

FORMATION CAPITAL, LLC

3820 Mansell Road, Suite 280
Alpharetta, Georgia 30022
Telephone: 770.754.9660
www.formationcapital.com

Firm Brochure (Part 2A of Form ADV)

March 31, 2015

This brochure provides information about the qualifications and business practices of Formation Capital, LLC (“FC”, or the “Registrant”). If you have any questions about the contents of this brochure, please contact us at 770-754-9660. 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.

The Registrant is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

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

BROCHURE DISCLOSURE

In no event should this disclosure brochure be considered to be an offer of interests in any of FC’s private fund clients or relied on in determining whether to invest in any private fund client. It is also not an offer of, or agreement to provide, advisory services directly to any recipient of this disclosure brochure. Rather, this brochure is designed solely to provide information about FC for the purpose of compliance with certain obligations under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided to potential investors in the Offering Documents, as such term is defined below. To the extent that there is any conflict between any discussion in this disclosure brochure and the Offering Documents provided to investors, the Offering Documents provided to such investors should govern.

Item 2 Material Changes

The following material changes were made to this Brochure since the date of our interim amendment filing dated March 3, 2015:

- We have updated the amount of assets under management, as set forth under Item 4.
- Item 10 has been revised to include disclosure regarding a new affiliated entity.

This section of the brochure addresses only those material changes that have been incorporated since our last delivery or posting of this document on the SEC's public disclosure website (IAPD) www.adviserinfo.sec.gov. Other amendments were made to this brochure, which are not discussed in our summary, and consequently, we encourage you to read the brochure in its entirety.

Item 3 Table of Contents

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

Item 4 Advisory Business

Formation Capital, LLC (“FC”) was organized in 1999 in the State of Pennsylvania as a limited liability company, and in 2007 FC was re-domesticated in the state of Georgia. FC is 50% owned by HCCF Management Group, Inc. and 50% owned by ZAC Management Group, Inc. HCCF Management Group, Inc. is 100% owned by Arnold Whitman, and ZAC Management Group, Inc. is 80% owned by Steven Fishman and 20% owned by Allan Morrison.

Our Services

FC, through various entities owned and controlled by FC (the “Affiliates”), provides investment advisory services to investment vehicles (the “Funds”).

FC predominately focuses on the following industries: senior housing, senior care and senior care ancillary services, post acute and health care real estate. The assets of companies in these industries are typically concentrated in operational companies and/or real estate with services provided in or to a healthcare facility. FC seeks to identify risk arbitrage opportunities in an investment structure to capitalize on market inefficiencies.

Through its Affiliates, FC offers the Funds portfolio oversight services. Primary asset management functions of FC’s Affiliates include, but are not limited to, financial reporting, loan compliance, capital expenditure management, site inspection, operator meetings, legislative review, and investment reporting.

Investment Authority

Subject to any contractual limitations, FC (whether directly or through its Affiliates) has complete discretion and authority to manage client accounts. FC is authorized to implement each Fund’s investment objectives and strategies in accordance with the terms of their governing documents, subscription agreement, investor memorandum and/or other offering documents (the “Offering Documents”), as may be amended from time to time. However, each Fund is structured so that neither the investment adviser, asset manager, or general partner of such Fund can effectuate major decisions on behalf of the relevant Fund without obtaining written consent from a majority of the members and/or board of managers or investment committee.

FC may offer investment advisory services to other private investment vehicles or other funds in the future.

Capitalized terms contained in the paragraphs below that are not otherwise defined therein shall have the meanings ascribed to these terms in the relevant Fund’s Offering Document.

Assets Under Management

As of March 1, 2015, FC manages total Fund assets of approximately \$ 5,794,600,000, all of which are managed on a discretionary basis.

Item 5 Fees and Compensation

Management Fees and Fee Billing

The Funds compensate FC, through their respective asset manager, for services rendered through the payment of management fees that are formulated in several different ways and each formulation is documented in more detail in the Funds Offering Documents:

- A. Basis point methodology: Fees are generally calculated as 65 basis points (or another negotiated amount) of total invested capital. A portion of such fees may be paid to another party.
- B. Fixed fee methodology: Fees are generally calculated on a per building basis;
- C. Future fixed fee negotiated amount: Fees are negotiated in annual amount and are often subject to a return or cash pay yield threshold or some other restriction.

Certain Funds have restrictions imposed on payments to the asset manager where a portion of the fee is withheld from payment subject to the Fund's ability to meet a certain cash on cash yield, or a portion of the fee is withheld until a capital event occurs.

FC may, in its sole discretion, waive or reduce the management fees with respect to any of the Funds.

Apart from the management fees described above, each of the Funds are also subject to certain performance-based incentive fees and/or certain carried interest distributions more fully described in Item 6 below and in each Fund's Offering Documents.

Additional Fees

The Fees payable above are exclusive of, and are in addition to, certain third party fees, including, but not limited to, transaction fees, audit fees, legal fees, exit fees and other related costs and expenses which may be incurred by the Funds, as more fully described in the relevant Fund's Offering Documents.

Valuation and Pricing

Unless provided for otherwise in the agreement with clients, standard pricing services and/or methodologies are generally used to determine the market value of a client's account. In this regard, FC will generally use and rely on external vendors for information such as pricing, ratings, type of security and other relevant factors. While these third party vendors are generally deemed by FC to be reliable, from time to time the information they provide may be inaccurate or stale. This may impact the pricing or categorization of an account's holdings. In addition, FC may invest in securities or instruments on behalf of its clients that have no trading market or are otherwise difficult to value, in which case it will determine a price for such portfolio holding using various pricing methodologies. In these situations, FC

will elicit input from a number of external and/or internal sources and determine what it believes, in good faith, to be a representative or reasonably fair price for the holding.

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

Performance Based Fees

The Funds are subject to performance-based incentive fees and/or certain carried interest distributions. Such fees are determined prior to acquisition of the Fund's investment and are agreed to by the investors in the Fund. As set forth under Item 5 above, the fees payable to FC are formulated in several different ways and each formulation is documented in the Funds Offering Documents:

- A. Basis point methodology: Fees are calculated as 65 basis points (or another negotiated amount) of total invested capital. Fees may be split with another party.
- B. Fixed fee methodology: Fees are calculated on a per building basis;
- C. Future fixed fee negotiated amount: Fees are negotiated to an annual amount and are often subject to a return or cash pay yield threshold or some other restriction.

Additionally, any of the above options could have additional restrictions for payment of the fee such as, but not limited to, a holdback of 50% of the fee until the occurrence of a capital event for the Fund.

Please refer to the relevant Fund's Offering Documents for a more detailed discussion relating to the performance-based incentive fees and/or certain carried interest distributions payable to FC and/or its Affiliates, as well as for a discussion on any restrictions relating to the payment thereof.

Allocation of Investment Opportunities

When allocating limited investment opportunities among the Funds, FC strives to allocate such limited opportunities in a manner that does not favor one Fund at the expense of another Fund or Funds. In determining the allocation of limited investment opportunities, the appropriateness of such opportunity to each Fund is the primary consideration. However, a number of other factors may also be considered relevant when making allocation decisions.

Where a limited investment opportunity is equally suitable and may be reasonably allocated to more than one Fund, the opportunity is typically allocated on a pro rata basis, unless certain limitations, such as, but not limited to, capital requirements or rebalancing considerations applicable to a participating client, prevent such pro-rata allocation. Where a limited investment opportunity is equally suitable and may only be allocated to a single Fund, the opportunity is typically allocated as determined by, and under the direction of the Executive Team.

Item 7 Types of Clients

FC, whether directly or through its Affiliates, provides investment advisory and asset management services to the Funds. The Funds consist of real estate investment funds, operating companies, and mezzanine lending opportunities generally within the senior housing industry.

FC does not impose any minimum requirements on its Funds. The Funds, however, generally impose minimum investment and suitability requirements on its investors, unless such requirements are waived by the Executive Team, in its sole discretion.

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

As the investment advisor and affiliated asset manager to each Fund, FC has authority over and responsibility for the investment program of each Fund. An investment in a Fund involves a significant amount of risk and is suitable only for sophisticated investors of substantial means who have no immediate need for liquidity in the amount invested, and who understand and can afford a risk of loss of all, or a substantial portion of such investment. There can be no assurance that any returns will be realized, or that any investor in a Fund will receive a return of its capital. In addition, investors should be aware that there will be occasions when the Managing Member and its affiliates (including the Manager) may encounter potential conflicts of interest in connection with the Funds.

The following is a brief summary only of the investment objective, strategy and related information of or for each Fund. The relevant Fund's Offering Documents contains a more detailed description of such Fund's investment objectives and the risks associated with an investment in such Fund:

FC targets a diverse spectrum of senior housing and related ancillary businesses, with a primary focus on real estate based acquisitions with healthcare operating companies in the seniors housing and care and post-acute sectors. FC also provides mezzanine lending to the same industry.

FC's unique approach to transaction structuring often involves separating the real estate from the underlying operations of the senior housing assets while maintaining the operating relationship through a triple-net lease that is structured to align interests and capture future value enhancement. This innovative approach enables FC to identify risk arbitrage in an investment structure and to allocate funds to capitalize on market inefficiencies. Other approaches may involve debt restructuring or leverage buyouts of the assets.

The investment strategy includes an in-depth process involving six key elements:

- ♦ Top-down strategy analysis and review;
- ♦ Sourcing and selection of underlying portfolio assets;
- ♦ Due diligence of underlying assets and potential operating tenants;

- ♦ Implementation of investment and transaction structure;
- ♦ Continuous monitoring of asset financial performance, clinical monitoring, and risk management; and
- ♦ Exit Strategies and Dispositions

FC tailors a value-add business plan for each investment, which may include investing in capital expenditures and facility modernization, building a platform through add-on acquisitions, implementing best practices from portfolio companies and funding growth capital to drive organic and external growth.

Material Risks

Listed below is a summary of some of the material risks involved in connection with our methods of analysis and investment strategies. The discussion of material risks provided below is not meant to be a complete description of risks that may be applicable to the Registrant or to an investment in the Funds. The risks discussed below may be applicable to some, but not necessarily to all of the Funds. All investment activities involve a high degree of risk, including the possible risk of loss of an investor's entire investment and any returns thereon. For a more detailed discussion of the material risks involving an investment in each of the Funds, please refer to the relevant Fund's private placement memorandum. The information contained herein is a summary only and is qualified in its entirety by the relevant fund's governing documents.

General Investment Risks.

A potential investor in any Fund should note that the prices of the securities and other instruments in which such Fund invests might be volatile. Market movements are difficult to predict and are influenced by, among other matters, government trade, fiscal, monetary and exchange rate and control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly.

In addition, a Fund's success may depend on the Registrant's ability to implement the Fund's investment strategy. Any factor that would make it more difficult to execute this strategy, such as a significant lessening of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by any Fund will be successful under all or any market conditions. In addition, investments that the Registrant believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the market at prices and/or within the time frame that

the Registrant anticipates. As a result, the Fund may lose all or substantially all of its investment in any particular instance.

Potential Impact of a Limited Number of Investments.

Some or all of the Funds may invest in a limited number of assets. Accordingly, any such Fund could become concentrated in relatively fewer assets at any given time. As a result of the foregoing, the aggregate return of the Fund could be derived from a relatively undiversified, limited number of securities and other instruments. If a large portion of the assets of a Fund is held in cash or cash-like instruments, performance might also be affected.

Investments in Companies with Smaller Capitalizations or Limited Coverage.

Some or all of the Funds may invest in the securities of companies with smaller capitalizations or that are the subject of little or no analysis or coverage by Wall Street or similar U.S. or, in the future, non-U.S. firms. Investments in such companies may involve greater risk than is customarily associated with investments in the securities of companies with larger capitalizations or with greater Wall Street or similar coverage. For example, smaller companies often have limited markets and/or financial resources, may be dependent for management on one or a few key persons, may lack substantial capital reserves, may not have established performance records and may be more susceptible to losses.

Debt and Other Income Securities

Some or all of the Funds may invest in senior loans and/or mezzanine loans in the senior housing industry. Senior loans are generally secured by guarantees or other assets. However, like other corporate debt obligations, senior loans are subject to the risk of non-payment of scheduled interest and/or principal. Non-payment would result in a reduction of income to the relevant Fund. On the other hand, mezzanine loans are generally unsecured and junior to other indebtedness of the issuer. As a consequence, as a holder of a mezzanine loan, the Funds may lack adequate protection in the event the issuer becomes insolvent and the Funds will likely experience a lower recovery than more senior debt-holders in the event the issuer defaults on its indebtedness. In addition, mezzanine loans are often highly illiquid and in adverse market conditions may experience steep declines in valuation even if they are fully performing.

Borrowing

Borrowing for investment purposes generally provides exposure to changes in price at a ratio greater than 1:1 in reference to the amount invested. Some or all of the Funds may incur leverage by borrowing securities, entering into derivatives contracts, and deploying other leveraging strategies. Such Funds may borrow for other investment purposes as well as for liquidity purposes and such funds may not be

limited in the amount of its borrowings (except for limits, if any, imposed by applicable law). Such borrowing increases the risk of loss and volatility. Borrowings may be secured or unsecured, but in most instances are expected to be secured by the Fund's assets. Further, changes to debt structure or additional acquisitions of assets may result in the Fund being required to pledge additional collateral or liquidate the Fund's holdings, which in turn, could require the Fund to sell investments at substantial losses that would not otherwise occur. In addition, regardless of the price movements of the Fund's investments, it will incur expenses whenever it borrows (such as fees, commissions, interest and taxes), which will reduce the return to the Fund's investors.

Real Estate Ownership in General

A Fund's investments will be subject to the risks generally incident to the ownership of real estate and facilities, including uncertainty of cash flow to meet fixed and other obligations; adverse changes in local market conditions, population trends, neighborhood values, community conditions, general economic conditions, local employment conditions, interest rates, and real estate tax rates; changes in fiscal policies; changes in applicable laws and regulations (including tax laws); uninsured losses and other risks that are beyond the control of FC. There can be no assurance of profitable operations because the cost of owning the properties may exceed the income produced, particularly since certain expenses related to real estate and its development and ownership, such as property taxes, utility costs, maintenance costs and insurance, tend to increase over time and are largely beyond the control of the owner. Real estate investments are relatively illiquid and therefore tend to limit the ability of a Fund to vary its portfolio promptly in response to changes in economic or other conditions. Moreover, although insurance is expected to be obtained to cover most casualty losses and general liability arising from the properties, no insurance will be available to cover certain uninsurable casualties as well as cash deficits from ongoing operations.

Competition for Investment Opportunities

Some or all of the Funds may be competing for investment opportunities with entities that have greater financial and other resources than such Fund. Those entities may be able to accept more risk than the Fund can prudently manage. Competition generally may reduce the number of suitable investment opportunities available to the Fund and increase the bargaining power of property owners seeking to sell. No assurances can be given that such competition will not adversely affect the Fund's ability to make investments and generate revenues.

Investments in Development and Construction of Projects

Some of the Funds may invest in development and construction projects. Risks associated with development and construction activities may include: (i) abandonment of development opportunities; (ii) construction costs of a property exceeding original estimates, possibly making the property uneconomical; (iii) occupancy rates and rents at a newly completed property may not be sufficient to

make the property profitable; (iv) financing may not be available on favorable terms for development of a property; and (v) construction and lease-up may not be completed on schedule, resulting in increased debt service expense and construction costs. In addition, new development activities, regardless of whether they would ultimately be successful, typically require a substantial portion of management's time and attention. Development activities would also be subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations. These factors could adversely impact a Fund's performance.

Investments in Senior Housing and Healthcare Companies and Facilities

Some Funds may invest in entities whose primary business is to acquire, own, operate, sell, finance, or otherwise deal with congregate care and/or assisted living facilities. Investment in senior housing and healthcare companies and facilities involves certain special risks. Senior housing and healthcare companies and facilities may be subject to various laws and regulations, which can affect substantially and adversely the business and prospects of such Fund. Senior housing and healthcare companies and facilities are vulnerable to the risks that the population levels, economic conditions or employment conditions may decline in the surrounding geographic area. Any of these developments likely would have an adverse impact on the size or affluence of the tenant population in the area and a negative impact on the occupancy rates, rent levels and property values of senior housing and healthcare companies and facilities in the area. Senior housing experiences tenant turnover due to factors such as health reasons and new competition. In addition to needing to replace vacating tenants, tenant turnover at senior housing causes the property owner to incur significant fix-up costs in order to prepare units for new tenants.

Environmental Matters

Under various foreign, federal, state and local environmental laws and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or wastes, petroleum products or other pollutants or regulated materials, or threatened releases of such materials, at such property, and may be held liable to a government entity or to third parties for property damage and personal injury, and for investigation, cleanup and monitoring costs incurred by such parties in connection with the contamination. Such laws typically impose cleanup responsibility and liability without regard to fault, or whether or not the owner or operator knew of or caused the presence of the contamination. The liability under such laws may be joint and several for the full amount of the costs incurred or to be incurred or actions to be undertaken. These costs may be substantial and can exceed the value of the property. In connection with its investments in entities owning and/or operating the properties, a Fund may indirectly be liable for such costs. The presence of contamination, or the failure to properly remediate contamination on such property may materially and adversely affect the owner or operator's ability to sell or rent such property or to borrow using such property as collateral.

If appropriate, a Fund will obtain such environmental assessments as may be prudent in order to attempt to identify potential environmental concerns at such properties. Except as otherwise may be appropriate, these assessments generally will be carried out in accordance with accepted industry practices and may include a physical site inspection, a review of relevant foreign, federal and state environmental and health agency database records, one or more interviews with appropriate site-related personnel, and review of other appropriate documentation. The Registrant also may conduct limited subsurface investigations and it also may test for radon, asbestos and/or lead-based paint where the results of the first phase of the environmental assessment or other information indicates possible contamination or where such procedures are recommended by the Registrant's consultants.

Item 9 Disciplinary Information

There are no legal or disciplinary events affecting FC or any of its management persons.

Item 10 Other Financial Industry Activities and Affiliations

FC is the sole member of the following entities:

- a. Formation Capital Asset Management, LLC, a Delaware limited liability company that provides asset management services;
- b. Formation Capital Asset Management III, LLC, a Delaware limited liability company that provides asset management services;
- c. Formation Healthcare Group, LLC, a Delaware limited liability company ("FHG") that provides clinical consulting services;
- d. FC Profit Sharing LLC; a Delaware limited liability company that provides profit sharing opportunities;
- e. FC Profit Sharing II LLC; a Delaware limited liability company that provides profit sharing opportunities;
- f. FC Profit Sharing III LLC; a Delaware limited liability company that provides profit sharing opportunities;
- g. Formation Capital Asset Management IV, LLC, a Delaware limited liability company that provides asset management services; and
- h. Formation Lending Group, LLC, a Delaware limited liability company that provides financing and loan origination services.

In addition, other FC Affiliates may serve as general partners to the various Funds.

FC seeks to act in the best interest of its clients. However, its relationships with the entities listed above may create a perceived conflict of interest in that FC engages in business activities with some or all of these affiliated entities. In order to address such perceived conflict, FC has established policies and procedures intended to ensure that FC always acts in the best interests of its clients.

In addition, FC has a fourteen percent (14%) non-controlling and indirect interest in Formation Development Group, LLC (“FDG”). FDG is an entity that provides building project management services for new construction of senior housing facilities, including those that are either acquired by portfolio companies of a Fund or invested in directly by the Funds. FDG is compensated for its services by these senior housing facilities. While FDG is not an affiliate of FC, Mr. Fishman and Mr. Whitman do serve on the management committee for FDG. Such arrangement may be deemed to create a potential conflict of interest in that the fees earned by FDG indirectly benefit the owners of FC since they receive a percentage of the fees earned by FDG, in proportion to their ownership interest. In order to address the potential conflicts described above, FDG requires that before an agreement is entered into between it and the senior housing facilities, proper documentation and support is created and maintained relative to the advisability and propriety of such arrangement. In addition, the terms of the agreement between FDG and the senior housing facilities are negotiated on an arms-length basis, in some cases, with the approval of a majority of the Fund investors. Further, the Fund’s Offering Documents generally permit the creation of an advisory committee that is tasked with addressing all corporate governance matters brought about by a proposed transaction that could be deemed to create a potential conflict of interest.

Except as set forth in this Form ADV, neither FC nor any of its management persons have affiliations with broker-dealers, municipal securities dealers, government securities dealers, investment companies or other pooled investment vehicles, other investment advisers or financial planners, futures commission merchants, registered commodity pool operators, registered commodity trading advisors, banking or thrift institutions, accountants or accounting firms, lawyers, law firms, insurance agencies or companies, pension consultants, real estate brokers or dealers.

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

Code of Ethics

FC has adopted a Code of Ethics (the “Code”) that forms part of our compliance policies and procedures and which sets forth the basic policies of ethical conduct for all managers, members, partners, officers, directors and employees of FC and their fiduciary duty to its funds. We have established policies relating to the confidentiality of investor and fund information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All Access Persons (as defined in the Code) at FC must acknowledge the terms of the Code annually, or upon any amendments.

FC anticipates that, in appropriate circumstances, it may cause a Fund over which it has management authority to effect the purchase or sale of securities in which it, its affiliates and/or Funds, directly or

indirectly, have a financial interest. This arrangement may result in a perceived conflict of interest in that FC and/or its affiliates may be deemed to have an incentive to recommend the purchase or sale of securities in which it or one of its Funds has a potential interest. In order to mitigate such potential conflict of interest, a determination is made by FC prior to such transaction that such transaction is consistent with the relevant Fund's investment objectives. In addition, FC's employees are mandated to adhere to the highest standards with respect to any potential conflicts of interest with the Funds and must always act in the Fund's best interests. Neither FC nor any employee should ever benefit at the expense of a Fund.

Officers, select employees, and the principals also invest in the Funds at a limited level. Potential conflicts of interest involved in advising the Funds are addressed by the provisions in the Funds' operating agreements which require that decisions to sell or change the nature of Funds are required to be made only after obtaining written consent of a majority of the members, board of managers, or investment committee.

In addition, the Code governs personal trading by each employee of FC deemed to be an Access Person and is intended to ensure securities transactions effected by Access Persons of FC are conducted in a manner that avoids any actual or potential conflict of interest between such persons and the Funds or affiliates of FC. FC collects, reviews and maintains records of securities holdings and securities transactions effected by each Access Person. These records are reviewed to identify and resolve any conflicts of interest.

The Code is designed to assure that the personal securities transactions, activities and interests of the employees of FC will not interfere with (i) making decisions in the best interest of the Funds, and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated to be exempt from the reporting requirements under the Code, based upon a determination that these would not materially interfere with the best interest of FC's funds. In addition, the Code requires pre-clearance of transactions involving IPO's or private placements.

Participation or Interest in Client Transactions

FC and/or its related persons may, at times, may give advice and take action with respect to its or their personal investments which may involve the same or similar investments, or alternatively may differ from the advice, timing or nature of action taken with respect to other clients. In addition, employees are permitted to invest in the same securities as the Fund. As such, there is a possibility that employees might benefit from market activity by a Fund in a security also held by an employee. In order to mitigate such, employee trading is periodically monitored under the Code to reasonably prevent and detect any conflicts of interest between FC and its funds brought about by such arrangement. In addition, FC's personnel are required, pursuant to our Code, to conduct their personal trading activities in a

manner consistent with their fiduciary obligations to the Funds: trades should avoid actual improprieties, as well as the appearance of impropriety. Personal trading activities should not involve trading activity so excessive as to conflict with their ability to fulfill daily job responsibilities or to otherwise violate anti manipulative or insider trading regulations.

FC's fund investors or prospective fund investors may request a copy of the firm's Code by contacting Christina Firth, the Chief Compliance Officer, at 770-754-5586 or by sending a request by electronic mail to compliance@formationcapital.com.

Item 12 – Brokerage Practices

The investments made by our Funds generally do not require the use of a broker-dealer. However, there may, in the future, be an instance when an investment by a Fund or disposition of assets held by a Fund, may require that we select a broker-dealer to execute the transaction. In such event, we will use a broker-dealer whom we have determined will provide the best execution for the transaction. Best execution generally means the broker-dealer's ability to obtain best qualitative and quantitative execution reasonably available under the circumstances.

Item 13 Review of Accounts

FC closely monitors the investments of each Fund and investors generally receive written quarterly reporting on the Funds' performance that are prepared by FC's asset managers, and/or financial statements of the Fund's underlying assets. In addition, audits are prepared after the end of each fiscal year of certain funds. Reasonable best efforts are exercised to make available to investors audited financial statements within 120 days after the Fund's fiscal year end, but no later than 180 days after the Fund's fiscal year end if extensions are required. Additionally, any such information as may be reasonably necessary for the preparation of the investor's tax returns is made available to the investor.

Item 14 Fund Referrals and Other Compensation

While FC does not have any referral arrangements for compensation at the present time, FC may, in the future, appoint one or more placement agents to solicit prospective investors for interests in the Funds. The terms of such arrangement will be determined at such time as the agreement with the placement agent is entered into.

Item 15 Custody

FC is deemed to have custody of the Funds' assets. As a result, FC will maintain any marketable securities, cash or cash equivalents at a qualified custodian in a separate account for the Fund(s) under the Fund's name. Account statements from the qualified custodian are maintained at FC and are available for inspection by an investor in the Fund, upon request. In addition, the Fund(s) is subject to an annual financial audit by a PCAOB registered independent accounting firm in accordance with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended. The audited financial statements are

prepared in accordance with US Generally Accepted Accounting Principles (“US GAAP”) and we aim to distribute such audited finance statements to investors no later than 120 days after the end of each fiscal year, but in any event, no later than 180 days thereafter. Clients are encouraged to review the financial statements against any reports received from FC.

Item 16 Investment Discretion

FC may recommend the type and amount of securities to be bought or sold by the Funds, within the parameters established under the Fund’s Offering Documents. Each Fund’s Offering Documents has defined terms outlining major or significant decisions for each Fund (including, but not limited to, procedures to be following regarding whether to implement the recommendations made by FC) that require majority consent or unanimous consent of the Fund’s board of managers, investment committee, and/or members. Examples of such major or significant decisions include the Fund incurring debt, acquiring additional assets, issuing, selling, redeeming or purchasing equity interests, disposing of the Fund’s assets, dissolving or liquidating the Fund, instituting Bankruptcy proceedings on behalf of the Fund, changing the nature of the business of the Fund, creating or permitting liens on the Fund’s assets or interest in the assets.

Item 17 Voting Client Securities

While not generally applicable given the types of the Fund’s investments, we may exercise voting rights on behalf of the Funds with respect to matters that call for the vote or consent of the investors in the Funds or a portfolio company of a Fund. In such instance, it is our policy to vote all proxies in a manner that best serves the objectives of the Fund. Investors may obtain a copy of these proxy voting policies as well as information on how FC has voted past proxies by calling 770.754.5586 or emailing compliance@formationcapital.com.

Item 18 Financial Information

The Registrant has no financial commitment that is reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.