment program. Investments in financial instruments, such as forward contracts, options, commodities and interest rate swaps, caps and floors, and other derivatives are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions

should increase. Moreover, it may not be possible for a Fund to hedge against a fluctuation at a price sufficient to protect a Fund's assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying instruments or assets. Accordingly, options on highly volatile instruments or assets may be more expensive than options on other instruments or assets and of limited utility in hedging against fluctuations in their prices.

The Firm is not obligated to establish hedges for portfolio positions and may not do so. To the extent that hedging transactions are effected, their success may be dependent on the Firm's ability to correctly predict the correlation between the portfolio's positions and the selected hedging instruments.

M. Specific Risks Relating to Portfolio Investments

1. Illiquidity of Portfolio Investments; Level 3 Assets

Many of the portfolio investments will be highly illiquid due to the absence of an efficient market for such investments, legal, contractual or other restrictions on their resale and/or other factors. In addition, the continuing existence of a secondary market for any of the portfolio investments cannot be assured. The known secondary market for these investments is inefficient, fragmented, opaque, and is negotiated, and, as such, the prices paid for purchased investments and the sums received for sold investments, if any, are unlikely to be the best possible prices. Furthermore, a Fund may in some cases be required to obtain consent to sell or otherwise dispose of a Portfolio Investment and, in any event, will be subject to restrictions and limits on such sales and dispositions. As a result, an investor must be prepared to hold the portfolio investments for an indefinite period of time or until the maturity thereof.

The Firm expects that most of the assets held in a Fund's portfolio will be Level 3 assets for which fair values can only be calculated using estimates or risk-adjusted value ranges. In general, Level 3 assets are those that trade so infrequently that there is virtually no reliable market price for them, and valuations for these assets are based on management assumptions.

2. Valuation

Many, if not all, of the securities in which a Fund expects to invest will have an extremely limited and possibly no secondary market. The efficiency of such a secondary market may be minimal or nonexistent, and therefore the accuracy of stated market values cannot be assured. Though the Firm will attempt to attain additional information from as many sources as possible as part of its valuation process, additional sources may not be readily available. Fair value will then be calculated on a periodic basis, using a valuation process determined by the Firm. Fair market values will be determined by the Firm based on relevant market data, as well as the best information available about the financial instrument. In an active market, where available, estimated fair value is based on observable market prices or parameters, or is derived from such prices or parameters which are received from issuers or sponsors of the securities. In the absence of market data for a security, fair value is estimated using valuation models which incorporate current market participant expectations of future cash flows, and

include appropriate risk premiums and discounts.

Fair value estimates for securities for which no or limited observable market data is available is based on judgments regarding current economic conditions, base rates associated with each appropriate class of each investment, and premiums/discounts for illiquidity, credit, auction date, and subordination risks. These estimates involve significant uncertainties and judgments and cannot be determined with precision.

N. Risks Relating to the Other Assets in Which a Fund May Invest

1. Equities

As a component of its hedging efforts, a Fund may trade and invest in equity securities. Equities invested in by a Fund may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which a Fund may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize).

2. Special Situations

A Fund may make investments in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to a Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, a Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which a Fund may invest, there is a potential risk of loss by a Fund of its entire investment in such companies. In connection with such transactions (or otherwise), a Fund may acquire investments on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, reorganization or debt restructuring. The purchase price and/or interest rate receivable with respect to a when-issued financial instrument are fixed when a Fund enters into the commitment. Such securities are subject to changes in market value prior to their delivery.

3. Non-Controlling Investments

A Fund anticipates that it will principally hold non-controlling interests in companies and, therefore, will have a limited ability to influence management of such companies to protect a Fund's position in such portfolio companies. However, the General Partner and/or the Firm will seek appropriate creditor and shareholder rights to help protect a Fund's interest.

The Firm bases its advice on the risk preferences of the client as stated in their governing policies and the overall impact of existing and potential risk presented in the client's ALCO Report. The Firm advisor will counsel with the client as to his/her interpretation and understanding of that risk and the alternatives available to meet the client's needs and strategy. The Firm advisor's personal and professional experience is used to support, question, augment and advise, based on information derived from the client's understanding and modeling of a specific transaction.

The partnership agreement provides that without the consent of a Majority in Interest of the limited partners, the Partnership will not:

- (i) invest (including, for purposes of this paragraph (i), the principal amount of any guarantee issued by the Partnership) more than 15% of the aggregate commitments in securities issued by a single Portfolio Company and its affiliates; provided that the Partnership may invest an additional 5% of the aggregate Capital Commitments in such Portfolio Company and its affiliates in the form of investments that are intended to be of a temporary nature in equity or debt securities;
- (ii) invest directly in real estate or oil and gas assets, although the Partnership may invest in financial services and related entities with substantial real estate or oil and gas holdings arising out of financial services activities without such consent;
- (iii) invest in another collective investment fund (other than money market funds constituting temporary investments) that would result in a net increase in the payment of management fees or carried interest (as defined below) borne by limited partners (it being understood that stock options, "cheap stock" and similar incentive plans for management of Portfolio investments shall not be deemed subject to this clause (iii));
or
- (iv) invest in portfolio companies organized and operating principally outside of the United States.

The Partnership may invest in or enter into short sales and other derivative contracts or instruments if such sales, contracts or instruments are *bona fide* hedging transactions in connection with the acquisition, holding or disposition of portfolio companies. Any amounts paid by the Partnership for or resulting from any sales, contracts or instruments entered into as a hedging transaction in connection with the acquisition, holding or disposition of portfolio companies shall be treated as a fund expense relating to the portfolio companies hedged thereby and as part of the capital contributions relating to such portfolio companies for purposes of the distribution priorities set forth below, and, if two or more portfolio companies are hedged thereby, such amounts shall be allocated among such portfolio companies as reasonably determined by the General Partner. Any distributions resulting from any such sales, contracts or instruments shall be treated as Current Proceeds (as defined below) from the portfolio companies hedged thereby, and, if two or more portfolio companies are hedged thereby, such distributions shall be allocated among such portfolio companies as reasonably determined by the General Partner.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

The Firm is affiliated with Commerce Street Capital, LLC, a registered broker-dealer, Member FINRA, SIPC.

The Firm has no existing or pending affiliations with a Futures Commission Merchant (FCM), Commodity Pool Operator (CPO), or Commodity Trading Advisor (CTA).

The Firm is affiliated with Sponsors or syndicators of limited partnerships through indirect ownership with our owners and officers. The firm is affiliated with (1) CS Lending GP, LLC, (2) Carlyle PE Access Fund III, L.P., (3) Commerce Street Carlyle PE Fund I GP, LLC, (4) Commerce Street Financial Partners LP, (5) Commerce Street Income GP Partners, LLC, (6) Commerce Street Income GP Partners II, LLC, (7) CSFP SLP GP, LLC, (8) Service Capital Advisors, LLC, (9) CS Keefe III Partners GP, LLC and (10) Commerce Street Capital, LLC.

The Firm does have material business relationships and arrangements with other investment advisers or service providers which are affiliated or related entities, as well as affiliated or related entities which are not investment advisers. The Firm and its staff do not have any material business relationships or arrangements with unaffiliated or unrelated third parties.

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

A. General Description

The Firm's compliance manual includes a Code of Ethics ("Code") that applies to each employee (defined as, generally, any partner, officer or director of the Firm and any employee or other supervised person of the Firm, including its subsidiaries and affiliates). The Code requires compliance with all applicable laws and regulations, including federal securities laws, acting in the best interests of the Firm's clients at all times, avoiding actual and potential conflicts of interests, complying with certain restrictions on personal trading, and prompt reporting of violations of the Code. The Code requires employees to safeguard confidential information entrusted to the Firm by its clients, investors or related parties, information regarding the Firm's businesses and activities, and/or information about other employees. The Code also prohibits insider trading and tipping and addresses anti-money laundering and certain potential conflicts of interest. In the event of a conflict of interest that is not otherwise addressed by the applicable governing documents, the Firm will be guided by its fiduciary responsibilities, compliance policies and procedures and good faith judgment as to the best interests of the client.

The Firm's Code also requires employees to, among other things: 1) pre-clear certain personal securities transactions; 2) report personal securities transactions on at least a quarterly basis; and 3)

provide the Firm with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employee has a direct or indirect beneficial interest.

Employees are also expected to provide competent customer focused sales and service, to engage in active and fair competition, to provide advertising and sales materials that are clear as to purpose and honest and fair as to content, to provide for fair and expeditious handling of customer complaints and disputes, and to maintain a system of supervision that is designed to achieve compliance with the rules and regulations of its industry.

The Firm has adopted a privacy policy that explains the manner, in which the Firm collects, utilizes and maintains nonpublic personal information about clients, as required under federal legislation. The Firm may make changes to its privacy policy in the future. The Firm will not make any change affecting an individual without first sending that individual a revised privacy policy describing the change.

A copy of the Firm's Code of Ethics will be provided to a Client or prospective client upon request.

B. Related Persons and Conflicts of Interest With Client Transactions

Certain employees of the Firm and/or related entities or persons have investments in the Funds. In addition, employees of the Firm and/or the respective general partners have participated in the Funds' investment programs by agreeing to commit a certain percentage of the Funds' total capital commitments or a certain amount as defined in the Funds' governing documents. Therefore, certain Firm employees and/or related entities or persons economically participate in transactions of the Funds.

Employees and individuals associated with the Firm may buy or sell securities identical to those mutual fund investments or securities which may be offered as investment options in any of the Firm's advice or portfolio allocation clients' company-sponsored retirement plans. The Firm does not maintain either possession or custody of client assets. However, with regard to portfolio allocation clients, the Firm does exercise discretionary authority over such clients' retirement plan assets. The Firm has adopted a code of conduct pursuant to 204A-1 of the Investment Advisers Act of 1940. The Firm's code of conduct specifies that all employees, officers, and directors of the Firm are expected to conduct business according to high standards of honesty and fairness and to render that service to its customers, which in the same circumstances, it would apply to or demand for itself.

Employees are also expected to provide competent customer focused sales and service, to engage in active and fair competition, to provide advertising and sales materials that are clear as to purpose and honest and fair as to content, to provide for fair and expeditious handling of customer complaints and disputes, and to maintain a system of supervision that is designed to achieve compliance with the rules and regulations of its industry.

Item 12. Brokerage Practices

The Firm focuses on making investments in private securities, thus it does not ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable in

connection with such investments. To the extent the Firm transacts in public securities or currency hedging instruments, it intends to select brokers based upon best interests for the Funds. The Firm has discretionary authority over the Funds' accounts, subject to the Funds' investment objectives and restrictions, including the buying and selling of securities and the amount of securities to be bought or sold.

Although the Firm generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services. The Firm does not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. To the best of the Firm's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. The Firm aggregates transactions across accounts in accordance with each Fund's respective governing documents. Further detail around the selection of broker-dealers and aggregation of orders is described below.

A. Best Price and Execution of Client Securities Transactions

An investment adviser who manages or supervises clients' accounts is in a position to direct where brokerage transactions are executed. How the Firm channels this brokerage is an important concern of the Firm in that the power to direct brokerage transactions should not be used in a way that is inconsistent with the Firm's fiduciary duty to its clients. The Firm has established procedures in order to reduce the chances for any abuses. The overall guiding principle that should be kept in mind is that the Firm acts in the capacity of a fiduciary and as such is under the duty and responsibility to put its clients' interests above its own in every aspect of the business including obtaining the best price and execution.

B. Broker-Dealer Selection

The Firm is authorized to determine the broker-dealer to be used for each securities transaction for the Funds. In selecting broker-dealers to execute transactions, the Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. In selecting brokers and negotiating commission rates, the Firm will take into account the financial stability and reputation of brokerage Firms, and the research, brokerage, or other services provided by such brokers. The Firm may place transactions with a broker-dealer that (i) provides the Firm (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer, or (ii) refers investors to the Funds or other products advised by the Firm (or an affiliate), if otherwise consistent with seeking best execution; *provided* the Firm is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors. It is not the Firm's practice to negotiate "execution only" commission rates, thus the Funds may be deemed to be paying for research, brokerage or other services provided by the broker that are included in the commission rate.

Prior to trading a security within a specific Fund the price range for the trade is set by the investment committee of the specific Fund. Only one broker is contacted to execute the trade.

The decision as to the broker used is determined by the following:

- Confidentiality provided by the broker-dealer
- Amount of business with the broker-dealer
- Promptness of execution
- Clearance and settlement capabilities
- Size of the order
- Overall responsiveness to the investment manager's need/willingness to work with the investment manager
- Broker-dealer's distribution network

If it is determined that the broker to be used is in-house, that broker only acts as agent. At no time will the in-house broker act as a market maker and will never hold inventory of an equity security. All executions are at the market or at or above a specific limit as stated by the investment committee of the specific Fund.

C. Soft Dollar Policy

As mentioned in the opening paragraph of this section, the Firm does not utilize soft dollars nor does it have a soft dollar arrangement with any broker

D. Brokerage for Client Referrals

The Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce clients to the Firm, provided that any such fee or commission will be paid solely by the Firm or its affiliates and no portion thereof will be paid by clients. As a result, the Firm may have an incentive to select or recommend a broker based on the Firm's interest in receiving client referrals rather than on the clients' interest in receiving most favorable execution. Because such referrals, if any, are likely to benefit the Firm but will provide an insignificant (if any) benefit to clients, the Firm will have a conflict of interest with clients when allocating client brokerage business to a broker who has referred clients to the Firm. To prevent client brokerage commissions from being used to pay referral fees, the Firm will not allocate client brokerage business to a referring broker unless the Firm determines in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to clients.

E. Directed Brokerage

The Firm does not recommend, request or require a client to direct the Firm to execute transactions through a specified broker-dealer. Further, the Firm does not permit a client to direct the Firm to execute transactions through a specified broker-dealer.

F. Aggregation of Orders

Transactions implemented by the Firm for accounts may be effected independently or on an

aggregated basis. The Firm anticipates that it may decide to purchase or sell the same securities for several clients at approximately the same time. The Firm will aggregate orders when it believes aggregation may prove advantageous to clients. When the Firm aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates, or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and execution cost and will be allocated among the Firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When the Firm aggregates client orders for the purchase or sale of securities, including securities in which its associated persons may invest, the Firm will do so in a fair and equitable manner. It should be noted that Firm does not receive any additional compensation or remuneration as a result of aggregation.

G. Allocation of Trades

The Firm may at times determine that certain securities will be suitable for acquisition by clients and by other accounts managed by the Firm, possibly including the Firm's own accounts or accounts of an affiliate. In such instances, and the Firm is not able to acquire the desired aggregate amount of such securities on terms and conditions which the Firm deems advisable, the Firm will endeavor in good faith to allocate the limited amount of such securities acquired among the various accounts for which the Firm considers them suitable. The Firm may make such allocations among the accounts in any manner that it considers fair under the circumstances, including but not limited to allocations based on relative account sizes, the degree of risk involved in the securities acquired, and the extent to which a position in such securities is consistent with the investment policies and strategies of the various accounts involved

The Firm works through the client's approved brokers, but may recommend client approval of brokers the Firm is more familiar with if it perceives that a Firm known broker may provide better product availability or pricing for the client. The Firm receives no compensation for trades executed through a Firm referred broker.

Item 13. Review of Accounts

Generally, the Funds' investments are reviewed no less than quarterly by the Firm. These reviews are designed to monitor and analyze Client transactions, positions, and investment levels. Particular attention is given to changes in company fundamentals, industry outlook, market outlook, and price levels.

The Firm provides reports as required by the applicable governing documents for each Fund. As a result, in general, each quarter the Firm issues an unaudited quarterly report to each investor in addition to a quarterly report for each Fund. Each investor in a Fund also will receive the following: (i) annual financial statements, audited by an independent certified public accounting firm; (ii) copies of such investor's Schedule K-1; and (iii) other reports as determined by the Firm or an affiliate of the Firm in its sole discretion. Additionally, within 120 days of year-end, Investors receive GAAP-compliant audited financial statements. The Firm may by agreement provide additional information or reports to certain Investors.

Firm accounts are reviewed incrementally with every transaction; however an overall review may be requested at any time. If required, the Firm will travel to the client's place of business for an annual review or other informational or educational meetings at the fund's expense.

Item 14. Client Referrals and Other Compensation

The Firm doesn't receive any economic benefit associated with advising clients from any non-client.

During a fundraising cycle, placement agents who introduce new investors that commit capital may be compensated. The amount paid to placement agents is based on point-in-time negotiation and all placement fees will be fully disclosed to investors referred by placement agents as required by law or other agreements with investors.

Item 15. Custody

Pursuant to applicable regulation, the Firm may be deemed to have custody of the Funds' cash and securities. All Client assets are held by independent qualified custodians. The Funds are subject to an annual audit and the audited financial statements will be prepared in accordance with accounting principles generally accepted in the United States of America and distributed to investors within 120 days of each respective Fund's fiscal year end.

The Firm does not retain custody of or clear any client securities or other assets. All securities and other assets are held by the client or their engaged custodian or other outside facility unaffiliated with the Firm or any affiliated company.

Item 16. Investment Discretion

The Firm acts in both a discretionary and non-discretionary manner. Generally, the Firm has discretionary authority over the Funds, without obtaining specific consent from the Funds or their investors. Any limitations on authority are included in the applicable Private Placement Memoranda and other offering documents.

When dealing with client accounts outside of the Funds, the firm acts in an agency, non-discretionary capacity exercising no discretion other than time and price. The Firm may propose transactions but the client retains full decision making authority as to investment selection and execution. The Firm may not execute any transaction without express instruction from the client to affect a purchase or sale of a specific security. Upon receipt of such authorization, unless it is given specific instructions to the contrary by the client, the Firm may decide where, when, and at what price to execute the trade.

Item 17. Proxy Voting Policy

Proxies are voted in the best interest of the specific fund to maximize portfolio values over time. The Investment Committee delegates a Portfolio Manager (PM) for proxy voting and administration. The PM may delegate to other Investment Committee members who are qualified to analyze proxy issues.

The PM or designee will vote proxies in a timely manner in accordance with this policy unless it is in the best interest of the Fund as an investor to vote otherwise. The PM or designee will maintain a record of votes on all proxy issues. Voting proxy exceptions will be agreed upon by the Investment Committee and documented accordingly.

The following items will be maintained in readily accessible records:

- 1) Record of all proxies voted during the preceding 3 years or the retention period required by the policy, whichever is longer. The records must contain the company name, number of shares voted, date of each corporate meeting at which votes were cast, issues voted upon and the corresponding Fund vote, and any required supporting documentation.
- 2) Proxy Exceptions will contain the same information for any substantial issues voted contrary to the standards contained in the policy or for substantial issues for which no standard exists in this policy.
- 3) Record of any proxies received but not voted due to special circumstances, including untimely receipt, re-registration, or blocking.

Specific voting standards are governed by a “for” or “against” standard. General voting standards involve complex business matters that required subjective decision-making and voted on a case-by-case basis using the standards outline in the Fund policy document.

Item 18. Financial Information

A. Prepayment

The Firm does not solicit prepayment of more than \$1200 in fees per Client six months or more in advance, and thus has not provided a balance sheet according to the specifications of 17 CFR Parts 275 and 279.

B. Impairment to Meet Commitments to Clients

The Firm is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments of its clients.

C. Prepayment

The Firm has not been the subject of a bankruptcy petition within the preceding ten years.

Item 19. Requirements for State-Registered Advisers

Not applicable.