

Capvent US Advisors, LLC

Dufourstrasse 24

Zurich

CH-8008 Switzerland

Phone: +41 43 500 50 70

Fax: +41 43 500 50 79

Email: sg@capvent.com

<http://www.capvent.com>

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This Brochure provides information about the qualifications and business practices of Capvent US Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 011 41 43 500 50 70 or email us at sg@capvent.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.

Capvent US Advisors, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about Capvent US Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There have been no material changes since our last annual update dated March 14, 2014.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting Souba Giridhar at our main number.

Additional information about Capvent US Advisors, LLC is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website provides information about any persons affiliated with Capvent US Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of Capvent US Advisors, LLC.

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Item 4 – Advisory Business

Capvent US Advisors, LLC (“Capvent”) was established in 2008 and registered with the SEC as a Registered Investment Adviser in October of 2008. Capvent AG, a foreign entity, is 100% owner of Capvent US Advisors, LLC. Varun Sood is on the Investment Committee of Capvent US Advisors, LLC and is a 50% owner in Capvent AG. Tom Clausen is the President, CEO and Investment Committee Member of Capvent US Advisors, LLC and is a 50% owner in Capvent AG.

Capvent US Advisors LLC (“Capvent” or “The Sub-Adviser”) will provide investment sub-advisory services to Hatteras Funds, LLC (“Hatteras” or the “Adviser”).

Capvent will be involved with all aspects of the investment programs including, without limitation, asset allocation, portfolio construction, and manager search and selection. As part of the services it will provide hereunder, Capvent will:

- a. obtain and evaluate, to the extent deemed necessary and advisable by Capvent in its discretion, pertinent economic, statistical, financial, and other information affecting the economy generally and individual underlying funds, companies or industries;
- b. formulate and implement a continuous investment program as outlined in a Prospectus;
- c. take whatever steps are necessary to implement the investment program, without limitation, securing capacity with underlying funds;
- d. perform extensive preliminary due diligence on underlying funds and managers and provide formal written recommendations to the Adviser for each investment;
- e. keep the Managers and the Adviser fully informed in writing on an ongoing basis as agreed by the Adviser and Capvent as to (1) all material facts concerning the investment and reinvestment of the assets and (2) Capvent and its key investment personnel and operations, make regular and periodic special written reports of such additional information concerning the same as may reasonably be requested from time to time by the Adviser or the Managers; and attend meetings with the Adviser and/or the Managers, as reasonably requested, to discuss the foregoing;
- f. in accordance with procedures and methods established by the Managers, which may be amended from time to time, provide assistance in determining the fair value of all securities and other investments/assets;
- g. provide any and all material composite performance information, records and supporting documentation about accounts Capvent manages, if appropriate, which are relevant to the Fund and that have investment objectives, policies, and strategies substantially similar to those employed by Capvent in managing the Fund that may be reasonably necessary, under applicable laws, to allow the Fund or its agent to present information concerning Capvent’s prior performance in any Prospectus, SAI or Offering Memorandum and any permissible reports and materials prepared by the Fund or their respective agents; and
- h. cooperate with and provide reasonable assistance to the Adviser, the Fund’s administrator, the Fund’s custodian and foreign custodians, the Fund’s transfer agent and pricing agents and all other agents and representatives of the Fund and the Adviser; keep all such persons fully informed as to such matters as they may reasonably deem necessary to the performance of

their obligations to the Fund and the Adviser; provide prompt responses to reasonable requests made by such persons; and maintain any appropriate interfaces with each such person so as to promote the efficient exchange of information.

THE INSTITUTIONAL FUND

Capvent US Advisors, LLC will serve as Sub-Adviser to Hatteras GPEP Fund II, LLC and Hatteras Global Private Equity Partners Institutional, LLC (“The Funds”). The Funds’ investment objective will be to seek attractive long-term capital appreciation by investing in a diversified portfolio of private equity investments. The Funds intend to achieve their objective by investing all or substantially all of their assets in the Institutional Fund. The Institutional Fund has the same investment objective as the Funds. The Institutional Fund’s investments are expected to include: (i) primary and secondary investments in private equity funds managed by third-party managers; (ii) direct investments in the equity and/or debt of operating companies, frequently alongside professional lead investors; (iii) listed private equity investments, such as business development companies. Hatteras Funds, LLC will serve as the Investment Manager and Capvent will serve as Sub-Adviser. The Funds are limited liability companies registered under the Investment Company Act of 1940 as non-diversified, closed-end management investment companies.

HATTERAS GPEP FUND, L.P.

Capvent US Advisors, LLC serves as Sub-Adviser to the Hatteras GPEP Fund, L.P. (the “GPEP Fund”), which is not registered under the Investment Act of 1940, as amended in reliance on Section 3(c)(7) of the Investment Company Act. This fund is an investment partnership formed to offer qualified investors the opportunity to participate in a global portfolio of private equity investments. Hatteras Funds, LLC as the investment adviser of the GPEP Fund.

The Fund’s investment objective is to seek attractive long term capital appreciation by investing in a globally diversified portfolio of private equity investments. In particular, the Fund’s objective is to seek long-term capital appreciation by systematically overweighting the vehicles, segments, and opportunities which are believed to offer the most attractive relative value.

As of December 31, 2013, Capvent held non-discretionary assets under management of \$31,350,000. Capvent holds three seats in the joint investment committee, Hatteras holds two seats. For each decision, four votes are required. Capvent does not have physical access to the capital, i.e. no bank account access, no signatory power, etc.

Item 5 – Fees and Compensation

The Institutional Fund: The Adviser will pay Capvent a quarterly advisory fee with respect to the Institutional Fund equal to 0.625% on an annualized basis of the Net Asset Value of the Institutional Fund. Except as may otherwise be prohibited by law or regulation (including, without limitation, any then current SEC staff interpretation), the Capvent may, in its discretion and from time to time, waive all or any portion of its advisory fee. In accordance with the terms of the Governing Documents of each Feeder Fund, Capvent is also entitled to receive an incentive allocation or fee equal to 5% of the net profits of that Feeder Fund over a hurdle rate, calculated in accordance with the applicable Governing Documents.

The Hatteras GPEP Fund: The Adviser will receive an investment management fee (the “Management Fee”), in consideration of the investment advisory services. The Management Fee will be paid by the

Hatteras GPEP Fund to the Adviser and shall equal (i) until the last day of the Investment Period, 1.00% per year of aggregate Commitments at the time such payment is payable; and (ii) in respect of the remainder of the term of the Fund and during any Suspension Period (as defined below), 1.00% per year of the cost basis of the Fund's remaining Fund Investments less any unrealized losses related to such Fund Investments. The Management Fee will be paid out of the Fund's assets and will therefore decrease the net profits or increase the net losses of the Fund. Capvent will be entitled to one-half of the Management Fee, a maximum of 0.50%.

Cash and securities received by the Hatteras GPEP Fund from a Portfolio Fund ("Distribution Proceeds") will be distributed to each Limited Partner in proportion to its pro rata capital contribution made in respect to such Portfolio Fund, in the following priority:

- a. First, 100% to such Limited Partner until the cumulative distributions to such Limited Partner equal the aggregate of such limited Partner's Capital Contributions to the Fund made in respect to the Portfolio Fund from which proceeds are received (such Fund Investments, the "Distribution Source") plus such Limited Partner's Capital. Contributions to the Fund used to fund the Fund's expenses including the Management Fee in respect to the Distribution Source, as of that time;
- b. Second, to such Limited Partner until such Limited Partner's internal rate of return (calculated in accordance with the Partnership Agreement) on the Capital Contributions made in respect to such Distribution Source equals 7% (the "Preferred Return");
- c. Third, to the General Partner and the Sub-Adviser until each has received 5% of the sum of all distributions made pursuant to clause (b) above and this (c); and
- d. Thereafter, 90% to such Limited Partner, 5% to the General Partner and 5% to the Sub-Adviser (the 5% payable to each of the General Partner and Sub-Adviser pursuant to clause (c) above and this (d), the "Carried Interest").

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

As discussed in Item 5, part of Capvent's compensation is performance-based. Capvent is entitled to receive an incentive allocation or fee equal to 5% of the net profits of each Fund over a hurdle rate, calculated in accordance with the applicable Governing Documents. Capvent does not have any side-by-side management of non-performance fee based accounts.

Item 7 – Types of Clients

Capvent US Advisors LLC provides investment sub-advisory services to Investment Managers pursuant to an investment sub-advisory agreement.

Currently, the minimum account size is \$1,000,000. Under certain circumstances, any account minimum may be waived by the firm.

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

Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. Security analysis methods may include quantitative and qualitative analysis. The main source of information for this analysis is derived from what is provided by private equity funds. Capvent will recommend investments in privately held companies.

The first phase of the investment process involves strategic asset allocation, which is designed to provide a framework for the Fund's long-term diversification. Asset allocation across private equity market segments is a cornerstone of long-term portfolio performance. Hatteras and Capvent will define a strategic asset allocation that seeks to benefit from long-term diversification of the Fund's investments through exposure to different geographies (such as North America, Europe, Asia, and emerging private equity markets), investment types (such as primary funds, secondary fund investment, co-investments, and listed private equity), private equity substrategies (such as buyout, growth capital, mezzanine debt, distressed debt, and other special situations).

The next step of the investment process is to proactively identify and source a large number of private equity investments across different investment types, sub-strategies, and geographic regions. Standardized screening is a pre due diligence phase of the investment process and allows for comparative analysis across investments. The key comparison parameters include management and incentives, investment strategy or business model, track record analysis, moral hazard, adverse selection, potential conflicts of interest, specific terms related to the investment, and the supply and demand of capital related to the specific strategy. Investments that appear to meet the initial due diligence requirements are documented in a formalized report to the Investment Committee, which will determine whether to perform detailed due diligence on the opportunity.

If we believe in an investment opportunity, we try in most cases to be among the first to commit to it, as opposed to waiting like many investors until later closes. This gives us the best chance of securing an allocation that will meet the requirement of all investment programs which Capvent affiliates advise. We will encourage managers to understand the value of a relationship with our clients/programs, which we will position as a substantial long-term investor in the asset class. We are confident that we will achieve this and that it will play a role in getting adequate allocations when they are scarce. We generally plan allocations in advance, in line with our annual survey on the opportunities in the various subsectors. Such long term planning will help in knowing which opportunities are appropriate. This approach of identifying candidates allows us to visit and secure allocations in advance of fund raising. In case there is a real conflict, we will allocate the opportunity available pro rata across the demand of the Capvent clients/programs advised. We will raise this issue with all clients/programs and bring it to their notice.

It is important to note that investing in securities involves a risk that clients should be prepared to bear. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

Liquidity Risks: The Interests lack liquidity since there is not expected to be any public market for the Interests and since the sale and transfer of the Interests will be restricted by the Partnership Agreement and applicable federal and state securities laws.

Portfolio Fund Operations Not Transparent: Capvent may not be able to control the investments or operations of the Portfolio Funds. A Portfolio Fund Manager may employ investment strategies that differ from its past practices and are not fully disclosed to the Adviser and the Sub-Adviser and that involve risks that are not anticipated by the Adviser and Sub-Adviser. Some Portfolio Fund Managers may have a limited operating history and some may have limited experience in executing one or more investment strategies to be employed for a Portfolio Fund. Furthermore, notwithstanding the Adviser's

risk monitoring of the Portfolio Fund Managers and the Portfolio Funds, there is no guarantee that the information and reports given to the Adviser with respect to the Fund's investments will not be fraudulent or inaccurate or incomplete.

Default Debt Securities and Other Securities of Distressed Companies: The Portfolio Fund Managers and/or the Adviser and the Sub-Adviser may invest in low grade or unrated debt securities ("high yield" or "junk" bonds) or in securities of distressed companies. High yield bonds are regarded as being predominantly speculative as to the issuer's ability to make payments of principal and interest. Issuers of high yield debt may be highly leveraged and may not have available to them more traditional methods of financing. Therefore, the risks associated with acquiring the securities of such issuers generally are greater than is the case with higher rated securities. The risk of loss due to default by the issuer is significantly greater for the holders of high yield bonds because such securities may be unsecured and may be subordinated to the creditors of the issuer. Investment in securities of distressed companies also involves significant risks. Successful investing in distressed companies involves substantial time, effort and expertise, as compared to other types of investments. Information necessary to properly evaluate a distress situation may be difficult to obtain or be unavailable and the risks attendant to a restructuring or reorganization may not necessarily be identifiable or susceptible to considered analysis at the time of investment.

Economic, Political and Legal Risks: The Fund's investments (both direct and indirect) will be made in a number of countries, including less developed countries, exposing investors to a range of potential economic, political and legal risks, which could have an adverse effect on the Fund. These may include but are not limited to declines in economic growth, inflation, deflation, currency revaluation, nationalization, expropriation, confiscatory taxation, governmental restrictions, adverse regulation, social or political instability, negative diplomatic developments, military conflicts, and terrorist attacks.

Investors should note that the private equity markets in countries where the Fund's investments are made may be significantly less developed than the United States. Certain investments may be subject to extensive regulation by national governments and/or political subdivisions thereof, which prevent the Fund, or the Portfolio Funds from making investments they otherwise would make, or to incur substantial additional costs or delays that they otherwise would not suffer. Such countries may have different regulatory standards with respect to insider trading rules, restrictions on market manipulation, shareholder proxy requirements and/or disclosure of information. In addition, the laws of various countries governing business organizations, bankruptcy and insolvency may make legal action difficult and provide little, if any, legal protection for investors, including the Fund and the Portfolio Funds. Any such laws or regulations may change unpredictably based on political, economic, social, and/or market developments.

Currency Risk: The Fund's investments (both direct and indirect) may be made in a number of different currencies. Any returns on, and the value of such investments may, therefore, be materially affected by exchange rate fluctuations, local exchange control, limited liquidity of the relevant foreign exchange markets, the convertibility of the currencies in question and/or other factors. A decline in the value of the currencies in which the Fund Investments are denominated may result in a decrease of the Fund's return. The Adviser and the Sub-Adviser do not plan to hedge the value of investments made by the Fund against currency fluctuations and even if the Adviser and the Sub-Adviser deem hedging appropriate, it may not be possible or predictable to hedge currency risk exposure. Accordingly, the performance of the Fund could be adversely affected by such a decline.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Capvent or the integrity of Capvent's management. Capvent has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Capvent AG, the parent company of Capvent US Advisors, LLC, is a Global Private Equity Fund of Funds investment group. The source of compensation is advisory fees on a service fee basis.

Item 11 – Code of Ethics

The firm's Insider Trading Policy is provided to all employees and affiliated employees. Access persons are required to report their trading activities. Access persons have restrictions on personal trading in securities in which the firm purchases for clients. The firm has adopted a Code of Ethics to govern the personal trading by such access persons. The firm's Insider Trading Policy, which is applicable to all employees, prohibits the use of material inside information in connection with any personal transactions.

The Code of Ethics and trading policies are overseen by the Chief Compliance Officer, Souba Giridhar, who is responsible for the review of such transactions. A copy of the firm's Code of Ethics is provided to all employees. The firm's Code emphasize the firm's philosophy of honest, integrity and professionalism, setting forth standards of conduct expected of the firm's personnel, promoting honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, and promoting compliance with applicable government laws, rules and regulations. The firm's investment advisers are fiduciaries who have the responsibility to render professional, continuous, and unbiased investment advice to clients. Advisers owe clients a duty of care, loyalty, honesty and good faith, and fair dealing and must act at all times in the client's best interest. All personnel have the obligation to uphold this duty. A copy of the firm's Code of Ethics is available to clients upon request.

Item 12 – Brokerage Practices

As a Sub-Advisor, Capvent advises on private equity investments to other Registered Investment Advisers. Capvent does not direct any brokerage transactions.

Item 13 – Review of Accounts

Capvent US Advisors LLC, as sub advisor, jointly manages accounts with its clients, through a joint investment committee, which meets periodically. Minutes of such investment committee meetings will be documented. Reviewers from Capvent US Advisors include Tom Clausen, Varun Sood and Rohan Ajila.

Capvent US Advisors, as Sub-Advisor, and its key investment personnel and operations, make regular and periodic special written reports of investments as may reasonably be requested from time to time by the Adviser or the Managers of the Fund.

Item 14 – Client Referrals and Other Compensation

Capvent is not compensated or provided with any economic benefit for providing investment advice by anyone other than the client, and does not compensate for client referrals.

Item 15 – Custody

Capvent does not have custody of client funds or securities.

Item 16 – Investment Discretion

Capvent does not accept discretionary authority on behalf of any clients.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Capvent does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent.

Item 18 – Financial Information

Registered Investment Advisers are required to provide you with certain financial information or disclosures about Capvent's financial condition. Capvent has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.

Privacy Policy

We collect nonpublic personal information about you from the following sources: Information we receive on applications, questionnaires, web site, or other forms and information about your transactions with our affiliates, others, or us. We do not disclose any non-public information about our current or former customers to anyone, except as permitted by law or in order to provide the current services. Our employees have limited access to your personal information based on their responsibilities to provide products or services to you. Be assured that we maintain physical, electronic and procedural safeguards in compliance with federal standards to protect your information.