

## **The Jordan Company, L.P.**

399 Park Avenue  
30<sup>th</sup> Floor  
New York, NY 10022

Telephone: (212) 572-0800

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

Form ADV Part 2 — March 30, 2016

### Item 1 – Cover Page

**This brochure provides information about the qualifications and business practices of The Jordan Company, L.P. If you have any questions about the contents of this brochure, please contact us at (212) 572-0800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about The Jordan Company, L.P. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 – Material Changes

The following is a discussion of material changes to the brochure since our last annual updating amendment on March 31, 2015. There have been no significant changes to our brochure since last year's update.

Clients (currently, The Resolute Fund, L.P., The Resolute Fund II, L.P. and The Resolute Fund III, L.P., and their respective parallel funds) will receive a summary of any material changes to this ADV Part 2 and subsequent Brochures within 120 days of the close of our fiscal year. We may also provide clients with additional updates or other disclosure information at other times during the year in the event of any material changes to our business.

You may request the most recent version of this brochure by contacting Eric Phipps, Chief Compliance Officer of The Jordan Company at (212) 572-0800.

### Item 3 – Table of Contents

Item 1 – Cover Page .....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents .....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	1
Item 6 – Performance-Based Fees and Side-By-Side Management .....	2
Item 7 – Types of Clients.....	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	4
Item 9 – Disciplinary Information .....	6
Item 10 – Other Financial Industry Activities and Affiliations .....	7
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	7
Item 12 – Brokerage Practices.....	8
Item 13 – Review of Accounts .....	8
Item 14 – Client Referrals and Other Compensation.....	9
Item 15 – Custody.....	9
Item 16 – Investment Discretion.....	9
Item 17 – Voting Client Securities .....	9
Item 18 – Financial Information .....	10

## Item 4 – Advisory Business

The management company, The Jordan Company, L.P. (the “**Registrant**”), along with certain affiliated entities that serve as general partners to private equity funds (collectively, “**TJC**,” “**us**,” or “**we**”), provides investment advisory and other services. Currently, these funds and the Registrant’s clients consist of The Resolute Fund, L.P., The Resolute Fund II, L.P. and The Resolute Fund III, L.P. and their respective parallel funds. The Registrant was founded in 1982 by John W. Jordan II, who, along with Jonathan F. Boucher, A. Richard Caputo, Jr., and Adam E. Max, serve as the firm’s Managing Principals. The firm is owned by its Managing Principals, along with certain of the firm’s other professionals and employees.

We serve as the management company and general partner for certain private equity collective investment vehicles, The Resolute Fund, L.P., The Resolute Fund II, L.P. and The Resolute Fund III, L.P. (collectively, the “**Funds**”), and typically seek investments in companies that we believe are established, well-managed and consistently profitable middle-market businesses, located principally in North America, with enterprise values from \$50 million to over \$2 billion. We generally make investments in equity and equity-related investments, but may also invest in debt under certain circumstances. As part of our activities on behalf of the Funds, we:

- Identify investment opportunities;
- Structure investments;
- Monitor, evaluate and make decisions regarding the timing and disposition of investments; and
- Provide other related services.

As of December 31, 2015, TJC had approximately \$6.908 billion in assets under management (in respect of undrawn capital commitments and invested capital) in relation to the Funds to which it provides advice on a discretionary basis. We do not provide non-discretionary advice to the Funds.

Throughout this brochure, we disclose conflicts of interest and provide summaries of a number of our policies and procedures designed to detect and address these conflicts and others. In addition, conflicts of interest and specific risks are identified in the offering materials of Funds that we manage. Certain investment limitations for the Funds are also set out in their offering materials. Please request a copy of the relevant Fund’s most current offering materials for a description of other conflicts and risks that might exist, and the relevant investment limitations.

## Item 5 – Fees and Compensation

For services provided to each Fund, the Fund pays us a management fee (a percentage of commitments and/or capital investments under management), a performance-based carried interest (a percentage of the net profits from divestment of portfolio holdings after capital is returned and a preferred return, as described in Item 6, below), break-up fees, and commitment fees.

### *Management Fees*

The Funds pay us a management fee up to the amount specified in each Fund’s offering materials. During the “commitment period” of a Fund, this fee is typically in an amount equal to approximately 2.0% of the aggregate capital commitment of the Fund’s investors. After the commitment periods ends (or upon such other events as may be specified in each Fund’s offering materials), the fee is typically equal to 1.0% of invested capital. The Managing Principals and other investors who invest in the Funds through the general partners to the Funds do not pay management fees.

The management fee is accrued and payable in advance; typically it is called 3-4 months in advance, but never 6 months or more in advance. In the event of an early termination of a Fund, we will return to the Fund the proportionate amount of the management fee attributable to the period after the termination date. Management fees are not negotiable.

### *Break-Up Fees, Commitment Fees, and Monitoring Fees*

We may earn (1) break-up and similar fees with respect to potential investments that are not ultimately completed, (2) commitment and similar fees with respect to transactions that are consummated, and (3) monitoring fees in connection with certain of our principals and employees serving as directors or advisors to portfolio companies. The amount and determination of these fees are disclosed in the offering materials for the relevant Fund.

These fees are determined by us on a transaction by transaction basis, and are generally calculated based on the total enterprise, transaction or financing value of the portfolio company involved in the transaction (or potential transaction, as applicable). These fees are paid directly to us by the Funds' portfolio companies (or potential portfolio companies). The amount of these fees is disclosed to Fund investors in such Fund's annual reports.

Break-up fees and commitment fees are payable upon the failure of the transaction to conclude, or the consummation of the transaction, as applicable; monitoring fees are payable on terms set out in agreements between us and Fund portfolio companies related to the business and financial advisory services that we or our personnel will provide to the portfolio companies.

The management fees we receive are reduced by a portion of any break-up fees, commitment fees, and monitoring fees we receive. The amount of this reduction differs from Fund to Fund, but is currently no less than 80% for any Fund and is 100% for our most recently organized Fund. The amount of these fee offsets are also disclosed to Fund investors in the annual report of such Fund. We encourage Fund investors to review the offering materials and constituent documents of their Fund for additional information regarding the terms applicable to their Fund.

### *Additional Expenses*

The investment strategies we employ for the Funds generally do not involve the purchase or sale of publicly offered securities, and as such, does not typically entail expenses related to brokerage commissions, although occasionally public securities are used as investments and related brokerage and other expenses may arise. Please refer to Item 12 for additional information regarding the factors we consider in selecting broker-dealers and other service providers for transactions, and in determining the reasonableness of their compensation.

In addition, the investment strategies we employ for the Funds may involve expenses paid by the Funds that are related to legal, tax, regulatory and other issues, as well as the costs of other service providers and intermediaries, such as investment banks, that may be involved in the purchase or divestment of Fund portfolio holdings.

Our fees are exclusive of these costs, as well as other transaction fees, custodial fees, organizational costs, and other related costs and expenses, all of which are incurred by the Funds (either directly, or indirectly if the expenses are paid by the Fund's portfolio companies). In addition, Funds also bear expenses of the Funds' administrator(s) and certain other service providers.

Occasionally, expenses may be shared between the Funds and TJC. These expenses are generally technology in nature, benefitting both entities. By assigning a benefit value to each share, the allocation can be determined.

### *Related Matters:*

Side Letters. We may negotiate specific terms of investment for certain prospective investors of the Funds that will differ from the terms applicable to other investors. For example, such terms may include priority co-investment rights and access to more detailed reports on the Funds.

Transaction Fees. Because we receive transaction fees based on investments and dispositions of the Funds' portfolio holdings, we may have an incentive to make investments, or to divest portfolio holdings, under circumstances that may not in the best interest of a Fund or its investors. However, because these fees are based on the total enterprise value of the portfolio holding being purchased or sold, and are shared substantially with our investors, we believe that our interests generally align with those of the investors in the Fund. The greater the proceeds of the sale of a portfolio holding, the greater the gains by the Fund, and the greater fees we receive. Moreover, at least 80% (and up

to 100%) of any such fee is used to offset future management fees we would otherwise receive. Nonetheless, if we determine that a conflict exists, or may be perceived to exist, we bring the issue to the attention of the relevant Fund's limited partner advisory committee ("LPAC," composed of certain unaffiliated Fund investors) for its approval.

Alternative Investment Vehicles. Sometimes certain Fund investors, for legal, regulatory, or tax reasons, would be disadvantaged if an investment was made directly in a portfolio investment by their Fund. In these circumstances, we may permit these investors to invest alongside the Fund, on the same terms as the Fund, through an alternative investment vehicle ("AIV"). Fund investors that invest through an AIV pay the same portion of fees and expenses as they would have if they had invested through the Fund, and have their capital commitment to the Fund reduced by the amount of assets invested through the AIV(s).

Parallel Funds. Sometimes instead of creating AIVs, we may determine to create parallel funds that provide investors with the same economic experience as they would have had they invested in the main fund to which it relates, except as required to differ based on legal, regulatory or tax reasons (each a "Parallel Fund"). Except as specifically noted in this brochure, we treat Parallel Funds, and the main Funds to which they relate, equally in all respects.

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

As noted in Item 5 above, the Funds pay us certain performance-based fees in the form of carried interest—typically 20% of the net proceeds from the divestment of Fund portfolio holdings after the return of capital, allocable fees and expenses and a preferred return thereon. Our receipt of performance-based fees is subject to certain limitations set forth in the constituent documents of each Fund, which generally require that Fund investors must first receive a return of invested capital and allocable fees and expenses plus a preferred return before carried interest is paid to us. The Managing Principals and other investors who invest in the Funds through the general partners to the Funds do not pay performance-based fees in the form of carried interest. All performance-based income is calculated and paid in accordance with Section 205 and Rule 205-3 under the Investment Advisers Act of 1940.

However, because all Funds pay us roughly equivalent performance-based fees, we generally believe that we do not face conflicts related to the side-by-side management of accounts which do pay performance-based fees along with accounts that do not. With respect to Parallel Funds, this potential conflict is addressed because each Parallel Fund invests *pro rata* alongside the main Fund to which it relates.

This potential conflict is also mitigated by our Funds' investment cycle: our Funds generally follow a cycle of 1) capital sourcing, 2) investment, and 3) disposition of portfolio holdings. We typically do not organize a new Fund until the prior Fund (including any related Parallel Funds) are nearing the end of their "investment phase," thus reducing the possibility that we would favor one Fund over another. If, however, we begin making investments for a new Fund before all other existing Funds have substantially completed their investment phase, all Funds currently in their investment phase will generally participate alongside each other, *pro rata* based upon allocable capital, in any new investments (taking appropriate account of capital allocated, set aside, or reserved for other purposes). As such, we believe that we rarely face conflicts that would raise the possibility of unfair treatment among our Fund clients.

From time to time we may, if we determine in our reasonable good faith discretion, permit certain strategic investors (which may include existing Fund investors, third party funds and advisers, and other strategic investors) ("**Co-Investors**") to invest in a potential investment alongside a Fund through a co-investment vehicle ("**Co-Investment Vehicle**"). We will typically seek out Co-Investors if we do not believe that a Fund should purchase all the securities available for purchase in connection with a portfolio investment based on the various factors, such as: the risk level of the potential investment; capital available for investment; portfolio diversification; capital requirements; or other reasons.

In the event that additional capital investment is called for after an initial investment is made alongside a Fund, Co-Investors generally have the right (but not the obligation) to invest additional capital through their Co-Investment Vehicle *pro rata* with the Fund based on the size of their original investments (or else be diluted). We strive to

ensure that the Funds purchase securities on terms that are no less advantageous than the terms on which such Fund's Co-Investors make their purchase of securities. Further, we require in all cases that the terms of the co-investment provide that Co-Investors must dispose of any securities of the applicable portfolio company that are the same as those purchased by a Fund at the same time and on the same economic terms and conditions as the Fund.

We do not receive compensation from Co-Investors or their Co-Investment Vehicles, which mitigates our incentive to favor Co-Investors over the Funds, or to provide investment opportunities to Co-Investors in amounts greater than we believe necessary or appropriate in light of the Fund's investment or potential investment. Nonetheless, we may develop goodwill through making co-investment opportunities available, including goodwill with current Fund investors who may be solicited to invest in any new Funds we organize in the future.

### Item 7 – Types of Clients

As noted in Item 4 above, we provide portfolio management services to the Funds (which may be organized as domestic or foreign partnerships, corporations, or other incorporated or unincorporated entities). The Funds often require capital commitments of at least \$10 million, although a Fund's constituent documents may allow for exceptions to these minimums in our discretion.

Generally, the Funds' investment advisory contracts with TJC may be terminated upon the removal of TJC (or an affiliate) as the general partners of the Funds.

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

In managing the Funds, our primary strategy is to make equity investments with control positions in a portfolio of businesses that we believe are established, well managed and consistently profitable, located principally in North America. We may also make debt investments in certain circumstances. Our investment approach is to acquire companies in partnership with company management at reasonable valuations and to support these investments with a hands-on, value-added operational strategy. We execute our investment approach by striving to: maintain well-developed investment origination capabilities, focus on the middle-market, maintain investment discipline/manage risk, create value through operational expertise and optimize value at exit. As noted above, our Funds generally follow a cycle of 1) capital sourcing, 2) investment, and 3) disposition of portfolio holdings.

We may make investments for the Funds using a number of techniques and strategies, including:

Traditional LBOs. These transactions often result in us partnering with company management teams seeking to become owners of a business. A leveraged buyout generally involves the acquisition of a controlling interest in a company's equity, with all or a portion of the purchase price being financed through borrowing. The debt may be issued at either the Fund-level or the portfolio company-level to buy out the existing capital structure of the target company.

Recapitalizations. We work closely with private company owners who want liquidity to buy out non-active partners or to de-leverage their company's balance sheet while continuing to own and manage the business. A Fund would provide the investment of private capital often needed to support such a transaction.

Strategic Buildup/Consolidation. We may identify industries that we believe are highly fragmented and profitable. Many of these industries are conducive to strategic buildups and consolidation. We work with company management teams to acquire platform companies upon which to build through strategic acquisitions of other companies or assets.

Public-to-Private. There are a large number of public companies with market capitalizations under \$2 billion. Due to lack of Wall Street sponsorship, potential liability and ongoing administrative costs, many of these companies have no reason to remain in the public market, and a Fund may provide the capital necessary to take them private.

Growth Capital. Private companies may turn to private equity capital to finance their growth. We seek to invest in these companies that we believe are historically profitable and well managed with attractive growth prospects.

Distressed/Restructuring. We selectively seek distressed/restructuring opportunities. In this regard, we evaluate and invest in opportunities where equity capital and/or new management would be a catalyst to revitalize companies which we believe have underperformed primarily due to balance sheet issues.

### *Risks of Investing:*

Investing in securities involves risk of loss that Funds investors should be prepared to bear. Some of the primary risks involved in the investment strategies we employ for the Funds include:

Limited Number of Investments. Under the strategies we employ for the Funds, each Fund may participate in a limited number of investments and, as a consequence, the aggregate return of each Fund may be substantially affected by the unfavorable performance of a single investment.

Leverage. We generally expect that each Fund's investments will include companies whose capital structures may have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although we will seek to use leverage in a prudent manner, the leveraged capital structure will increase the exposure of the Fund portfolio companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or industry in which it operates. Additionally, the securities acquired by a Fund will generally be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss.

Illiquid and Long-Term Investments. Fund portfolio companies may not generate current income. Therefore, the return of capital and the realization of gains, if any, from a Fund holding generally will occur upon the partial or complete realization or disposition of such holding. While a Fund portfolio holding may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of a Fund's portfolio holdings will not occur for a number of years after the Fund makes its investment. The Funds generally will not be able to sell portfolio company securities publicly unless the issuer has gone public and such sale is registered under applicable securities laws or unless an exemption from such registration requirements is available. In addition, in some cases, a Fund may be prohibited or limited by contract from selling certain portfolio company securities for a period of time, and as a result, may not be permitted to sell a portfolio holding at a time it might otherwise desire to do so.

Risks Associated with Non-U.S. Investments. We may invest assets of the Funds companies that are headquartered and have their principal operations outside the United States. These investments may involve special risks not typically associated with investments in securities of U.S. issuers, including:

- (a) economic and political factors, such as the risk of expropriation, restrictions on repatriation of profits, and political and social instability,
- (b) differences between U.S. and foreign securities markets, including the absence of uniform accounting, auditing, and financial reporting standards in foreign markets, the relatively greater price volatility and illiquidity of foreign securities markets,
- (c) currency exchange risks, including the cost of converting investment cash flows from one currency into another, and
- (d) tax-related issues, including the possibility of withholding taxes, confiscatory foreign taxes, and double taxation of income earned overseas.

**Funds may also be subject to material risks that are not described above. Additional risks are disclosed in the offering materials of each Fund. We encourage Fund investors to carefully review the full description of risk factors presented in their Fund's offering materials.**

### *Methods of Analysis*

Since our founding in 1982, we have built an extensive network of relationships with operating managers, investment bankers, board members, regional bankers, brokers and other external professionals. We use this network to identify potential investment opportunities for the Funds. We believe that successful investing depends not just on complex financial modeling, but also on an operational assessment of the business to be acquired. We



approach our due diligence process with the mindset of not only evaluating a potential opportunity on its financial investment merits, but also importantly seeking ways in which our operating experience may be able to transform the business's overall performance.

Primary responsibility for evaluating a potential target company is assigned to a team of three or more of our investment professionals. Once a potential investment has been identified, the transaction team examines the target company's operations, finances, management, industry and market sector, including financial and economic assessments. Key components of our due diligence process include:

- Analyzing the target company's industry and market position, current and forecasted demand for the company's products and services, management's past performance and capabilities to execute our prospective business plan;
- Developing in-depth industry knowledge and competitive positioning studies to evaluate both the target company's relative strength as well as potential future strategic acquisitions;
- Conducting detailed financial modeling, liability management analyses, and reference calls to lenders, vendors and end-market customers to better grasp the company's competitive advantages and disadvantages;
- Evaluating whether and how our operating capabilities, may be able to benefit the company either through outsourcing or other cost reductions; and
- Utilizing our extensive network of professionals, including consultants, accountants, lawyers, liability specialists, actuaries, private investigators and industry professionals, to provide an evaluation of the competitive dynamics of the targeted industry and specific investment opportunity.

*Other Related Procedures and Conflicts:*

Inside Information. We may from time to time come into the possession of material non-public regarding a company in the course of pursuing a transaction on behalf of a Fund. Under the federal securities laws, we may be prohibited from acting on that information under certain circumstances. Accordingly, a Fund may be prohibited from purchasing interests in the company, or may be required to continue to hold interests already held, for the period in which we remain in possession of material non-public information.

Valuation of Holdings. Under our valuation procedures, we generally value securities held by Funds in accordance with Accounting Standards Codification No. 820 ("ASC 820") (formerly known as Financial Accounting Standards Board (FASB) Statement No. 157). Portfolio investments are held at fair value as we have determined in good faith. In determining fair value we may use a combination of the discounted cash flow method, a publicly-traded comparable companies market analysis and a comparable/precedent transactions analysis, which we may adjust for relevant differences between the investment and its comparable companies and transactions. We derive valuations using various relevant operating metrics which may include, but not be limited to, applicable net earnings before interest, taxes, depreciation and amortization, free cash flow (EBITDA), book value and other financial statement items. Publicly-traded portfolio investments are valued at the closing market price on the exchange where the security is principally traded. We may amend or modify our valuation procedures at any time.

### Item 9 – Disciplinary Information

Form ADV Part 2 requires investment advisers such as TJC to disclose legal or disciplinary events involving the firm or our partners, officers, or principals that are material to your evaluation of our advisory business or the integrity of our management. We have no information to report that is applicable to this item.

## Item 10 – Other Financial Industry Activities and Affiliations

Affiliated General Partners. As disclosed elsewhere in this brochure, an affiliated entity that is owned and controlled by our principals serves as the general partner of each of the Funds.

Fees Payable to Affiliated Service Providers for Travel. The Funds and the Funds' portfolio companies pay fees to certain of our affiliates in connection with travel by us, by portfolio company personnel, or other travel arrangements relevant to the Funds' operation that involve the use of aircraft owned or leased by our affiliates. Our affiliates provide the use of these aircraft to the Funds and the Funds' portfolio companies on a "cost" basis (i.e., our affiliates do not expect to retain any profit in connection with providing this service—and historically have operated at a deficit—but rather pass along the direct costs of use of the aircraft, such as fuel, pilot fees, and related travel costs). We have procedures in place to help ensure that any travel expenses that are chargeable to us for our own activities are not charged to a Fund (directly or indirectly). Moreover, any of the foregoing expenses that are paid by a Fund or portfolio company are counted against the "preferred return" that Fund investors must receive before we will receive the performance-based fee described in Item 6 above.

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

*Code of Ethics and Personal Trading.* We strive to adhere to certain standards of conduct based on principles of professionalism, integrity, honesty and trust, and we have adopted a Code of Ethics (the "**Code**") to help us meet these standards. The Code incorporates the following principles, among others:

- Dealing fairly and acting in the best interests of clients;
- Taking steps to help ensure that personal securities transactions are conducted consistent with the Code and in such a manner to so as to avoid actual or potential conflicts of interest or any abuse of employees' position of trust and responsibility; and
- Complying with federal securities laws.

The Code places restrictions on personal trades by certain of our personnel. These personnel are required to pre-clear all personal securities transactions involving limited offerings, and are prohibited from engaging in personal transactions in initial public offerings, in securities of companies held by the Funds and in certain related securities. Fund investors and prospective investors may receive a copy of the Code upon request by contacting us at the address or telephone number listed on the first page of this document.

*Interest in Client Transactions.* As noted in Item 10 and elsewhere, one of our affiliated entities serves as the general partner of each Fund. In addition, many of our principals and employees invest in the Funds alongside other investors—indeed, many investors might choose not to invest in our Funds if we did not put our own capital at risk. These investments in our Funds involve only a small portion of total Fund capital, but may, during the initial raising of a Fund, constitute a significant portion of committed capital before other investors are admitted. Our personnel are prohibited from divesting their interest in a Fund prior to the Fund's liquidation, which we believe aligns our interests with those of our investors.

*Gifts and Entertainment.* In order to provide the quality of services that the Funds and investors expect, it is necessary for us to establish, maintain and enhance relationships with Fund investors and prospective Fund investors, as well as various professionals in the investment industry and the industries of the various portfolio companies held by the Funds, such as attorneys, consultants, investment brokers, investment bankers, and other service providers and professionals (collectively, "**Relationships**"). Establishing meaningful and long-term relationships in these and other areas can be important factors in our ability to source investment opportunities for the Funds, as well as efficiently financing, managing and disposing of Fund assets. We and many Relationships value important and long-standing relationships, and as such, we and our employees may invite, or be invited by, Relationships to participate in activities that could be considered lavish entertainment, such as sporting events, concerts, golf and other outdoor outings and other recreational activities (collectively, "**Events**").

The primary benefits that we and the Funds receive from our sponsorship and participation in these Events is to establish and further strengthen our relationships within Relationships. We believe that working to have such

relationships is important to help ensure that we are provided with the opportunity to capitalize upon active sources of dealflow and investment opportunities, as well as to receive critical and reliable services and information. While we believe employee sponsorship and participation in these Events is beneficial to the Funds for the reasons described above, our subsequent selection and retention of such Relationships as service providers could be viewed as a form of reimbursement for attending such Events. We recognize and acknowledge our fiduciary duty to the Funds, and as such, no such Events or activities that we sponsor or participate in are permitted to influence our due diligence process in the acquiring, financing, managing, and disposing of investments or fulfilling our fiduciary duty to the Funds. To address this potential conflict, our **Code** policies and procedures require all of our personnel to report their planned sponsorship of and participation in Events, and all other gifts and entertainment, given or received, involving Relationships, to our Chief Compliance Officer or his designee (“**CCO**”) for review. The CCO is also required to approve any Events or other gifts in excess of certain thresholds. The CCO may determine to prohibit the sponsorship or participation in any particular Event, or the giving or receipt of any gift, if he believes the Event or gift raises concerns related to the frequency, lavishness or benefit of the Event or the gift. We also have policies and procedures in place to help us monitor, and limit, the political contributions that our principals and employees make to public officials and candidates for elected office in accordance with the requirements of Rule 206(4)-5 under the Investment Advisers Act of 1940.

## Item 12 – Brokerage Practices

The investment strategies we employ for Funds do not generally involve securities transactions that require the use of a broker-dealer—most transactions are instead privately negotiated between us and the target company. However, when disposing of Fund holdings—whether through an initial public offering of the portfolio company, a private resale, or through other means—we may make use of broker-dealers as part of the sale (or in the case of an initial public offering, we may influence the portfolio company’s selection of underwriters). We aim to execute these transactions in a manner that the Fund’s total cost or proceeds in each transaction is the most favorable under the circumstances. We do not consider research provided by broker-dealers in selecting broker-dealers for such transactions, and we do not have any soft dollar arrangements with broker-dealers.

Nonetheless, Fund investors should expect that Fund transactions will generate certain costs related to all Fund transactions, even where we do not use a broker-dealer (e.g., costs incurred related to legal expenses, investment bankers, environmental experts, and other service providers), all of which are borne by the Funds, and not by us.

### *Trade Aggregation*

Because we typically only trade on behalf of a single Fund at any given time, we generally do not have the opportunity to aggregate the purchase or sale of securities for multiple clients. However, to the extent that we enter into a transaction on behalf of a Fund and any Parallel Funds (and one or more AIVs), the transaction is “aggregated” in that each entity participates in the transaction *pro rata* with its interest. Moreover, in the event that two Funds are in their “investment” phase at the same time, as explained in Item 6 above, the Funds will invest alongside each other, *pro rata* (taking appropriate account of capital allocated, set aside, or reserved for other purposes).

### *Transactions with Fund Investors*

We and our affiliates sometimes enter into transactions with certain Fund investors (including allowing them to be Co-Investors, as described in Item 6, above). The terms of these transactions are negotiated on an arm’s-length basis. However, we and our affiliates are subject to a conflict of interest when determining such terms because we may benefit from retaining the investor or providing them an incentive to invest in future Funds.

## Item 13 – Review of Accounts

We closely monitor each Fund’s portfolio companies’ progress through regular performance reports, frequent management briefings, board of directors meetings and reviews of monthly and quarterly financial statements. Additionally, portfolio company performance is discussed and reviewed informally at weekly meetings and among our investment professionals on a regular basis. The performance and valuation of each portfolio company is

formally reviewed on a regular basis with the respective deal team, which provides our broader investment team with an opportunity to measure the progress of an individual company against our forecasted performance and business plan.

We provide Fund investors with:

- unaudited quarterly financial statements prepared in accordance with GAAP with (i) descriptive investment information for each Fund investment and (ii) narrative summary financial information for each Fund investment;
- audited annual financial statements prepared in accordance with GAAP with (i) valuations of each Fund investment as of year end, (ii) an overview of the Fund's investment activities for such fiscal year, including narrative descriptive investment information of each Fund investment and summary financial information for each Fund investment, including revenues, EBITDA and net debt and (iii) a report on the advisory fees, topping and break-up fees and transaction fees received during such fiscal year and all offsets to the management fee;
- within 90 days after the end of each fiscal year (subject to reasonable delays in the event of late receipt of any necessary financial statements or other information necessary to prepare tax returns), the Fund's tax return and its respective investor's forms K-1; and
- at an investor's reasonable request, reasonable monthly or quarterly information as to Fund income and expenses and quarterly information as to Fund balance sheet items.

#### Item 14 – Client Referrals and Other Compensation

As described in Item 5 above, the transaction fees we receive are not paid directly by the Funds, but by the portfolio companies they hold. These fees are paid pursuant to separate agreements we enter into with some portfolio companies to provide certain consulting services to the companies that we believe will ultimately enhance the value of the companies and benefit the Funds.

#### Item 15 – Custody

We are deemed to have custody of the Funds' assets because the Registrant is affiliated with each Fund's general partner. As permitted by Advisers Act Rule 206(4)-2, we generally provide Fund investors with the Fund's annual audited financial statements prepared by an independent public accountant.

#### Item 16 – Investment Discretion

We generally receive and exercise discretionary authority to manage investments on behalf of the Funds. We typically assume this authority through a contract provision granted or entered into by, or through the constituent documents of, a Fund (or its general partner).

#### Item 17 – Voting Client Securities

Although the investment style we employ for the Funds does not generally give rise to any situations that would involve voting proxies, we have adopted proxy voting policies and procedures. We will consider such votes on a case-by-case basis. If in the future a Fund holds securities of a company of which we (or our personnel) do not control the management, we will adopt procedures to address how we will vote the proxies of that company. Our principals may also sit on the boards of portfolio companies to which we provide non-advisory services and, as such, may exercise voting authority with respect to various issues faced by the portfolio companies. To the extent that we face any real or perceived conflicts of interest in voting on these matters, we may bring the issue to the attention of the relevant Fund's LPAC for its review. Clients may request a copy of our proxy policies and the proxy voting

record relating to their account by contacting us at the address or telephone number listed on the first page of this document.

### Item 18 – Financial Information

Form ADV Part 2 requires investment advisers such as TJC to disclose any financial condition reasonably likely to impair our ability to meet contractual commitments to clients. We have no information to report that is applicable to this item.