

COVER PAGE – ITEM 1

**FIRM BROCHURE
FORM ADV PART 2A**

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This brochure provides information about the qualifications and business practices of Cressey & Company LP (“C&C”). If you have questions about the contents of this brochure, please contact us at (312) 945-5700 and/or rdavis@cresseyco.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about C&C also is available on the SEC’s website at www.adviserinfo.sec.gov

C&C is a registered investment adviser with the SEC. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

March 28, 2016

SUMMARY OF MATERIAL CHANGES – ITEM 2

This Item 2 discusses only material changes to the annual update of the Firm Brochure (Part 2A of Form ADV) dated March 28, 2016 since March 31, 2015, the date of the previous annual update of the Firm Brochure:

1. Item 5 contains updated disclosure regarding fees and expenses.
2. Item 8 contains additional disclosure relating to risks.
3. Item 11 contains additional disclosure relating to conflicts of interest.

TABLE OF CONTENTS – ITEM 3

FORM ADV PART 2A	1
Advisory Business – Item 4	1
Fees and Compensation – Item 5	2
Performance-Based Fees and Side-By-Side Management – Item 6	6
Types of Clients – Item 7	7
Methods of Analysis, Investment Strategies and Risk of Loss – Item 8	7
Disciplinary Information – Item 9	15
Other Financial Industry Activities and Affiliations – Item 10	15
Code of Ethics, Participation or Interest in Client Transaction and Personal Trading – Item 11	16
Brokerage Practices – Item 12	26
Review of Accounts – Item 13	27
Client Referrals and Other Compensation – Item 14	28
Custody – Item 15	28
Investment Discretion – Item 16	28
Voting Client Securities – Item 17	28
Financial Information – Item 18	29
Requirements for State-Registered Advisers – Item 19	29

FORM ADV PART 2A

Advisory Business – Item 4

Description of Registrant – Item 4.A

C&C is managed by an experienced private investment team focused on building leading middle-market healthcare businesses in partnership with exceptional management teams. For nearly three decades across eight funds, Bryan Cressey has pursued investment opportunities within the rapidly growing healthcare industry. The principal owners of C&C are Bryan C. Cressey and Peter S. Ehrich. C&C has been in business since June 2008.

Advisory Services Offered – Item 4.B

C&C renders discretionary investment management services to privately offered funds (individually a “Fund,” and collectively, the “Funds”) that are open for investment by financially sophisticated institutional and high net worth investors. The Funds generally focus on investments in the healthcare industry.

Tailored Services – Item 4.C

The services rendered by C&C to each Fund are dependent on the investment objectives of the respective Fund and are set forth in the private offering memoranda, limited partnership agreement, investment advisory agreement, side letter agreements negotiated with investors in the Fund and other governing documents of the relevant Fund (collectively, the “Governing Documents”). C&C’s investment advice and investment authority is tailored and limited to that which is permitted under each Fund’s Governing Documents.

Wrap Fee Programs – Item 4.D

Given the nature of its advisory services, C&C does not participate in wrap fee programs.

Client Assets Registrant Manages – Item 4.E

As of December 31, 2015, C&C managed committed client assets of \$979,060,247 on a discretionary basis and \$0 on a non-discretionary basis.

Fees and Compensation – Item 5

Registrant's Fees and Compensation – Item 5.A

C&C provides advisory services for a percentage of the Fund's committed capital or net asset value (the "Advisory Fee"). The precise amount of, and the manner and calculation of, the Advisory Fee for a Fund is established by C&C, and is set forth in the Fund's Governing Documents. Advisory Fees generally will be reduced during the life of a Fund. Advisory Fees paid by a Fund also will be reduced by certain other fees or compensation received by C&C or its affiliates that relate to such Fund's activities and investments, or by certain organizational or other expenses borne by such Fund, as described in more detail below. The investments made by C&C on behalf of its Funds typically are subject to a sharing of profits known as a "Carried Interest," which is a percentage of the Fund's investment income and net realized gains, subject to various conditions. (Please see Item 6 below.)

The Advisory Fees paid by a Fund will generally be reduced by a percentage of: (1) the fees incurred by C&C in connection with the organization of such Fund that exceed a limit specified in such Fund's Governing Documents and/or (2) certain Other Fees (as defined below) received by C&C or its affiliates (but excluding amounts received by the C&C Resources Group as described below). The amount and manner of such reduction, if any, is set forth in the Governing Documents of the applicable Fund. To the extent a reduction relates to more than one Fund, C&C shall allocate the resulting Advisory Fee reduction among the applicable Fund(s) in proportion to the cost of securities held (or committed to be held) in the portfolio company or prospective portfolio company, or in such other manner as the general partners of the applicable Funds mutually agree and, if such other manner is not pro rata, with the approval of the advisory committee(s) of the applicable Fund(s).

C&C will typically perform transaction-related, financial advisory and other services for, and will receive fees from, actual or prospective portfolio companies or other investment vehicles of a Fund, including fees in connection with structuring investments in such portfolio companies, mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales or other dispositions and similar transactions ("Transaction Fees"), which fees will be in addition to the Advisory Fee and the Carried Interest paid by a Fund. C&C is permitted to retain such fees in certain limited circumstances. C&C will reduce future Advisory Fees payable with respect to each investor in a Fund in connection with the receipt of certain other fees. To the extent provided in the Governing Documents of the Funds, C&C will pay out of Advisory Fees certain expenses and costs associated with the performance of its services, including expenses on account of rent, utilities, office supplies, office equipment, compensation and expenses of its partners, officers, directors and employees (other than Carried Interest described in Item 6 below).

Additionally, a portfolio company will typically reimburse C&C for expenses (including, without limitation, travel expenses, which may include expenses for private, chartered or first class travel or the first class equivalent of private or chartered travel, entertainment expenses, indemnification expenses, certain legal expenses and similar out-of-pocket expenses) incurred by C&C in connection with its performance of services for such portfolio company; such reimbursements are generally not included in the definition of Other Fees (as defined below) and are not subject to the sharing arrangements described above. C&C will determine the amount of these fees in its own

discretion, subject to agreements with sellers, buyers and management teams, the boards of directors of or lenders to portfolio companies, and/or third-party co-investors in its transactions, and C&C is not required to provide a Fund and its investors with information regarding the amounts of these fees and reimbursements, although sometimes portfolio companies disclose these fees in materials such as debt offering memoranda. For a discussion of material conflicts of interest created by receipt of such fees and reimbursements, please see Item 11 below

C&C and its affiliates may also receive “monitoring fees” pursuant to monitoring agreements with portfolio companies of the Funds governing the advice, consultation and other similar ongoing services provided by C&C to such portfolio companies. The terms of a monitoring agreement may include (among other things) prolonged or variable contract lengths, annual automatic renewals and the payment of Monitoring Fees (which may be fixed fees or calculated as a percentage of EBITDA or similar performance metric). While it has not been C&C’s historical practice, monitoring agreements may also permit the acceleration of payment of the Monitoring Fees upon certain termination events, including the occurrence of an initial public offering or strategic exit.

Principals or employees of C&C may serve as directors of portfolio companies. Such persons generally receive from such portfolio company reimbursement of expenses but no remuneration for such services. To the extent such persons receive remuneration from such portfolio company for serving as directors (“Director Fees”), they generally are required to remit such remuneration to C&C. C&C or its principals or employees, on behalf of C&C, may receive stock of a portfolio company due to service of a principal or employee of C&C on the board of such portfolio company. In the event of such a distribution or receipt of stock, the recipients, or C&C, with respect to stock received, will generally act in their own interest with respect to the share of securities and will generally determine to sell the distributed securities, or hold on to the distributed securities for such time as such recipient, or C&C, shall determine. The ability of such recipients, or C&C, with respect to stock received, to act in their own interest with respect to such distributed shares creates a conflict of interest between C&C, as an adviser to the Fund, and the recipients, on the one hand, and the Fund.

In addition, principals or employees of C&C or its affiliates may receive fees in connection with an un consummated transaction (“Break-Up Fees” and, together with Transaction Fees, Monitoring Fees and Director Fees, “Other Fees”). The amount and timing of Break-Up Fees received by C&C are generally specified in the agreement or other documentation governing the transaction.

The payment of Other Fees by portfolio companies creates a conflict of interest between C&C and its affiliates and the Funds and their investors because the Funds and their investors generally do not have a direct interest in these fees and reimbursements. C&C determines the amount of these fees and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements often will not be disclosed to all investors in the Funds. If C&C or its affiliates perform any services described above for a portfolio company as part of a consortium with co-investors co-sponsoring the investment in such portfolio company or others, the Other Fees received by C&C or its affiliates will be a share of all such fees paid to the consortium, and the total amount of such fees and the share received by C&C or its affiliates will generally be determined by agreement between C&C and other members of the consortium. In addition, in the case of a consortium, agreements are

typically in place with portfolio companies that provide that at the sale of such portfolio company certain Other Fees are accelerated and paid to members of the consortium, including C&C or its affiliates, at such time.

From time to time, C&C will, in its discretion, disclose to an investor the amount of Other Fees allocated to the Fund in which such investor has invested, which amount may not be disclosed to other investors in the same Fund.

The fee structures described above may be modified or waived from time to time by C&C in its sole discretion. Although not currently the case, it is possible that in the future, fees may differ from one Fund to another, as well as among investors in the same Fund.

Deductions – Item 5.B

Advisory Fees are deducted from the assets of the Funds quarterly in advance.

Expenses – Item 5.C

The Funds will pay costs and expenses of the Funds that are not reimbursed by portfolio companies, including legal, auditing, consulting, financing, accounting and custodian fees and expenses; organizational and offering expenses; expenses associated with a Fund's financial statements, tax returns and Schedule K-1s; out of pocket expenses incurred in connection with transactions not consummated; relevant industry conference fees reasonably related to sourcing new investments and disposition opportunities; expenses of any advisory committees and annual meetings of a Fund's limited partners; all compliance costs and expenses associated with a Fund, expenses associated with the C&C Resources Group (as defined in Item 11) described below; insurance; other expenses associated with the acquisition, holding and disposition of its investments, including extraordinary expenses (such as litigation, if any); and any taxes, fees or other governmental charges levied against a Fund. A Fund will also generally pay the cost of unreimbursed travel expenses, including expenses for private or chartered travel, so long as such expenses are calculated based on the cost of equivalent restricted coach class travel, or for first class travel. For more information regarding the specific categories of expenses incurred by a Fund, please see the Fund's Governing Documents. Additionally, please see Item 6 below regarding "Carried Interest" that Funds typically pay. Although C&C does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

In the event any third-party co-investors invest alongside the Fund, such co-investors will typically bear all expenses related to the structuring of their interest in the investment, including any entities formed for their benefit, and other expenses incurred solely for the benefit of such co-investors. Co-investors will generally bear their pro rata portion of expenses incurred in the making an investment but may not be allocated expenses and fees incurred by C&C or its affiliates in the course of evaluating such investment. A portfolio company may also bear these expenses in the case of a successful closing.

If a proposed transaction is not consummated, a co-investor may not have a binding agreement to bear any expenses relating to such proposed but not consummated transaction (“Dead Deal Costs”). In such a case, the Dead Deal Costs would be borne by the Fund or Funds selected by C&C as proposed investors for such proposed transaction. Co-investors are not typically allocated any share of Break-Up Fees paid or received in connection with such an unconsummated transaction, but may be on a case-by-case basis. As a general matter, no co-investor will bear Dead Deal Costs or be allocated Break-Up Fees unless such co-investor has otherwise agreed.

From time to time, the general partner of a Fund may create certain “alternative investment vehicles” or similar structuring vehicles for purposes of accommodating certain legal, tax, regulatory or other similar considerations (“SPVs”). In the event the general partner creates an SPV, consistent with the Governing Documents of the Fund, the SPV, and indirectly, the investors thereof, will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV.

The C&C Resources Group (as defined in Item 11) from time to time receives payments from portfolio companies and/or certain Funds (including for base compensation, costs for transactional, due diligence and other support services rendered in connection with prospective portfolio acquisitions, compensation for services provided to portfolio companies and other applicable amounts not paid by portfolio companies) in accordance with the applicable Fund’s Governing Documents. Payments from a Fund may be borne directly as expenses of a Fund or may offset amounts that would otherwise constitute Other Fees with respect to such Fund in accordance with the applicable Fund’s Governing Documents. In such circumstances, the amounts of such fees or other compensation received by such persons may be retained by such persons, subject to any contractual agreements to reimburse a portion of such fees or other compensation to a Fund, and such amounts will not be deemed paid to or received by C&C and will not be subject to the sharing arrangements described above and will not benefit the Fund or its investors except to the extent of any such reimbursement of amounts previously received. The C&C Resources Group may also provide services to C&C for its benefit, for which C&C Resources Group members will be directly compensated by C&C. For a discussion of material conflicts of interest created by the engagement of such persons, please see Item 11 below.

It is not typically the case that C&C has more than one Fund making new investments at the same time, and thus generally does not have situations requiring allocation of investment expenses between Funds. However, when two or more Funds are investing at the same time, the appropriate allocation between a Fund and other Funds of expenses and fees generated in the course of evaluating and making investments often may not be clear. For instance, the appropriate allocation among the Funds of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by C&C in its good faith discretion. If multiple Funds evaluate a potential investment that is not consummated, C&C generally allocates fees and expenses generated in the course of evaluating such investment among such Funds in a manner it determines to be fair and equitable with respect to the particular circumstances. There may be occasions when one Fund (the “Payor Fund”) pays an expense common to multiple funds (the “Allocated Funds”) (e.g., legal expenses for a transaction in which all such funds participate). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such

expense, without interest, promptly after the payment is made by the Payor Fund. While highly unlikely, it is possible that one of the Allocated Funds could default on its obligation to reimburse the Payor Fund.

To the extent not allocated to a portfolio company, C&C will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between Funds in accordance with each Fund's Governing Documents or, in accordance with C&C's good faith discretion. C&C will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable.

Advance Payment of Fees – Item 5.D

Funds pay fees quarterly, in advance, on the first business day of each calendar quarter of each year. For more information regarding the advance payment of fees by the Funds, please see the Funds' Governing Documents. If an advisory contract is terminated before the end of the billing period fees that have been prepaid may be refunded on a prorated basis.

Sales Compensation – Item 5.E

C&C does not accept compensation for the sale of securities or other investment products, including sales of interests or units of a Fund to investors, other than Transaction Fees described above.

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

Investments made by C&C on behalf of its Funds typically are subject to a Carried Interest. Specific information with respect to the calculation of the Carried Interest is included in each Fund's Governing Documents.

Such Carried Interest arrangements generally give C&C an incentive to seek higher returns and take more risk than it would absent such arrangements. Therefore, the foregoing arrangements may present C&C with a potential conflict of interest. However, C&C will select investments only in the best interest of the Funds and consistent with the Funds' investment objectives and strategies.

C&C formed its Distinguished Executives Council (the "DEC") to provide advice and assistance to C&C regarding C&C's activities as the management company for the Funds. This advice and assistance is general in nature but may include (i) advice regarding the management, operation, and affairs of portfolio companies, (ii) advice regarding and assistance in sourcing new investment opportunities for the Funds, and (iii) such other matters on which members of the DEC and C&C may choose to collaborate. The DEC is advisory only. The members of the DEC are not agents of C&C or the Funds and have no authority to bind C&C or the Fund in any manner.

A portion of the compensation received by members of the DEC is in the form of Carried Interest in the Funds. Such compensation is issued to the DEC members out of the Carried Interest issued to Cressey & Company GP LP and Cressey & Company GP V LP (collectively, with any entity serving as a general partner of a future Fund, the "GPs"). Each member of the DEC other than Sen. William H. Frist, M.D. receives a total Carried Interest in Fund IV (as defined in Item 10 below) of 0.25%, and receives a total Carried Interest in Fund V (as defined in Item 10 below) of

0.50%. Sen. Frist serves as Chairman of the DEC as part of his responsibilities as a partner in C&C. Accordingly, Sen. Frist does not receive additional Carried Interest for serving on the DEC.

Carried Interest causes members of the DEC to receive compensation that varies according to the investments made by the Funds and/or the performance of portfolio companies they may assist or advise, among other things. It is possible that the receipt of Carried Interest could influence the advice or recommendations provided by DEC members and present a potential conflict of interest. C&C believes that the Carried Interest serves instead to align the interests of the DEC members with those of C&C, the GPs, and the Funds. However, these compensation arrangements should be carefully evaluated by investors.

Types of Clients – Item 7

C&C advises pooled investment vehicles (i.e., the Funds). Investors in Funds generally will be required to satisfy certain securities laws and other suitability requirements and to make a capital commitment or investment of no less than a required minimum amount. The various requirements for investing in a Fund are set forth in the respective Fund's Governing Documents.

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

Methods of Analysis and Investment Strategies

C&C invests using an approach called “target-partner-build.” This strategy entails targeting a limited number of attractive segments, partnering with strong, well positioned platform businesses, and working closely with partner management teams to accelerate growth through a combination of organic initiatives and acquisitions.

There can be no assurance that the Funds will meet their investment objectives or otherwise be able to successfully carry out their investment program, and therefore, an investment with C&C should be undertaken only by investors whose financial resources are sufficient to enable them to bear the loss of all or part of their investment. See “Risks.” below.

For more information regarding C&C's investment strategies, please see the respective Fund's Governing Documents.

Risks

Descriptions of the risks associated with each investment and with C&C's investment program are described in detail in the respective Fund's Governing Documents. Such risks include, but are not limited to, the following:

- *Business Risks; Projections.* A Fund's investment portfolio will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management team. In all

cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

- *Future and Past Performance.* The performance of the prior investments by members of the C&C investment team is not necessarily indicative, and cannot be relied upon as an indicator, of a Fund's future results. While C&C intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the Funds' investment objectives will be achieved. On any given investment, loss of principal is possible.
- *Unspecified Use of Proceeds.* Investors must rely upon the ability of C&C to identify, structure and implement investments consistent with a Fund's investment objectives and policies. Investors in a Fund will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments in which the proceeds from draw downs of capital commitments will be invested and, accordingly, will be dependent upon the judgment and ability of C&C in investing and managing the capital of a Fund.
- *Changes in Environment.* A Fund's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which a Fund operates may undergo substantial changes. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a Fund or considered for prospective investment. Instability in the securities markets may also increase the risks inherent in investments. Legal and regulatory changes could occur during the term of a Fund that may adversely affect a Fund.
- *Investment in Junior Securities.* The securities in which a Fund will invest may be among the most junior in a portfolio company's capital structure. These securities will generally be unsecured and subordinated to substantial amounts of senior debt, a significant portion of which may be secured. The remedies available to holders of common equity are normally limited by restrictions benefitting more senior creditors. Thus, holders of common equity are subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.
- *Investments in Pass-Through Entities.* As more and more businesses are organized as limited liability companies, it is possible that a Fund's investment portfolio may include one or more such entities, which may be treated as "pass-through entities" for U.S. federal income tax purposes. A Fund's investment in an entity which is treated as a pass-through entity could result in: (a) the generation of taxable income for C&C, a Fund and its investors, even though they will not necessarily receive the cash flow related to such taxable income, (b) the generation of additional unrelated business taxable income for tax-exempt investors that invest directly in a Fund, and (c) the

treatment of a Fund (and therefore its investors, including investors that are domiciled outside the United States that invest directly in the Fund) as being engaged in the conduct of a United States trade or business.

- *Concentration of Investments.* A Fund will participate in a limited number of investments and may seek to make several investments in one industry or geographic segment. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Additionally, a Fund may be particularly vulnerable to events impacting companies in such industry or geography. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.
- *Valuation of Assets.* There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, C&C will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. With respect to a Fund, the exercise of discretion in valuation by C&C may give rise to conflicts of interest, as the Carried Interest in certain Funds is calculated based, in part, on these valuations and such valuations affect performance calculations.
- *C&C Resources Group.* C&C may have formal arrangements with members of the C&C Resources Group that may be terminable upon notice by either party or it may have informal arrangements with such persons, in each case with respect to particular portfolio companies or services. C&C and certain Funds also have ongoing formal arrangements with certain members of the C&C Resources Group unrelated to any particular portfolio company or prospective portfolio company, and services provided to C&C for its benefit by the C&C Resources Group are paid for by C&C. The nature of each relationship and time devotion requirements will vary significantly among the C&C Resources Group members. There can be no assurance that any of the C&C Resources Group members will maintain their anticipated time commitment or continue to serve in such capacities with respect to the Funds and the portfolio companies and/or that C&C will be able to procure additional C&C Resources Group members in the future. While in certain cases portfolio companies are expected to be able to choose whether to utilize the C&C Resources Group, C&C may in certain circumstances determine it would be appropriate for a C&C Resources Group member to work with a portfolio company. C&C may have incentives to encourage portfolio companies to utilize the C&C Resources Group rather than third parties, including due to C&C's existing relationships with the C&C Resources Group, base compensation already paid to C&C Resources Group members by one or more Funds and minimal annual compensation guarantees to C&C Resources Group members made by C&C.

- *Cybersecurity Risk.* C&C, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their investors, despite the efforts of C&C and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of C&C, the Funds' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of C&C's systems to disclose sensitive information in order to gain access to C&C's data or that of the Funds' investors. A successful penetration or circumvention of the security of C&C's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, C&C or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Similar types of operational and technology risks are also present for the companies in which the Funds invests, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

- *Lack of Sufficient Investment Opportunities.* There can be no assurance that suitable investment opportunities will be available for a Fund or that such opportunities can be acquired on terms consistent with a Fund's investment objectives. Thus, it is possible that a Fund will never be fully invested. However, investors in a Fund may be required to pay Advisory Fees based on the entire amount of their commitments. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. Further, over the past several years, an increasing number of private equity funds have been formed (and many such existing funds have grown substantially in size), and additional funds with similar investment objectives may be formed in the future. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to a Fund and adversely affecting the terms upon which investments can be made. There generally will be little or no publicly available information regarding the status and prospects of portfolio companies. Many investment decisions by C&C will be dependent upon the ability of the C&C investment team to obtain relevant information from non-public sources, and C&C often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond C&C's control.

- *Illiquidity; Lack of Current Distributions.* A substantial portion of a Fund's investments will consist of securities that are subject to restrictions on transfer because they were acquired in "private placement" transactions or because a Fund is deemed to be an affiliate of the issuer. Generally, a Fund will not be able to sell these securities publicly without the expense and time required to register the securities under the Securities Act of 1933, or will be able to sell the securities under exemptions from registration that typically only permit limited sales under specified conditions. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment has been made. It is likely that no significant return from the disposition of a Fund's investments will occur for a significant period of time after the first closing of a Fund. Before such time, there may be no current return on the investments. Furthermore, the expenses of operating a Fund (including the Advisory Fee payable to C&C) may exceed its income, thereby requiring that the difference be paid from a Fund's capital.
- *Restricted Nature of Investment Positions.* Generally, there will be no readily available market for a substantial number of a Fund's investments, and hence, most of a Fund's investments will be difficult to value. It is likely that a Fund will still hold some illiquid securities at the time of that Fund's dissolution, with the result that such securities may be distributed in-kind or sold for a price that reflects their illiquid nature.
- *Ability to Successfully Exit Investments.* The ability of a Fund to achieve successful and profitable exits of its portfolio investments may be impacted by a number of factors prevailing at the time, including general economic conditions, interest rates, availability of capital, interest levels of strategic and financial buyers and cyclical trends. It is difficult to predict with any certainty whether there will be a ready and willing market of buyers for any particular portfolio company at the time a Fund seeks a realization.
- *Need for Follow On Investments.* Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that a Fund will make follow on investments or that a Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment or may result in a lost opportunity for a Fund to increase its participation in a successful operation.
- *Non-U.S. Investments.* A Fund may invest in portfolio companies that are organized or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, the need for approval by government or other authorities to make investments, possible difficulty in obtaining and

enforcing judgments against non-U.S. entities, capital repatriation regulations (as such regulations may be given effect during the term of a Fund) and the application of complex tax rules to cross-border investments. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting, reporting and disclosure requirements than domestic issuers. The securities of some non-U.S. companies and non-U.S. securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets. Non-U.S. brokerage commissions and other fees are also generally higher than in the United States. There are also special tax considerations which apply to securities of foreign issuers and securities that principally trade overseas. Moreover, the expenses normally associated with foreign investments often exceed those associated with domestic investments.

- *Leveraged Investments.* The companies in which a Fund invests may be highly leveraged. Investments in highly leveraged companies involve a high degree of risk. Portfolio company leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment, and could accelerate and magnify any declines in the value of a Fund's investments in the leveraged portfolio companies in a down market and may cause recessions, operating problems and other general business and other risks to have a more pronounced effect on the profitability and survival of such companies. In the event a portfolio company cannot generate adequate cash flow to meet debt service, a Fund may suffer a deferral of scheduled payments or a partial or total loss of capital invested.
- *Financial Market Fluctuations.* General fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced since 2008, may reduce the availability of attractive investment opportunities for a Fund and may affect its ability to make investments and the value of the investments held by a Fund. Instability in the securities markets and economic conditions generally may also increase the risks inherent in a Fund's investments. Moreover, it remains unknown whether governmental measures undertaken in response to the market turmoil that began in 2008 (whether such measures are regulatory or financial in nature) will ultimately have a positive or negative effect on market conditions. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance that a Fund will be able to exit from its investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when C&C believes it is most advantageous to do so, or without adversely affecting the stock price. Renewed volatility in the financial sector may have an adverse material effect on the ability of a Fund to buy, sell and partially dispose of its portfolio company investments. A Fund may be adversely affected to the extent that it seeks to dispose of any of its portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that C&C believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions

may worsen cannot be predicted. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise. A Fund's portfolio companies may depend the availability of capital financed from third parties and to the extent such capital is not available, those portfolio companies that rely on such capital may be adversely impacted in a manner that they would not have been had they been able to access such capital.

- *Healthcare Regulation, Reimbursement and Reform.* Various segments of the healthcare industry are (or may become) (i) highly regulated at both the state and federal levels in the United States and internationally, (ii) subject to frequent regulatory change and (iii) dependent upon various government or private insurance reimbursement programs. While the Funds intend to make investments in companies that comply with relevant laws and regulations, certain aspects of these laws and regulations may not have been subject to judicial or regulatory interpretation. An adverse review or determination by any one of such authorities, or an adverse change in the regulatory requirements or reimbursement programs, could have a material adverse effect on the operations of the companies in which a Fund invests. The extensive government regulation of the healthcare industry creates additional uncertainty and risks for a Fund. Obtaining government approval when required is a lengthy and expensive process with an uncertain outcome. Portfolio companies may be unable to obtain necessary regulatory approvals on a timely basis, if at all, for any of the services they propose to render or products they are developing, and the failure to obtain regulatory approval could have a material, adverse effect on the success of the portfolio companies. Moreover, the current regulatory framework may change or additional regulations may arise at any stage during the lifecycle of a portfolio company, which may affect the company's ability to obtain approval of its products. The Patient Protection and Affordable Care Act (as amended by the Health Care and Education Affordability Reconciliation Act and otherwise, the "ACA") is expected to substantially change the way healthcare is financed by both governmental and private payors. The ACA provides for changes to extend medical benefits to those who currently lack insurance coverage, encourages improvements in the quality of healthcare items and services, and significantly impacts the U.S. medical industry in a number of ways. By extending coverage to a larger population, the ACA may substantially change the structure of the health insurance system and the methodology for reimbursing medical services, drugs and devices. These structural changes could entail modifications to the existing system of private payors and government programs, such as Medicare, Medicaid and State Children's Health Insurance Program, as well as the creation of a government-sponsored healthcare insurance source, or some combination of both. Such restructuring of the coverage of medical care in the U.S. could impact the extent of reimbursement for medical products and services. In addition, both the federal and state governmental authorities in the U.S. continue to propose and pass new legislation affecting coverage and reimbursement policies, which are designed to contain or reduce the cost of healthcare. There may be future changes that result in reductions in current coverage and reimbursement levels for current and future products and services, and C&C cannot predict the scope of any future changes or the impact that those changes or the ACA would have on the operations or potential profitability of any of a Fund's portfolio companies. Any of these changes

could negatively affect the future revenues and potential profitability of a Fund's portfolio companies. Healthcare systems outside of the United States are also subject to significant change. It is not clear at this time what changes, if any, will occur and what effect such proposals would have on the healthcare industry.

- *Healthcare Research and Innovation.* The healthcare industry spends heavily on research and development. Research findings (e.g., regarding side effects or comparative benefits of one or more particular treatments, services or products) and technological innovation (together with patent expirations) may make any particular treatment, service or product less attractive if previously unknown or underappreciated risks are revealed, or if a more effective, less costly or less risky solution is or becomes available. Any such development could have a material adverse effect on the companies in which a Fund invests.
- *Dependence on Patents, Trademarks and Other Intellectual Property.* Many companies in the healthcare industry depend heavily on intellectual property rights, including patents, trademarks and servicemarks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of a portfolio company's particular product.
- *Non-Public Information.* A Fund may be prohibited from selling publicly-traded securities of a portfolio company if C&C is in possession of material non-public information relative to such entity. While C&C intends to manage the Funds with a view toward these risks, the possibility of successful claims or adverse regulatory action cannot be eliminated, and such events may have a significant adverse effect on a Fund.
- *Adverse Consequences of Ownership of Controlling Interests in Portfolio Companies.* It is expected that in certain circumstances, a Fund will own a controlling percentage of the common equity of companies which, depending upon the amount of equity owned by a Fund, contractual arrangements between the company and a Fund, and other relevant factual circumstances could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to a Fund. In addition, because of its equity ownership, representation on the board of directors and/or contractual rights, a Fund may often be thought to control, participate in the management of or influence the conduct of its companies. This could expose the assets of a Fund to claims by a company, its other security holders, its creditors or governmental agencies.
- *Risks Related to Conflicts of Interest.* C&C engages in a broad range of activities, including investment activities for its own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and portfolio companies. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of C&C or other Funds. In addition, certain conflicts may arise due to the fact that certain

members of the C&C team were involved in sourcing or managing Thoma Cressey Fund VI, L.P., Thoma Cressey Fund VII, L.P. and Thoma Cressey Fund VIII, L.P. (collectively, the “TCEP/TCB Funds”), and continue to be involved in the management of TCEP/TCB Funds. Certain of these conflicts of interest, as well a description of how C&C addresses such conflicts of interest, are discussed in Item 11.

Disciplinary Information – Item 9

There have been no criminal or civil actions or administrative or self-regulatory organization proceedings involving C&C or its management persons within the last ten years that are material to a client’s or prospective client’s (or investor’s) evaluation of C&C’s advisory business or the integrity of its management, and that are required to be reported pursuant to the rules of the SEC.

Other Financial Industry Activities and Affiliations – Item 10

Relationships or Arrangements with Related Persons – 10.C

C&C has no relationships or arrangements that are material to its advisory business or to its clients with related persons except as described below.

Investment Company or Other Pooled Investment Vehicle – 10.C.2

C&C acts as an investment manager to the Funds. Such Funds may be organized as limited partnerships whose general partners are affiliates of C&C. Such affiliated general partners generally will receive the Carried Interest from the Funds. The terms of such arrangements are set forth in each Fund’s Governing Documents.

C&C manages five closed-ended Funds, the details of which are set forth below. Additional Funds (whether closed-ended or open-ended, and registered or exempt under the securities laws) may be organized, offered, and managed from time to time. See also “Performance-Based Fees and Side-by-Side Management – Item 6,” above, and “Conflicts of Interest – Item 11,” below, for a discussion of associated conflicts of interest.

Cressey & Company Fund IV LP (“Fund IV”), is a middle-market private investment fund focused exclusively on investing in and building healthcare businesses, with \$334,936,637 in assets under management as of December 31, 2015. Fund IV is organized as a Delaware limited partnership.

CCIV SHP AIV LP (the “SHPAIV”) is an alternative investment vehicle formed pursuant to the Amended and Restated Agreement of Limited Partnership of Fund IV and through which certain of the limited partners of Fund IV have elected to make their share of an investment that would otherwise have been made through Fund IV. SHPAIV is organized as a Delaware limited partnership. Fund IV and the SHPAIV sold their respective interests in the underlying portfolio company on August 14, 2014. The terms of the transaction placed a portion of SHPAIV’s consideration in escrow for a period of 18 months following the closing, with portions of that escrow being eligible for release at various times upon satisfaction of certain conditions prior to the expiration of the escrow. As of December 31, 2015, the fair market value of the escrow was \$3,160,962 pursuant to escrow arrangements.

CCIV GCD AIV LP (the “GCDAIV”) is an alternative investment vehicle formed pursuant to the Amended and Restated Agreement of Limited Partnership of Fund IV and through which certain of the limited partners of Fund IV have elected to make their share of an investment that would otherwise have been made through Fund IV. GCDAIV is organized as a Delaware limited partnership with \$12,728,768 in assets under management as of December 31, 2015.

Cressey & Company Fund V LP (“Fund V”) is a middle-market private investment fund focused exclusively on investing in and building healthcare businesses, with \$607,459,458 in assets under management as of December 31, 2015. Fund V is organized as a Delaware limited partnership.

Cressey & Company Friends Fund V LP (“Friends Fund V”) is a parallel fund to Fund V in which only investors who are individuals, including individuals who may not be “qualified purchasers,” as such term is defined under the Investment Company Act of 1940, as amended, or which are estate planning vehicles for individuals and families, may invest, with \$20,774,422 in assets under management as of December 31, 2015. Friends Fund V is organized as a Delaware limited partnership.

Sponsor or Syndicator of Limited Partnerships – 10.C.11

See “Investment Company or Other Pooled Investment Vehicles,” above.

Recommended or Selected Investment Advisers – Item 10.D

C&C does not recommend or select other investment advisers for its clients.

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

Description of Code of Ethics

C&C has adopted a Code of Ethics (the “Code”), pursuant to the rules under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Code confirms C&C’s fiduciary responsibilities to its clients. The Code states that C&C’s personnel (“C&C Personnel”) must conduct their personal securities transactions in a manner that does not interfere or appear to interfere with any client transactions or otherwise take unfair advantage of their relationship with C&C. The Code contains provisions placing restrictions of C&C Personnel’s ability to engage in personal securities transactions and requires reporting by C&C Personnel of their personal securities holdings and transactions to C&C’s Chief Compliance Officer. C&C provides its Code to any existing or prospective client upon request to Ralph Davis at rdavis@cresseyco.com.

Conflicts of Interest

As noted in Item 8, actual or potential conflicts of interest may arise. C&C will attempt to resolve any conflicts of interest by exercising its good faith judgment considering all factors it deems relevant, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing, but in its sole discretion.

Conflicts Relating to Allocation of Investment Opportunities

C&C manages multiple investment vehicles that have investment objectives similar to each other. C&C expects that it will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the Funds. Allocation of available investment opportunities between a Fund and any other Fund, and between a Fund and the TCEP/TCB Funds, could give rise to conflicts of interest.

In connection with its investment activities, C&C may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which may include, but are not limited to, the following:

- the Funds;
- co-investors acting as “co-sponsors” with C&C with respect to a particular transaction; and
- any co-investment vehicles that have been formed to invest alongside with any Fund in particular transactions entered into by such fund(s) (the investors in such co-investment vehicles may include employees, business associates and other “friends and family” of C&C or its personnel; individuals and entities that are also investors in one or more Funds; and/or individuals and entities that are not investors in any Funds).

C&C will first determine whether the Funds will participate in an investment opportunity. C&C assesses whether an investment opportunity is appropriate for the Funds based on the Funds’ investment objectives, strategies and structure. Prior to making any allocation to a Fund of an investment opportunity, C&C determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s). Possible restrictions include, but are not limited to, any contractual obligations to offer an opportunity to a Fund pursuant to such fund’s partnership agreement, whether such opportunity is related to an investment previously made by another Fund or TCEP/TCB Fund (e.g., a follow-on investment in a portfolio company in which another Fund or TCEP/TCB Fund has previously invested), and legal or regulatory factors that would exclude a particular Fund from participating in an opportunity.

Once the Funds that will participate in a particular investment have been identified, C&C, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, C&C may consider some or all of a wide range of factors, which may include, but are not necessarily limited to, each Fund’s investment objectives and investment focus, transaction sourcing, amount of a Fund’s available capital, suitability as a follow-on investment for a current portfolio company of a Fund, and any other relevant limitations imposed or conditions set forth in the applicable organizational documents of each Fund.

C&C will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund.

Once C&C has determined that a Fund will participate in a particular opportunity, C&C will next determine if the amount of an investment opportunity exceeds the amount C&C determines would be appropriate for a Fund (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers

to C&C and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by C&C in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Fund's Governing Documents. Subject to the investment allocation requirements set forth in a Fund's Governing Documents, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of C&C or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in a Fund, in the sole discretion of C&C and investors may be offered a smaller amount of co-investment opportunities than originally requested, (iv) certain persons other than investors in a Fund (e.g., third parties) will, from time to time likely be offered co-investment opportunities, in the sole discretion of C&C, and (v) co-investors will generally purchase their interests in a portfolio company at the same time as a Fund or may purchase their interests from a Fund after a Fund has consummated its investment in the portfolio company (also known as a post-closing sell down or transfer). C&C may further permit employees or partners of C&C to purchase for their own account up to 1% of the aggregate amount of any securities of a portfolio company otherwise available for purchase. Additionally, non-binding acknowledgements of interest in co-investment opportunities do not require C&C to notify the recipients of such acknowledgements if there is a co-investment opportunity.

C&C's exercise of its discretion in allocating investment opportunities among investors in a Fund and third parties may not, and often will not, result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. While C&C will determine how to allocate investment opportunities in good faith, considering such factors as it deems relevant (including, but not limited to, whether the co-investor may invest in future funds sponsored by C&C, C&C's perception of past experiences and relationships with the potential co-investor, and C&C's evaluation of the size and financial resources of the potential co-investor), but in its sole discretion, there can be no assurance that the actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which C&C is subject, discussed herein, did not exist. C&C may also agree with certain investors via side letters or other agreements to provide certain terms with respect to co-investments that might be more favorable than terms provided to other co-investors.

In addition, principal executive officers and other personnel of C&C invest directly and indirectly in Funds and therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

In the event that C&C determines to offer an investment opportunity co-investors, there can be no assurance that C&C will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for a Fund or that expenses incurred by a Fund with respect to the syndication of the co-investment

will not be substantial. In the event that C&C is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, a Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

Conflicts Related to Secondary Transfers

In addition, to the extent C&C has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Governing Documents, or is asked to identify potential purchasers in a secondary transfer, C&C will do so in its sole discretion, generally taking into account the following factors: C&C's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations; C&C's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationship that may provide indirectly longer-term benefits to current or future Funds and/or C&C; whether the potential purchaser would subject C&C, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens; requirements in such Fund's Governing Documents; and such other facts as C&C deems appropriate under the circumstances in exercising such discretion. A purchaser's potential investment into another Fund (including any commitment to a future fund) may be considered, but will not be the sole determining factor considered by C&C in determining whether to grant or withhold its consent to a secondary transfer of interests in a Fund.

Conflicts Related to Purchases and Sales

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund or a TCEP/TCB Fund has already made an investment. Investment opportunities are, from time to time, appropriate for the Funds at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts may arise in determining the terms of investments, particularly where these Funds may invest in different types of securities in a single portfolio company. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly in Funds that have invested in different securities within the same portfolio company. A Fund may invest in bank debt and securities of companies in which another Fund or TCEP/TCB Fund hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of a Fund may be in conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, a Fund may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. In addition, a conflict may arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of a Fund or TCEP/TCB Fund. Investments by more than one Fund in a portfolio company will also raise the risk of using assets of a Fund to support

positions taken by other Funds. Employees and related persons of C&C and its affiliates have made or may make capital investments in or alongside certain Funds or TCEP/TCB Funds, and therefore may have additional conflicting interests in connection with these investments. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by Funds. A conflict of interest may arise because such investing personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by C&C on behalf of the Fund. In such circumstances, the investing personnel will share or reimburse the relevant Fund(s) and/or C&C for any expenses incurred in connection with the investment opportunity in a manner determined by C&C to be fair and equitable. In addition, officers and employees may also buy securities in other investment vehicles (including private equity funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds. The transactions described above are subject to the policies and procedures set forth in C&C's Code of Ethics and investors will not benefit from any such investments. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. If officers, principals and employees of C&C have made large capital investments in or alongside the Funds they will have conflicting interests with respect to these investments. There can be no assurance that the return of a Fund would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Fund may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested.

From time to time C&C may, in its discretion, enter into transactions with investors in one or more Funds or TCEP/TCB Funds to dispose of all or a portion of certain investments held by one or more Funds or TCEP/TCB Funds. In exercising its discretion to select the purchaser(s) of such investments, C&C may consider some or all of the factors listed above under "Conflicts Relating to Allocation of Investment Opportunities."

In certain cases, C&C may cause a Fund to purchase investments from another Fund or a TCEP/TCB Fund, or it may cause a Fund to sell investments to another Fund or a TCEP/TCB Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or C&C might have an incentive to improve the performance of one fund by selling underperforming assets to another fund in order, for example, to earn fees. Additionally, in connection with such transactions, C&C, its affiliates and/or their professionals (i) will generally have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). C&C and its affiliates will generally receive Advisory Fees or other fees in connection with their management of the relevant Funds involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Funds.

To address conflicts arising from such purchases and sales, a Fund's Governing Documents may require certain approval of certain transactions in which a Fund invests in an existing portfolio company of another Fund or TCEP/TCB Fund or purchases an investment from another Fund or TCEP/TCB Fund. Receipt of any such approval shall satisfy C&C's good faith requirement, and any other applicable duty to a Fund or its investors.

Conflicts Relating to Services Provided to Portfolio Companies

C&C receives certain fees and reimbursements from actual or prospective portfolio companies or other investment vehicles of a Fund and the opportunity to earn these fees and receive these reimbursements creates a conflict of interest between C&C, on the one hand, and a Fund and its investors, on the other hand, because the amounts of such fees and reimbursements may be substantial, a Fund and its investors do not have an interest in C&C and the rights of a Fund and its investors to these fees and reimbursements is limited to the sharing arrangements described above. C&C will determine, in good faith but in its discretion, the cost of obtaining services similar to the management, advisory and similar services it provides to portfolio companies of a Fund. Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by C&C, are reimbursed by a Fund and/or its portfolio companies, C&C may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Employees of C&C may often serve as directors of portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflicts with those of the Fund, it is expected that the interests will be aligned. Additionally, such employees (other than members of the C&C Resources Group as described below) are required to remit any remuneration they may receive as directors to the applicable Funds as described in Item 5 above.

C&C and its affiliates may from time to time retain employees or consultants (including individuals designated as "operating partners") who provide specialized services and consulting services to one or more portfolio companies of a Fund or pre-acquisition diligence services to a Fund (such employees or consultants, the "C&C Resources Group"). As noted above in items 5.A and 5.C, fees and expenses associated with the C&C Resources Group may be paid or reimbursed by portfolio companies and, to the extent not paid or reimbursed by portfolio companies or as otherwise permitted in accordance with a Fund's Governing Documents, by a Fund. C&C will be permitted to retain without any offset to the management fees paid by a Fund, any payment or reimbursement of expenses made by portfolio companies or a Fund in exchange for services provided to such portfolio companies or to such Fund by the C&C Resources Group (such services, "C&C Resources Group Services"), though in certain circumstances C&C Resources Group members may be required to return certain amounts received for C&C Resources Group Services to a Fund as reimbursement for prior payments made by such Fund. The amount of compensation paid to the C&C Resources Group for C&C Resources Group Services will be determined at the discretion of C&C taking into account the particular services, amounts charged by other providers for comparable services, and such other factors as C&C in its sole discretion determines are reasonable under the circumstances. The determination of whether a service constitutes a C&C Resources Group Service will be made by C&C in its sole discretion. C&C's determination as to whether a service is a C&C Resources Group Service, the categorization of any fees and expenses and the allocation of such fees and expenses shall be binding on a Fund and its investors.

The nature of the relationship with each such C&C Resources Group member and the time devotion requirements of each such C&C Resources Group member may vary significantly. These arrangements may be memorialized in a formal written agreement or may be informal and are negotiated individually, depending upon the anticipated services to be provided. Some but not all Funds pay some members of the C&C Resources Group base compensation even at times when such persons are not performing services for such Fund or any of its portfolio company. Such

arrangements may create conflicts of interest between Funds and portfolio companies regarding usage of the C&C Resources Group. Only Funds paying base compensation amounts will be entitled to reimbursement from payments made with respect to C&C Resources Group Services.

C&C Resources Group and DEC members may be offered the ability to co-invest alongside Funds, including in investments in which such C&C Resources Group or DEC member is involved or participates in the management thereof.

Certain C&C Resources Group members also receive Carried Interest in Funds, including while such persons are providing services to the particular Fund or its portfolio companies. C&C believes that the Carried Interest serves instead to align the interests of the C&C Resources Group members with those of C&C, the GPs, and the Funds. However, it is possible that receipt of Carried Interest could influence the advice or recommendations provided by C&C Resources Group members and present a potential conflict of interest. See Item 6 above regarding certain risks and conflicts of interest relating to the receipt of Carried Interest and information about Carried Interest received by DEC members.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with C&C’s management of the Funds, C&C and its affiliates may engage in principal transactions. C&C has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Conflicting Interests of Investors

A Fund is likely to have a diverse range of investors that may have conflicting interests stemming from differences in investment preferences, tax status and regulatory status. C&C will consider the objectives of a Fund and its investors as a whole when making investment decisions with respect to the selection, structuring and sale of portfolio investments. However, such decisions may be more beneficial for one investor than for another investor.

Side Letter Agreements; Advisory Committee Rights

A Fund or C&C often enters into side letter arrangements with one or more of its investors providing such investors with different or preferential rights or terms, including but not limited to different or preferential information rights, economics, fees and liquidity or transfer rights. Such side letter arrangements may also have the effect of altering, or supplementing the terms of, a Fund’s Governing Documents. The terms contained in a side letter arrangement or similar arrangement with one or more investors in a Fund shall govern with respect to such investors

notwithstanding the provisions of the Fund's Governing Documents. Except to the extent required by a Fund's Governing Documents, C&C generally does not have an obligation to disclose the existence of such arrangements to a Fund's investors.

Generally, each Fund has established an advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the advisory committee. The advisory committee may also have the ability to approve conflicts of interests with respect to C&C and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee. Certain members of a Fund's advisory committee are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in another Fund.

Business with Portfolio Companies and Investors

Given the collaborative nature of C&C business and the portfolio companies in which the Funds have invested, there are often situations where C&C is in the position of recommending portfolio company services to other portfolio companies, which may involve fees, commissions, servicing payments and/or discounts to C&C, an affiliate, or a portfolio company. C&C may have a conflict of interest in making such recommendations, in that C&C has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

C&C may have an incentive to recommend the products or services of certain investors in the Funds, certain third parties, or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

Portfolio companies controlled by a Fund may provide services to certain Fund investors. C&C may have an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

C&C and/or its affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

In certain instances, a Fund's portfolio company may compete with another Fund's portfolio company. A conflict of interest may arise in these instances because advice and recommendations provided by C&C to a portfolio company may have adverse consequences to a competitor portfolio company owned by another Fund.

C&C and/or its affiliates may engage in business with certain service providers, including for example, investment bankers, outside legal counsel and pension consultants, who are investors in Funds and/or who provide services (including mezzanine and/or lending arrangements) to C&C, the Funds, the portfolio companies and/or to businesses that are competitors of C&C. Such engagement may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as C&C may give such investor preferred economics or other terms with respect to its investment in a Fund, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. C&C will have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide C&C information about markets and industries in which C&C operates or is interested or will provide other services that are beneficial to C&C. There is a possibility that C&C, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Other Activities of the Investment Team

Certain approved members of the C&C investment team are generally required to devote substantially all of their business time to the affairs of a Fund (and any parallel funds) during its investment period except for business time devoted to other Funds that were previously formed (including TCEP/TCB Funds they currently advise and manage) or that are permitted to be formed under the Governing Documents of the applicable Fund, and are thereafter required to devote an appropriate amount of their time to such Fund as C&C reasonably determines, in each case as set forth in the Governing Documents of the applicable Fund. The other members of the C&C investment team are not required to devote all their time to the affairs of a Fund and currently advise and manage, and will from time to time in the future advise and manage, other investments and investment vehicles, including, without limitation, the Funds and the TCEP/TCB Funds, and funds that may be raised in the future. Additionally, all members of the C&C investment team will, subject to the Governing Documents of the applicable Fund(s), undertake other activities during their non-business time, such as charitable activities and making and managing personal investments, including of the type made by such Fund. Conflicts of interest may arise in allocating time, services or functions of these officers and employees. The performance of a Fund could be adversely affected by the other professional or personal commitments of members of the C&C investment team.

Fee Structure

Because there is a fixed investment period after which capital from investors in the Funds may only be drawn down in limited circumstances and because Advisory Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure creates an incentive to deploy capital when C&C may not otherwise have done so.

Additionally, as discussed above in Item 6, the GPs of the Funds are entitled to Carried Interest under the terms of the Governing Documents of such Funds. Such GPs are affiliates of C&C. The existence of the GPs' Carried Interest creates an incentive for the GPs to cause such Funds to make

more speculative investments than they would otherwise make in the absence of performance-based compensation.

Other Conflicts of Interest

C&C has in the past and may in the future, in its discretion, recommend to a Fund or to a portfolio company of a Fund that it contract for services with a portfolio company, or an entity with which C&C, one of its affiliates or any of their respective personnel has a relationship or otherwise derives a financial or other benefit (including without limitation the C&C Resources Group). When making such a recommendation, C&C may have, because of its financial or other business interest, an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

A Fund may hold “plan assets” subject to ERISA. With respect to those plan assets, if any, C&C and certain affiliates may be classified as “fiduciaries” under ERISA. ERISA imposes certain general and specific responsibilities and restrictions on fiduciaries with respect to plan assets. As a result, a Fund may be restricted from entering into certain transactions if the investment would violate ERISA with respect to that Fund, or may be obligated to take certain actions or refrain from taking certain actions in order to avoid a violation of ERISA with respect to a Fund.

Pursuant to the Funds’ Governing Documents, the GPs may be required to return excess amounts of Carried Interest as a “clawback”. This clawback obligation may create an incentive for a GP to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the GP.

C&C and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, C&C and/or its affiliates, the parties may engage separate counsel in the sole discretion of C&C and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, C&C and the Funds and the portfolio companies of the Funds will, from time to time engage other common service providers. Although typically it is not the case, in certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to C&C, the Funds, and/or the portfolio companies. This may result in C&C receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or C&C receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between C&C, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that C&C will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

Certain portfolio companies of the Funds are, or have been, counterparties or participants in agreements, transactions or other arrangements with C&C, its affiliates, other portfolio companies of the C&C's clients, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. C&C is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to Advisory Fee offsets or otherwise shared with the relevant Funds.

For more information regarding conflicts of interest, please see the respective Fund's Governing Documents.

Brokerage Practices – Item 12

Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions – Item 12.A

As the investment manager to the Funds, C&C is responsible for choosing the broker-dealers used for the Funds' securities transactions. To the extent that the Funds utilize broker-dealers, purchase and sale transactions for the Funds are generally allocated to broker-dealers on the basis of best execution, including the ability to achieve prompt and reliable executions and competitive pricing, the operational efficiency with which transactions are effected and the financial stability and reputation of the particular broker-dealer. "Best execution" means obtaining for a fund account the lowest total cost (in purchasing a security) or highest proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, C&C takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, C&C may consider the use of Electronic Communications Networks ("ECNs") when placing trades on behalf of the funds. When purchasing or selling over-the-counter securities with market makers, C&C generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

Notwithstanding the foregoing, given the Funds' investment strategy, C&C anticipates very infrequent use of broker-dealers.

1. *Research and Other Soft Dollar Benefits.*

C&C does not use client brokerage commissions to obtain research or other products or services.

2. *Brokerage for Client Referrals.*

Given the nature of its advisory services, C&C does not contemplate considering client referrals as a factor when selecting a broker-dealer.

3. *Directed Brokerage.*

Given the nature of its advisory services, C&C does not contemplate utilizing directed brokerage arrangements on behalf of its clients.

Aggregation of Trades – Item 12.B

C&C and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. C&C and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, C&C and its affiliates generally aggregate trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon C&C's procedures for allocation of investment opportunities, as described in Item 11 above.

Review of Accounts – Item 13

Periodic Review – Item 13.A

C&C performs various daily, weekly, monthly, quarterly and periodic reviews of each Fund's portfolio. Such reviews are conducted by the portfolio managers, research analysts and relevant staff responsible for each Fund.

Triggered Review – Item 13.B

A review of a Fund's portfolio may be triggered by any unusual activity or special circumstances.

Content and Frequency of Reports – Item 13.C

C&C will furnish written copies of (i) audited financial statements to the investors in the Funds annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio company periodically.

In addition, the Funds will hold an annual meeting with the investors in the Funds to review and discuss the Funds' investment activities each year. For more information regarding the annual meeting and Fund reports, please see the respective Fund's Governing Documents.

Client Referrals and Other Compensation – Item 14

Other Compensation – Item 14.A

C&C receives no compensation from entities or persons that are not clients for providing investment advice or other advisory services to C&C's clients. However, C&C and its related persons may, in certain instances, receive occasional courtesy discounts on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies.

Client Referrals – Item 14.B

Neither C&C nor a related person directly or indirectly compensates any person for client referrals. However, C&C may engage placement agents to market and sell Fund interests to investors. Such placement agents may be compensated by C&C, by the Fund, or by the referred investor directly. For more information regarding specific compensation arrangements, please see the respective Fund's Governing Documents.

Custody – Item 15

Item 15 is not applicable to C&C.

Investment Discretion – Item 16

C&C manages Fund assets on a discretionary basis, pursuant to the power of attorney granted to C&C in the investment advisory agreement or other Governing Documents of each Fund. Accordingly, C&C has the authority to determine, without obtaining specific consent, the securities and other investments to be bought and sold and the amount of securities or other investments to be bought and sold. C&C's discretionary authority to manage securities and other investments on behalf of its Funds is subject to the investment objectives, guidelines, and restrictions set forth in to each Fund's Governing Documents.

Voting Client Securities – Item 17

Authority to Vote Client Securities – Item 17.A

C&C maintains written proxy voting policies and procedures as required by the rules under the Advisers Act. In voting proxies on behalf of its Funds (if any), C&C is guided by general fiduciary principles. C&C will consider factors that could affect the value of the investment and will vote proxies in the manner that it believes maximize investor value for the Fund. The Funds may not direct C&C's vote in any such proxy vote. In addition, C&C's procedures are designed to identify, assess, and disclose any material conflicts that may arise between C&C's interest and those of its Funds.

Existing and prospective clients and investors may obtain a copy of C&C's proxy voting policies and procedures and information regarding how C&C voted securities (if any), upon request to Ralph Davis at rdavis@cresseyco.com.

Notwithstanding the foregoing, given the investment strategy of the Funds, it is expected that the Funds will rarely hold voting securities.

Financial Information – Item 18

Under the rules of the SEC, no balance sheet or other financial information of C&C is required to be included in this brochure. C&C has no financial commitments that impair its ability to meet contractual or fiduciary obligations to its clients, and has not been the subject of any insolvency proceedings.

Requirements for State-Registered Advisers – Item 19

Item 19 is not applicable to C&C.